

**INARI AMERTRON BERHAD**  
(Registration No: 201001016131 (1000809-U))

**MINUTES OF THE 12TH ANNUAL GENERAL MEETING CONDUCTED ON A FULLY VIRTUAL BASIS THROUGH LIVE STREAMING AND ONLINE REMOTE VOTING VIA TIIH ONLINE WEBSITE AT [HTTPS://TIIH.ONLINE](https://tiih.online) OR [HTTPS://TIIH.COM.MY](https://tiih.com.my) (DOMAIN REGISTRATION NUMBER WITH MYNIC : D1A282781) ON WEDNESDAY, 23 NOVEMBER 2022 AT 11.00 A.M.**

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Present at broadcast venue

**Chairperson** : Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah Binti Almarhum Sultan Haji Ahmad Shah, DK(II), SIMP

**Directors** : Dato' Dr Tan Seng Chuan  
Dato' Wong Gian Kui  
Datuk Phang Ah Tong

**In Attendance** : Ms Chow Yuet Kuen - Company Secretary  
Ms Lau Fong Siew - Company Secretary

**By Invitation** : Ms Chong Poh Leng - Group Chief Financial Officer

Participated remotely via TIIH online website

**Directors** : Mr Lau Kean Cheong  
Mr Ho Phon Guan  
Mr Mai Mang Lee  
Dato' Sri Thong Kok Khee  
Mr Foo Kok Siew  
Encik Ahmad Ridzuan Bin Wan Idrus

**By Invitation** : Ms Lim Soo Sim - Grant Thornton Malaysia PLT

**Members/proxies** : As per attendance list provided by the poll administrator

**1. PRELIMINARY**

The Chairperson took the chair and welcomed everyone to the Company's 12th Annual General Meeting ("AGM") and introduced the Board members, Group CFO and external auditors who were present at the broadcast venue and also remotely via TIIH online website.

**2. QUORUM**

Upon confirmation by the Company Secretary that the requisite quorum in accordance with the Company's Constitution was present, the Chairperson called the meeting to order at 11.00 am.

**3. NOTICE OF MEETING**

The notice convening the AGM, having been circulated to all shareholders for the statutory period, was taken as read.

**4. POLL VOTING**

The Chairperson highlighted that pursuant to Bursa Malaysia Listing Requirements, all the resolutions set out in the notice of AGM would be put to vote by poll using the remote participation and voting facilities via TIIH Online website. The Chairperson exercised her rights and demanded for a poll in accordance with the Company's Constitution.

The Chairperson further informed that the Company had appointed Tricor Investor and Issuing House Services Sdn Bhd as the poll administrator to facilitate the remote

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participation and voting and Asia Securities Sdn Bhd as the independent scrutineers to verify the poll results. The online voting process had commenced at the start of the meeting at 11.00 a.m. and would continue until the announcement of the end of the voting session. A video was presented to guide the shareholders and proxies on the process of online voting via TIIH Online website.

Before moving on to the questions and answers session, the Company Secretary presented all the items in the meeting agenda.

**5. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENED 30 JUNE 2022**

The Company Secretary informed that the audited financial statements together with the reports of the directors and auditors thereon had been published on Bursa Malaysia's website as well as the Company's corporate website. The audited financial statements were for discussion only as the provision of the Companies Act, 2016 does not require a formal approval of the shareholders. Hence, this agenda was not put forward for voting.

The audited financial statements for the financial year ended 30 June 2022 and the reports of the directors and auditors thereon were duly tabled and received at the AGM in accordance with Section 340(1)(a) of the Companies Act 2016.

**6. ORDINARY RESOLUTION 1 - PAYMENT OF DIRECTORS' FEES**

Resolution 1 was to approve the payment of Directors' fees of RM742,650 for the financial year ended 30 June 2022 to the Non-Executive Directors of the Company.

**7. ORDINARY RESOLUTION 2 – PAYMENT OF DIRECTORS' BENEFITS**

Resolution 2 was to approve the payment of Directors' benefits of up to RM60,000 to the Non-Executive Directors of the Company for the period from 24 November 2022 until the next AGM of the Company.

**8. ORDINARY RESOLUTIONS 3, 4 & 5 - RE-ELECTION OF DIRECTORS RETIRING PURSUANT TO THE COMPANY'S CONSTITUTION**

The following Directors who retired by rotation in accordance with Clause 95 of the Company's Constitution and being eligible, had offered themselves for re-election :

- a) Resolution 3 - Re-election of Dato' Dr Tan Seng Chuan as Director
- b) Resolution 4 - Re-election of Dato' Wong Gian Kui as Director
- c) Resolution 5 - Re-election of Mr Ho Phon Guan as Director.

**9. ORDINARY RESOLUTION 6 - RE-APPOINTMENT OF AUDITORS**

Resolution 6 was to approve the re-appointment of Grant Thornton Malaysia PLT as Auditors of the Company for the ensuing year at a remuneration to be determined by the Directors.

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**10. ORDINARY RESOLUTION 7 - AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTION 75 AND 76 OF THE COMPANIES ACT 2016**

Resolution 7 was to empower the Directors of the Company to issue and allot up to an aggregate number not exceeding 10% of the total number of issued shares in the Company pursuant to Section 75 and 76 of the Companies Act 2016. This authority would remain in force until the next AGM of the Company in 2023.

**11. ORDINARY RESOLUTION 8 - PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

Resolution 8 was to seek shareholders' mandate for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature, details of which are as set out in Part A of the Circular to shareholders dated 25 October 2022.

**12. ORDINARY RESOLUTION 9 - PROPOSED RENEWAL OF THE AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES**

Resolution 9 was to renew the authority for the Company to purchase up to 10% of its total number of issued shares and this authority would remain in force until the next AGM of the Company in 2023.

**13. ORDINARY RESOLUTION 10 – RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR**

This resolution was to seek shareholders' approval to retain and authorise Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah Binti Almarhum Sultan Haji Ahmad Shah, DK(II), SIMP, who had served in the capacity of independent director for more than 9 years, to continue to act as Independent Non-Executive Director of the Company.

**14. QUESTIONS AND ANSWERS SESSION**

The Company Secretary informed the shareholders and proxies who attended the AGM remotely that they could raise questions in real time via the Tricor link query box.

She further informed that Inari had received questions from the Minority Shareholder Watch Group ("MSWG") in a letter dated 10 November 2022. Pursuant to MSWG's request, the Company Secretary presented the questions and answers at the AGM which were also displayed on screen for the interest of the shareholders. MSWG's questions and the Company's responses are set out in Part A - Appendix attached to the minutes.

Subsequent to the broadcast of corporate video, the Group CEO, Mr Lau Kean Cheong and the Group CFO, Ms Chong Poh Leng took-over and responded to the questions submitted by shareholders and proxies. The pertinent questions and answers are set out in Part B - Appendix attached to the minutes.

**15. POLLING PROCESS**

After confirming that the Company had not received any notice of other business for the meeting, the Company Secretary informed that shareholders and proxies would be given 10 minutes to cast their votes via TIIH Online. Subsequent to the announcement of the closure of voting session at 12.05 p.m., the AGM was adjourned for the verification of poll results by the scrutineers.

**16. ANNOUNCEMENT OF POLL RESULTS**

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The meeting resumed at 12.25 p.m. for the declaration of results and the Chairperson invited the Company Secretary to announce the poll results.

Based on the poll results, the Chairperson declared that all the ordinary resolutions except ordinary resolution 10 were carried.

16.1 Ordinary Resolution 1 - Payment of Directors' Fees

Votes for		Votes against	
No. of shares	%	No. of shares	%
2,384,025,370	99.9910	214,319	0.0090

It was resolved :-

**"THAT** the payment of Directors' fees of RM742,650 for the financial year ended 30 June 2022 be and is hereby approved."

16.2 Ordinary Resolution 2 - Payment of Directors' Benefits

Votes for		Votes against	
No. of shares	%	No. of shares	%
2,384,038,271	99.9929	168,318	0.0071

It was resolved :-

**"THAT** the payment of Directors' benefits of up to RM60,000 for the period from 24 November 2022 until the next Annual General Meeting of the Company be and is hereby approved."

16.3 Ordinary Resolution 3 - Re-election of Dato' Dr Tan Seng Chuan

Votes for		Votes against	
No. of shares	%	No. of shares	%
1,902,039,729	80.3453	465,291,285	19.6547

It was resolved :-

**"THAT** Dato' Dr Tan Seng Chua, retiring pursuant to Clause 95 of the Company's Constitution, be and is hereby re-elected as Director of the Company."

16.4 Ordinary Resolution 4 - Re-election of Dato' Wong Gian Kui

Votes for		Votes against	
No. of shares	%	No. of shares	%
1,878,565,515	79.3537	488,765,499	20.6463

It was resolved :-

**"THAT** Dato' Wong Gian Kui, retiring pursuant to Clause 95 of the Company's Constitution, be and is hereby re-elected as Director of the Company."

16.5 Ordinary Resolution 5 - Re-election of Mr Ho Phon Guan

Votes for		Votes against	
No. of shares	%	No. of shares	%
1,903,689,389	80.4150	463,641,250	19.5850

It was resolved :-

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“**THAT** Mr Ho Phon Guan, retiring pursuant to Clause 95 of the Company’s Constitution, be and is hereby re-elected as Director of the Company.”

16.6 Ordinary Resolution 6 - Re-appointment of Auditors

Votes for		Votes against	
No. of shares	%	No. of shares	%
2,032,074,210	85.0131	358,232,404	14.9869

It was resolved :-

“**THAT** the retiring auditors, Grant Thornton Malaysia PLT who had indicated their willingness to continue in office, be and are hereby re-appointed auditors of the Company for the ensuing year at a remuneration to be determined by the Board of Directors.”

16.7 Ordinary Resolution 7 - Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016

Votes for		Votes against	
No. of shares	%	No. of shares	%
1,998,788,821	83.6209	391,508,793	16.3791

It was resolved :-

“**THAT**, subject to the Companies Act 2016, the Constitution of the Company and the approvals of the relevant authorities where required, the Directors of the Company be and are hereby empowered, pursuant to Section 75 and 76 of the Companies Act 2016, to issue and allot new shares in the Company (“New Shares”) from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being (“Mandate”) and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company and that the Directors be and are hereby empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued.

**AND THAT** pursuant to Section 85 of the Companies Act 2016 read together with Clause 63 of the Company’s Constitution, approval be hereby given to waive the statutory pre-emptive rights conferred upon the shareholders of the Company and the Board is exempted from the obligation to offer such New Shares first to the existing shareholders of the Company in respect of the allotment and issuance of New Shares pursuant to the Mandate.”

16.8 Ordinary Resolution 8 - Proposed Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue of Trading Nature (“Proposed Renewal of Shareholders’ Mandate”)

Votes for		Votes against	
No. of shares	%	No. of shares	%
2,390,165,301	99.9945	131,313	0.0055

It was resolved :-

“**THAT**, subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature (“Recurrent Related Party Transactions”) as set out in Section 2.3, Part A of the Circular/Statement to Shareholders dated 25 October 2022, subject to the following :-

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- (a) the Recurrent Related Party Transactions are undertaken in the ordinary course of business which are necessary for the day-to-day operations; on arm's length basis, on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company;
- (b) disclosure is made in the annual report of the breakdown of the aggregate value of the Recurrent Related Party Transactions conducted during the financial year.

**THAT** such approval shall continue to be in force until:-

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM at which the Proposed Renewal of Shareholders' Mandate is passed, at which time it will lapse unless the authority is renewed by a resolution passed at the next AGM;
- (ii) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) it is revoked or varied by resolution passed by shareholders of the Company in a general meeting,

whichever is the earlier.

**AND THAT** the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Shareholders' Mandate."

16.9 Ordinary Resolution 9 - Proposed Renewal of Authority for the Company to Purchase its Own Shares

Votes for		Votes against	
No. of shares	%	No. of shares	%
2,373,375,054	99.3059	16,589,260	0.6941

It was resolved :-

**"THAT**, subject to the Companies Act 2016 ("the Act"), rules, regulations and orders made pursuant to the Act, the Company's Constitution, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authorities, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that :-

- (i) the aggregate number of ordinary shares which may be purchased and/or held by the Company shall not exceed 10% of the total number of issued shares of the Company at the time of purchase;
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing the ordinary shares shall not exceed the total retained profits of the Company;
- (iii) the authority conferred by this resolution will commence immediately upon the passing of this resolution and will expire at the conclusion of the next Annual General Meeting of the Company following the passing of this resolution (unless earlier revoked or varied by ordinary resolution of the shareholders of the Company

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in a general meeting) but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Act, the rules and regulations made pursuant thereto and the guidelines issued by Bursa Securities and any other relevant authorities; and

- (iv) upon completion of the purchase(s) of the ordinary shares by the Company, the Directors of the Company be and are hereby authorised to cancel all the shares so purchased or retain all the shares as treasury shares (of which may be dealt with in accordance with Section 127(7) of the Act) or retain part thereof as treasury shares and cancelling the balance, and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authorities for the time being in force.

**AND THAT** the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise and give full effect to the purchase(s) of the ordinary shares in the Company with full powers to assent to any conditions, modifications, variations and/or amendments as may be required or imposed by the relevant authorities and to do all such acts and things (including executing all documents) as the Directors may deem fit and expedient in the best interest of the Company.”

16.10 Ordinary Resolution 10 – Proposed Retention of Independent Non-Executive Director

Votes for		Votes against	
No. of shares	%	No. of shares	%
983,897,902	41.5619	1,383,407,962	58.4381

Ordinary Resolution 10 to authorise Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah Binti Almarhum Sultan Haji Ahmad Shah, DK(II), SIMP to continue to act in the capacity of Independent Non-Executive Director of the Company was not carried.

At this juncture, the Executive Vice Chairman, Dato’ Dr Tan Seng Chuan, informed in view that the Ordinary Resolution 10 was not carried, the Board had resolved to re-designate Y.A.M. Tengku Aishah as Chairperson/Independent Non-Executive Director to Chairperson/Non-Independent Non-Executive Director at the close of the AGM.

**17. CLOSE OF MEETING**

There being no further business, the Chairperson declared the meeting closed at 12.30 p.m.

Signed as a correct record

Chairperson

**SUMMARY OF KEY MATTERS DISCUSSED AT THE 12TH AGM OF INARI AMERTRON BERHAD HELD ON 23 NOVEMBER 2022**

**PART A : QUESTIONS RAISED BY MINORITY SHAREHOLDERS WATCH GROUP (“MSWG”)**

No.	Questions raised by MSWG	The Company’s responses
1.	<p>Gartner released its worldwide semiconductor latest forecast on 27 July 2022 reported that the global semiconductor revenue growth is projected to grow 7.4% in 2022 to USD639 billion, down from 2021 growth of 26.3%. Although chip shortages are abating, the semiconductor revenue is projected to decline 2.5% to USD623 billion in 2023 seeing weakness in semiconductor end markets. (page 20 of AR2022).</p> <p>(a) To-date, to what extent has the Group experience slowdown in demand for its electronic manufacturing services, outsourced semiconductor assembly and test services?</p> <p>(b) What is the average utilisation rate for the Group’s plants, to-date ?</p>	<p>(a) Reference is made to our latest quarterly results announced on 17 November 2022, the Group’s revenue increased by 12% to RM377 million compared to RM336 million in the immediate preceding quarter. As a result, the Group has not experienced any significant slowdown in revenue for the recent quarters. However, we are cognizant of recent slowdown reported in other semiconductor segments and are therefore cautious in reporting growth for FY2023.</p> <p>(b) The overall utilisation rate for the Group’s plants is approximately 75%.</p>
2.	<p>Allowance for slow moving inventories increased significantly to RM3.5 million (2021: RM0.3 million). (page 172 of AR2022) What comprises these slow moving inventories? What were the reasons for the huge increase in allowance for slow moving inventories?</p>	<p>During the financial year 2022, the Group has made bulk purchases ahead especially automotive related raw materials in response to supply chain disruptions during this period, and materials with long lead times. Our inventory purchases are typically pre-approved by customers i.e. they shoulder any liability for any purchases approved by them. At the same time, our internal policy requires that inventory ageing of more than 180 days must be classified as slow moving. This has been resulted in the increase of allowance for slow moving inventories in FY2022. These slow moving inventories will be reversed upon utilisation of the inventories or after claims against customers’ liability if not utilised. Please also note that the slow moving inventory amount of RM3.5 million represents less than 0.25% of our annual revenue.</p>



No.	Questions raised by MSWG	The Company's responses																								
3.	<p>Non-audit fees increased significantly to RM406,000 (2021: RM111,000), an increase of more than 3.6 times as compared to previous year and is about 103.8% of the Group's audit fees of RM391,000 (2021: RM357,000). (page 134 of AR2022).</p> <p>(a) What is the key breakdown of the Group's non-audit fees?</p> <p>(b) One of the non-audit services rendered by Grant Thornton Malaysia PLT included limited review which the Group incurred RM200,000 (2021: Nil) for the limited review of interim financial information (Note 24, page 223 of AR2022).</p> <p>Is the limited review one off in nature or is the Group expected to incur further expenses on limited review, going forward?</p>	<p>(a) The increase in non-audit fees was mainly due to corporate exercise undertaken in financial year 2022.</p> <p>The breakdown of the Group's non-audit fees is as below:-</p> <table border="1" data-bbox="1126 336 2045 986"> <thead> <tr> <th></th> <th>FY 2022 RM'000</th> <th>FY 2021 RM'000</th> </tr> </thead> <tbody> <tr> <td>(i) Annual review of statement on risk management and internal control and annual report.</td> <td>6</td> <td>6</td> </tr> <tr> <td>(ii) Tax compliance services include transfer pricing. The increase was due to additional entities in financial year 2022.</td> <td>120</td> <td>105</td> </tr> <tr> <td>(iii) Review of proforma consolidated statement of financial position in relation to a private placement exercise undertaken by the Company which was completed on 30 July 2021.</td> <td>20</td> <td>-</td> </tr> <tr> <td>(iv) Professional services rendered for corporate exercise on China joint venture:-</td> <td></td> <td></td> </tr> <tr> <td>    • Limited review of interim consolidated financial information for the financial period ended 30 September 2021 (RM60k), 31 December 2021 (RM60k) and 31 March 2022 (RM80k).</td> <td>200</td> <td>-</td> </tr> <tr> <td>    • Review of proforma consolidated statement of financial position as at 31 March 2022.</td> <td>60</td> <td>-</td> </tr> <tr> <td><b>Total non-audit fee</b></td> <td><b>406</b></td> <td><b>111</b></td> </tr> </tbody> </table> <p>(b) The limited review of interim financial information is a non-recurring expense and it relates to corporate exercise for the China joint venture. The limited review was required for this corporate exercise in accordance with listing requirements and the fees was incurred for the financial period ended 30 September 2021 (RM60k), 31 December 2021 (RM60k) and 31 March 2022 (RM80k) amounting to total of RM200k (FY21: nil).</p>		FY 2022 RM'000	FY 2021 RM'000	(i) Annual review of statement on risk management and internal control and annual report.	6	6	(ii) Tax compliance services include transfer pricing. The increase was due to additional entities in financial year 2022.	120	105	(iii) Review of proforma consolidated statement of financial position in relation to a private placement exercise undertaken by the Company which was completed on 30 July 2021.	20	-	(iv) Professional services rendered for corporate exercise on China joint venture:-			• Limited review of interim consolidated financial information for the financial period ended 30 September 2021 (RM60k), 31 December 2021 (RM60k) and 31 March 2022 (RM80k).	200	-	• Review of proforma consolidated statement of financial position as at 31 March 2022.	60	-	<b>Total non-audit fee</b>	<b>406</b>	<b>111</b>
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## PART B : KEY MATTERS DISCUSSED

No.	Questions raised by shareholders/proxy	The Company's responses
1.	Can we have a hybrid, online/physical AGM next year? This will comply with MCCG 2021 best practices, in fact a listed company has already implemented. There should not be any technical impediments.	We take note on your suggestion for the next AGM by taking into account the then pandemic situation to ensure the safety of our shareholders and to avoid any potential occurrence of a superspreading event.
2.	Inari share price had dropped about 40% from its year high. What is the company doing to add value to its share price? Is there any corporate undertakings for 2023?	As the management of the Company, we have performed well. We delivered good results and also paid good dividends. Unfortunately, the Company's share price is beyond the management's control and is dependent on many external factors. We are always on the look out for value accretive corporate undertakings but we are not able to comment at this stage for 2023.
3.	Appeal to the management of Inari to consider to declare Dividend Reinvestment Plan on an annual/semi annual basis instead of just Cash Dividend (truly appreciate this initiative). This would enable existing shareholders to grow with the company and the company have additional funds for future expansion.	We take note of your suggestion and will consider it.
4.	<p>Any specific reason regarding why the deferred tax liabilities of property, plant and equipment increased such a lot by RM17,673,000?</p> <p>The administrative expenses decreased by RM10,863,000 compared to FY2021. What had caused such decrease despite the increase in revenue and inflationary increments?</p> <p>What are the example of aggressive cost-containment measures that taken by Inari?</p>	<p>The subsidiary of the Company captured accelerated capital allowance in accordance with the Income Tax Act. The cumulative capital allowance became greater than cumulative depreciation which resulted in temporary timing differences and hence deferred tax was generated.</p> <p>The decrease was mainly due to lower ESOS expenses in the financial year of 2022.</p> <p>Since the beginning, Inari has always incorporated aggressive cost-containment strategies day in day out in our operations. An example is tight control and constant review on yield losses.</p>
5.	Why Grant Thornton was tasked to perform the limited review? There was no such disclosure in Bursa, nor in the quarterly report mentioned that the interim financial information had been reviewed. By its name, it was 'limited review' but the costs of RM200,000 was as high as 70% of the full year statutory audit of RM292,000. What workdone had Grant Thornton performed in	<p>The limited review was a necessary procedure as part of our corporate exercise for the China joint venture and was undertaken by the Company under Bursa Malaysia Listing Requirements.</p> <p>The limited review is a one-off and non-recurring expense for our China JV.</p>

No.	Questions raised by shareholders/proxy	The Company's responses
	such reviews and how this value-added to Inari, shareholders and stakeholders? Will the limited review recur again in FY2023?	
6.	Dear BOD - Kindly give us some e-vouchers, food vouchers or e-wallet (no discount vouchers please) for being loyal shareholders and attending this meeting. Times are bad now. Please be considerate to us shareholders during these trying times. TQ	We take note of your request. However, it has been Inari's practice to not provide any e-vouchers, food vouchers or e-wallets during the AGM. Nevertheless, Inari has rewarded shareholders by providing good dividends in FY2022 as evidenced by the high cash dividend payout ratio of 94.7% amounting to RM370.5 million.
7.	How is the chips manufacturing policy of the US which is non-China-friendly affecting Inari? Is it a threat or an opportunity?	There is no impact on Inari's business as our major products have not been incorporated in the Chinese brand smartphones. We consider the US policy as a good opportunity for us as Penang has been developed to become a comprehensive E&E eco-system especially for the semiconductor industry outside of China. Many MNCs are looking for manufacturing partners in SEA due to the US policy and Penang stands as a major landing point due to its well established eco-system.
8.	Major chip producing companies like TSMC and Samsung are reducing their production of chips. How will this affect Inari's business?	This does not impact Inari as our main products RF and opto chips – the wafers are not produced in large volumes by the likes of TSMC and Samsung, but instead are specialized and produced by our customers' own foundry facilities.
9.	<ol style="list-style-type: none"> <li>1. What is the progress on the assembly of System-on-Module (SOM)?</li> <li>2. What will be the expected contribution ratio on group topline for SOM Power Module?</li> <li>3. What will be the production occupancy rate for P34 and P55 as of FYE2022?</li> </ol>	<ol style="list-style-type: none"> <li>1. The SOM project continues to gain momentum with more products being qualified.</li> <li>2. Currently, this project is at low volume manufacturing pace and contribute insignificant revenues. This is because it involves going through very tedious automotive and industrial qualification processes which may take up to several years.</li> <li>3. P34 is about 60% and P55 is about 90% occupancy rates.</li> </ol>
10.	With the slowdown of electronic devices demand and potential recession occurring in first quarter of 2023, what is the action plan to pacify the possible hit on total revenue for first quarter of 2023?	<p>Our first quarter FY23 results was announced on 17 November 2022 of which the Group revenue had increased by 12% to RM377 million compared to the preceding quarter.</p> <p>We shall continue to prioritize business excellence to provide more value to our current and future customers. We believe we are in a good position and have traction to gain more business in the near future.</p>

No.	Questions raised by shareholders/proxy	The Company's responses
11.	<ol style="list-style-type: none"> <li>1. Can management share out below progress plan for:               <ol style="list-style-type: none"> <li>(i) newly JV company at Yiwu, Zhejiang China (i.e. construction till operation schedule, focusing on which product/ application etc)</li> <li>(ii) existing expansion plan in Kunshan, China</li> </ol> </li> <li>2. How will the above 1(i) &amp; (ii) China plant handle/respond to issues below:               <ol style="list-style-type: none"> <li>(i) dynamic zero-COVID policy</li> <li>(ii) USA Chips and Science Act 2022, and restriction of USA citizenship talents &amp; USA patented technology/machine/ process in China</li> </ol> </li> <li>3. How's company progress or R&amp;D (timeline &amp; target) in SiC/GaN related packaging technology?</li> <li>4. Based on RHB investment report dated 12 Oct 2022, current contract of supplying wireless components to largest customer will expires in mid-2023, how's this progressing so far? Chances of retaining/extending the contract?</li> <li>5. What about capex amount in FY2023? and in which area?</li> </ol>	<ol style="list-style-type: none"> <li>1. The construction of the Yiwu factory commenced in July 2022 and is expected to be completed in June 2023, with the initial production line setup by November 2023. The principal business activity of the JV company is to carry out OSAT manufacturing including system in package and other related businesses for the China market. Our existing Kunshan China entity will also make up part of the China JV; the Kunshan operations and its own expansion will complement the Yiwu operations.</li> <li>2. (i) With the experience gained from our Kunshan China, Philippines and Malaysia operations from the past years, we believe we are capable of mitigating any supply chain disruptions with our customers in amicable manner. In regard to Covid, protecting our employees is our first priority. Other than that, we are unable to predict what effects the dynamic zero-covid policy will bring but we will have to mitigate according to the situation and circumstances then and thence after.  (ii) As far as we know, the USA Chips and Science Act 2022 does not cover our current processes.</li> <li>3. Currently, the Group is not involved in this packaging technology. However, we welcome new customers with this technology and to customize technology platforms and provide solutions for them.</li> <li>4. We do not have any direct information on the contract status of our customers with its end-customer. Nevertheless, we are already working with our immediate customer for their 2024 programmes.</li> <li>5. The Group has budgeted RM100 million capex for FY2023 to further enhance current production lines, equipment and facilities and also to customize and automate production processes with objective to improving operation excellence consistently.</li> </ol>

No.	Questions raised by shareholders/proxy	The Company's responses
12.	The company product are mostly used at which area.	63% of the products are used in smartphones and mobile devices.
13.	How can shareholders join the plant visits like the one top management always did before?	We welcome significant shareholders to visit our plants in groups.
14.	Impact of trade war and tech war between USA and China?	We opined the impact is positive for Penang, Malaysia as we have already an established eco-system.
15.	Any targeted revenue % contribution from automotive segment? and aimed to achieve within how many years?	Some automotive customers have already approached Inari. Our SOM technology is targeting automotive and industrial segment. We aim to double the revenue contribution of the automotive segment from approximately 12% to 20% in 2 years' time.
16.	When will Yiwu plant start operating?	We target to start operating by November 2023.
17.	What is the plan for the management to counteract the slowdown of semiconductor demand especially in smartphone and PC in order to keep the pace of growth?	Our RF component is not a one-off part for the smartphone but is a very important component in the context of wireless devices. As for PC parts, our orders are insignificant. Nevertheless, we are positive in our investments in high growth areas e.g. fiber transceivers for data centers and data communications. The Company will also explore new business segments.
18.	How many percent of the company products is used in EV industry?	Our optocoupler product produced in our Clark Philippines plant has been qualified for the EV industry and is expected to be a growth area.
19.	In 2023, what are your outlook views?	The outlook in 2023 looks promising and is expected to be similar with our results in 2022.
20.	Does Inari involve in autonomous driving sector?	The Group will continue to focus on the EV and autonomous driving sector and to engage with the right partners/customers for future growth.
21.	After the private placement, the Company holding huge net cash position, what is the future plan for utilization of the cash in slow down on semiconductor sector? How long the development will take to complete the plan if any?	The private placement proceeds are used for the Group's investment and expansion plan. The Group will utilise approximately 27% of the total proceeds to subscribe the registered share capital of the China joint venture company. In addition, the Group is continuously exploring to acquire and invest in good value, high quality and complementary semiconductor and OSAT related companies and other businesses that can generate sustainable revenue and growth, good profit margins and good returns on invested capital.

No.	Questions raised by shareholders/proxy	The Company's responses
22.	<p>The proceeds from the Company's private placement raising more than RM1 billion was completed and until todate the proceeds are still unutilised (page 136 of AR).</p> <ol style="list-style-type: none"> <li>In view of the fast changing environment on the supply and demand of semiconductor chips, has the company re-consider the original plans for the private placement proceeds?</li> <li>What is the budgeted expenditure from the private placement for current FY2023?</li> </ol>	<ol style="list-style-type: none"> <li>The objective of the private placement is to enable the Company to accelerate its plans to acquire good quality, strategic, attractive, and complementary semiconductor and OSAT related companies and/or assets that may be required to complete at tight timelines with cash or substantially in cash without tapping into the existing cash reserves of the Group. However, it takes time to consider, evaluate, validate and structure such deals. Our objective remains that any such acquisitions must contribute positively to the revenue and earnings of the Group, and be earning accretive.</li> <li>The Group has budgeted RM100 million capex for FY2023 to further enhance current production lines, equipment and facilities as well as customize and automate production processes; all these being set up for operation excellence.</li> </ol>
23.	<p>A subsidiary of the Company has been granted pioneer status in prior years and the pioneer status is expiring on 31 August 2022 (Note 25 – page 224 of AR)</p> <ol style="list-style-type: none"> <li>What is the status on the expiry of the pioneer status and whether any extension has been granted.</li> <li>PAT of RM51.480 million for FY2022 are not taxable as it was recognized as pioneer income. With the expiry of the pioneer status, will such PAT be taxable in the future?</li> </ol>	<ol style="list-style-type: none"> <li>&amp; 2. We note that the pioneer status has expired during the year and our management is in the process of applying for extension of the new pioneer status from the Malaysia Industrial Development Authority (MIDA). We are confident of obtaining a positive outcome from the application.</li> </ol>
24.	<p>How is the product margin look like for both wireless and automotive? Do we expect a better margin for new automotive products?</p>	<p>We hope the shareholder will understand we are unable to disclose this information which are confidential.</p>
25.	<p>Amertron International Limited had on 28 June 2022 entered into a JV contract with CFTC Yiwu to form Yiwu Semiconductor International Corp (Note 38 – age 244 of AR).</p> <p>Please explain further why the cash injection of RM283.3 million has not been made and when will the Group expect to complete this exercise?</p>	<p>On 28 June 2022, a joint venture contract and an equity subscription agreement had been entered between Inari and JV partner. Total cash investment for the paid-up share capital of the JV company is RMB430 million and the payment will be made in 2 tranches. The first tranche of RMB210.7 million has been made on 15 November 2022 upon fulfilment of condition precedent stated in the agreement and the second tranche of RMB219.3 million will be made after 6 months after the first tranche. The exercise expects to be completed in the 2<sup>nd</sup> quarter of 2023.</p>

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26.	Analyst always predicts that one of the risk the company facing is, having only one customer to run the OSAT service – taking note that 50% of company profile is in OSAT, is there any other customer beside 1 major customer in top management minds?	Even though it appears we have only 1 major customer for our OSAT services, the reality is we are dealing with several divisions within the customer with quite different product applications. Many of these divisions are large enough to be MNC companies on their own.
27.	How the % of revenue and margin, automotive section will likely to contribute to company in next 2 years?	We target to achieve double the revenue contribution of the automotive segment from approximately 12% to 20% in 2 years' time.
28.	Can you share what is the gross margin on RF products, opto, automotive?	We hope the shareholder will understand we are unable to disclose this information which are confidential.
29.	How minimum wage affect the company?	The minimum wages policy has minimal impact to the Company as prior to this enactment, Inari has already been offering higher basic salaries as part of our talent attraction and retention program.
30.	What are the man challenges that the company is facing now?	The global chip shortage has been one of the key challenges for the semiconductor industry. Nevertheless, the impact to Inari is less severe than for others as most of the wafers used in our chip packaging are produced internally by our customers.