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If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

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

**CIRCULAR/STATEMENT TO SHAREHOLDERS**

**IN RELATION TO**

**PART A**

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE  
FOR RECURRENT RELATED PARTY TRANSACTIONS  
OF A REVENUE OR TRADING NATURE  
("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE")**

**PART B**

**PROPOSED RENEWAL OF AUTHORITY FOR  
THE COMPANY TO PURCHASE ITS OWN SHARES  
("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")**

The resolutions in respect of the Proposed Renewal of Shareholders' Mandate and Proposed Renewal of Share Buy-Back Authority will be tabled at the 13<sup>th</sup> Annual General Meeting ("AGM") of Inari Amertron Berhad to be conducted on a fully virtual basis through live streaming and online remote voting via TIIH Online website at <https://tiih.online> or <https://tiih.com.my> (Domain registration number with MYNIC : D1A282781) on Thursday, 23 November 2023 at 11.00 a.m.

The Annual Report 2023, Notice of AGM together with Proxy Form, Administrative Guide for AGM and this Circular/Statement are available at the Company's website <https://www.inari-amertron.com/2023-13th-agm.asp>. Please follow the procedures provided in the Administrative Guide to register, participate and vote remotely at the 13<sup>th</sup> AGM via the remote participation and voting facilities provided by Tricor Investor & Issuing House Services Sdn Bhd at <https://tiih.online>.

The completed Proxy Form must be deposited at the office of Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, submit electronically via TIIH Online website at <https://tiih.online>, not less than forty-eight (48) hours before the time set for holding the meeting or any adjournment thereof as indicated below. The lodging of the Proxy Form will not preclude you from participating in the AGM should you subsequently wish to do so.

Last date and time for lodging the Proxy Form	: Tuesday, 21 November 2023 at 11.00 a.m.
Date and time of virtual AGM	: Thursday, 23 November 2023 at 11.00 a.m. or any adjournment thereof

This Circular/Statement is dated 25 October 2023

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### **PART B**

#### **PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

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**PART A**  
**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF**  
**SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A**  
**REVENUE OR TRADING NATURE**  
**("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE")**

## DEFINITIONS

The following definitions shall apply throughout this document unless the context requires otherwise:

"Act"	: Companies Act, 2016 and any statutory modification or amendments thereto from time to time
"AGM"	: Annual General Meeting
"Board"	: Board of Directors of Inari
"Bursa Securities"	: Bursa Malaysia Securities Berhad (Registration No: 200301033577 (635998-W))
"Circular"	: This circular to shareholders dated 25 October 2023
"Director(s)"	: Shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding six (6) months on the date on which the terms of the Recurrent Transactions were agreed upon, a Director of the Company or any other company which is its subsidiary or holding company or a chief executive officer of the Company, its subsidiary or holding company
"Inari Group" or "Group"	: Inari and its subsidiaries
"Inari" or "Company"	: Inari Amertron Berhad (Registration No: 201001016131 (1000809-U))
"Listing Requirements"	: Main Market Listing Requirements of Bursa Securities, including any amendments thereto that may be made from time to time
"LPD"	: 29 September 2023, being the latest practicable date prior to the date of printing of this Circular
"Major Shareholder(s)"	: Any person who is or was within the preceding six (6) months of the date on which the terms of the Recurrent Transactions were agreed upon, a major shareholder of our Company (including our subsidiaries or holding companies) who has an interest or interests in one or more voting shares in our Company and the number or aggregate number of those shares is: <ul style="list-style-type: none"><li>(a) 10% or more of the total number of voting shares in our Company; or</li><li>(b) 5% or more of the total number of voting shares in our Company where such person is the largest shareholder of our Company.</li></ul> <p>For the purpose of this definition, "interest" shall have the meaning of "interests in shares" given in Section 8 of the Act.</p>
"MSPL"	MIT Semiconductor Pte Ltd (Registration No: 201801642H)
"MSPL Group"	: MSPL and its subsidiaries
"Proposed Renewal of Shareholders' Mandate"	: Proposed renewal of shareholders' mandate for Recurrent Transactions to be entered into from the date of the 13 <sup>th</sup> AGM to the next AGM

- "Recurrent Transactions" : Recurrent related party transactions of a revenue or trading nature which are necessary for day-to-day operations and are in the ordinary course of business, entered into/to be entered into by Inari Group which involve the interest, direct or indirect, of a Related Party
- "Related Parties" : Directors, Major Shareholders or persons connected with such Directors or Major Shareholders
- "RM" and "sen" : Ringgit Malaysia and sen respectively

All references to "our Company" or "Inari" in this Circular are to Inari Amertron Berhad, references to "our Group" or "Inari Group" are to our Company and our consolidated subsidiaries and references to "we", "us", "our" and "ourselves" are to our Company, and save where the context otherwise requires, our consolidated subsidiaries.

All references to "you" in this Circular are to the shareholders of our Company.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include corporations.

All references to the time of day in this Circular are references to Malaysian time. Certain figures in this Circular have been subject to rounding adjustments.



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

**Registered Office:**

No. 47-5, The Boulevard  
Mid Valley City  
Lingkaran Syed Putra  
59200 Kuala Lumpur

25 October 2023

**Board of Directors:**

Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah Binti Almarhum Sultan Haji Ahmad Shah, DK(II), SIMP (*Chairperson, Non-Independent Non-Executive Director*)  
Dato' Dr Tan Seng Chuan (*Executive Vice Chairman*)  
Lau Kean Cheong (*Executive Director cum Group Chief Executive Officer*)  
Dato' Wong Gian Kui (*Executive Director*)  
Ho Phon Guan (*Executive Director*)  
Mai Mang Lee (*Executive Director*)  
Dato' Sri Thong Kok Khee (*Non-Independent Non-Executive Director*)  
Datuk Phang Ah Tong (*Independent Non-Executive Director*)  
Ahmad Ridzuan Bin Wan Idrus (*Non-Independent Non-Executive Director*)  
Dato' Mohamad Azmi Bin Ali (*Independent Non-Executive Director*)  
Datuk Mohamed Arsad Bin Sehan (*Independent Non-Executive Director*)  
Dato' Sri Chee Hong Leong, JP (*Independent Non-Executive Director*)  
Thong Mei Chuen (*Alternate Director to Dato' Sri Thong Kok Khee*)

**To: Shareholders of Inari Amertron Berhad**

Dear Sir/Madam,

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

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**1. INTRODUCTION**

At the 12<sup>th</sup> AGM of the Company held on 23 November 2022, the Company had obtained the shareholders' mandate for the Group to enter into certain recurrent related party transactions based on the terms set out in the Circular to Shareholders dated 25 October 2022. The said shareholders' mandate shall, in accordance with the Listing Requirements, lapse at the conclusion of the 13<sup>th</sup> AGM, which will be held on 23 November 2023 unless approval of the renewal of the shareholders' mandate is obtained from the shareholders of the Company at the 13<sup>th</sup> AGM.

Accordingly, the Board had on 22 September 2023 announced that the Company proposes to seek the approval of the shareholders for the Proposed Renewal of Shareholders' Mandate in compliance with Paragraph 10.09 of the Listing Requirements.

The purpose of this Circular is to provide you, the shareholders of Inari, with the details of the Proposed Renewal of Shareholders' Mandate together with the Directors' recommendation and to seek your approval for the resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the 13<sup>th</sup> AGM of the Company.

**WE ADVISE YOU TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE RESOLUTION RELATING TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AT THE 13<sup>TH</sup> AGM.**

## **2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

Inari proposes to seek shareholders' approval for the Proposed Renewal of Shareholders' Mandate to allow Inari Group to enter into recurrent related party transactions of a revenue or trading nature which are necessary for day-to-day operations and are in the ordinary course of business. These Recurrent Transactions are carried out on arm's length basis and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and which will not be detrimental to the minority shareholders of the Company.

### **2.1 Listing Requirements**

Under Paragraph 10.09 of the Listing Requirements, we may seek shareholders' mandate for recurrent related party transactions of a revenue or trading nature which are necessary for our Group's day-to-day operations, subject to the following:

- (i) The transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public;
- (ii) The shareholders' mandate is subject to annual renewal and disclosure is made in our annual report of the aggregate value of transactions conducted pursuant to such mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed below:
  - (a) the consideration, value of the assets, capital outlay or costs of the aggregated transactions is equal to or exceeds RM1 million; or
  - (b) the percentage ratio of such aggregated transactions is equal to or exceeds 1%;whichever is the higher;
- (iii) The issuance of circular to shareholders for shareholders' mandate shall include information as set out in Annexure PN12-A of Practice Note 12 of the Listing Requirements;
- (iv) In a meeting to obtain the shareholders' mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution(s) approving the transactions. An interested director or interested major shareholder must ensure that persons connected with them abstain from voting on the resolution(s) approving the transactions; and
- (v) Immediate announcement to Bursa Securities when the actual value of a transaction entered into by Inari, exceeds the estimated value of the transaction disclosed in the circular by 10% or more.

The Proposed Renewal of Shareholders' Mandate, if approved by our shareholders at the 13<sup>th</sup> AGM, will be subject to annual renewal and shall continue to be in force until:

- (i) the conclusion of the next AGM of Inari following the 13<sup>th</sup> AGM, at which time it will lapse, unless further renewed by a resolution passed at that meeting;
- (ii) the expiration of the period within which the next AGM is required to be held under Section 340(2) of the Act (but must not extend to such extension as may be allowed under Section 340(4) of the Act); or
- (iii) revoked or varied by ordinary resolution passed by our shareholders in a general meeting;

whichever is the earlier.

Accordingly, the Board seeks the renewal of shareholders' mandate from the date of the 13<sup>th</sup> AGM until the next AGM in 2024.

Disclosure will be made in our annual report and in our annual reports for the subsequent financial years during which the authority pursuant to the Proposed Renewal of Shareholders' Mandate is in force in respect of the breakdown of the aggregate value of Recurrent Transactions conducted during the financial year, the type of Recurrent Transactions entered into, the names of the related parties involved in each type of Recurrent Transactions and the nature of their relationship with our Group.

## 2.2 Inari Group's Principal Activities

Our Group is principally involved as an Outsourced Semiconductor Assembly and Test (OSAT) service provider for Radio Frequency (RF), Fiber-optics transceivers, Optoelectronics, sensors and custom Integrated Circuit (IC) technologies.

Our Company is principally an investment holding company and the principal activities of our subsidiaries and other companies are as follows:

<b>Name</b>	<b>Effective equity interest (%)</b>	<b>Principal activities</b>
Inari Technology Sdn Bhd	100.0	Manufacturing of semiconductor related products and provision of electronic manufacturing services
Inari Semiconductor Labs Sdn Bhd	100.0	Manufacturing of semiconductor related products, chip fabrication, die preparation and testing
Inari Integrated Systems Sdn Bhd	100.0	Manufacturing of semiconductor related products and final testing of advanced communication chips

<b>Name</b>	<b>Effective equity interest (%)</b>	<b>Principal activities</b>
Inari Optical Technology Sdn Bhd	100.0	Manufacturing, assembling and testing of optoelectronic and sensor components, modules and systems
Inari South Keytech Sdn Bhd	100.0	Designing, developing and manufacturing of fiber optic products
Inari Matrix Sdn Bhd	100.0	Investment holding
Simfoni Bistari Sdn Bhd	100.0	Investment holding and property investment
Inari International Limited	100.0	Investment holding
Inari Global (HK) Limited	100.0	Dormant
Inari Datamation Systems Sdn Bhd	100.0	Dormant
Hektar Teknologi Sdn Bhd	100.0	Property investment
Amertron Inc (Global) Limited	100.0	Investment holding
Amertron Incorporated	100.0	Manufacturing of electronic and semiconductor related products and services include electronics optical fiber devices
Amertron Technology (Kunshan) Co Ltd	51.0	Manufacturing of semiconductor related products and services include optoelectronics devices
Amertron International Limited	100.0	Investment holding
Inari MIT Sdn Bhd	51.0	Design, assembly and supply of semiconductor manufacturing process tools, customised semiconductor process tools and parts

<b>Name</b>	<b>Effective equity interest (%)</b>	<b>Principal activities</b>
Yiwu Semiconductor International Corporation	54.5	Manufacturing of semiconductor related products
PCL Inari Technologies Sdn Bhd	30	Manufacturing of wireless communication devices and electronic components

### 2.3 Details of the Recurrent Transactions under the Proposed Renewal of Shareholders' Mandate

The details and nature of the Recurrent Transactions in respect of which the Company is seeking a mandate from its shareholders as contemplated under the Proposed Renewal of Shareholders' Mandate are set out below:

Transacting Parties	Companies Within the Group	Interested Related Parties	Nature of Transaction	Existing Mandate as disclosed in the preceding year's circular dated 25 October 2022	Existing Mandate	Proposed Renewal of Shareholders' Mandate
				RM'000	RM'000	RM'000
1	MSPPL Group  Inari MIT Sdn Bhd	MSPPL is a major shareholder of Inari MIT Sdn Bhd. Tang, Liang and Lim Kok Yeow who are directors of Inari MIT Sdn Bhd, are also directors of MSPPL.	(i) Purchase of semiconductor process tools, parts and material including packing and delivery related cost from MSPPL Group;  (ii) Provision of the following services by MSPPL Group to Inari MIT Sdn Bhd: - Engineering and technical services; and - Support services such as manpower and information technology services.	95,000	34,321	95,000
			<b>Total</b>	<b>100,000</b>	<b>34,621</b>	<b>100,000</b>

Note :

\* These comprise estimated value of transactions from the date of 13<sup>th</sup> AGM to the date of the next AGM in 2024. The estimated value is based on information available at the point of estimation. Due to the nature of these transactions, the actual value may vary from the estimated aggregate value disclosed above.

## 2.4 Review Procedures on the Recurrent Transactions

Our Group ensures all Recurrent Transactions are undertaken on an arm's length basis and on normal commercial terms that are consistent with our Group's usual business practices and policies, which are not on prices and terms that are more favourable to the Related Parties than those extended to the public and are not to the detriment of our minority shareholders.

The review procedures established by our Group governing the Recurrent Transactions are as follows:-

- (i) The identity of the Related Parties are disclosed/circulated within our Group and at the same time, the Related Parties are notified that all Recurrent Transactions are required to be taken on arm's length basis and on normal commercial terms not more favourable to the Related Parties than those generally available to the public;
- (ii) All Recurrent Transactions will be reviewed by our Audit Committee and reported to the Board to ensure that the transactions are not more favourable to the Related Parties and will not be detrimental to our minority shareholders;
- (iii) Records are maintained by our Company to capture all Recurrent Transactions which are entered into pursuant to the Proposed Renewal of Shareholders' Mandate;
- (iv) The transaction prices are determined by the prevailing market rates/prices that are agreed upon under similar commercial terms for transactions with third parties, business practices and policies and on terms which are generally in line with industry norms;
- (v) At least two (2) other contemporaneous transactions with unrelated third parties for similar products/services, and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price and terms will be determined by our Group based on the usual business practices of the Group to ensure the Recurrent Transactions are not detrimental to our Group or the minority shareholders;
- (vi) The internal auditors shall review the Recurrent Transactions entered into pursuant to the Proposed Renewal of Shareholders' Mandate to ascertain that the procedures established have been complied with;
- (vii) Our Board, through the Audit Committee, reviews Recurrent Transactions and ascertains that the guidelines and procedures established to monitor the Recurrent Transactions have been complied with;
- (viii) Our Board and Audit Committee shall have overall responsibility for the determination of the review procedures and shall continue to review the adequacy and appropriateness of the review procedures including addition of new review procedures, as and when necessary. Our Board and Audit Committee may also appoint individuals and committees to examine the Recurrent Transactions, as they deem appropriate. If a member of our Board or the Audit Committee has an interest, direct or indirect, in any particular

transactions, he or she shall abstain from any deliberation and voting on the matter at the Board or Audit Committee meetings in respect of such transactions.

## **2.5 Guidelines on Threshold of Authority**

There is no specific threshold for the approval of Recurrent Transactions within the Group and all Recurrent Transactions are undertaken in accordance to the Listing Requirements in Section 2.1 and review procedures in Section 2.4 and subject to periodic review by the Audit Committee to ensure that they are transacted on arm's length basis and on commercial terms not detrimental to the Group and that proper disclosures will be made in the annual report in respect of the aggregate value of transactions conducted during the financial year.

The Audit Committee may, as deemed fit, request for additional information pertaining to the Recurrent Transactions under review from independent sources or advisers, including obtaining valuations from independent professional valuers.

As at the LPD, there was no amount due and owing to the Company by its Related Parties, which exceeded the credit term given arising from the Recurrent Transactions.

## **2.6 Audit Committee Statement**

Our Audit Committee, comprising the following members:

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Dato' Mohamad Azmi Bin Ali	Chairman	Independent Non-Executive Director
Datuk Phang Ah Tong	Member	Independent Non-Executive Director
Datuk Mohamed Arsad Bin Sehan	Member	Independent Non-Executive Director

has the overall responsibility of determining whether the procedures for reviewing all Recurrent Transactions are appropriate. The Audit Committee also has the authority to delegate this responsibility to such individuals within our Company as it shall deem fit.

Our Group has in place adequate procedures and processes to monitor, track and identify Recurrent Transactions in a timely and orderly manner and these procedures and processes will be reviewed at least once a year.

The Audit Committee has the discretion to request for limits to be imposed or for additional procedures to be followed if it considers such a request to be appropriate. In that event, such limits or procedures may be implemented without the approval of shareholders, provided that they are more stringent than the existing limits or procedures.

The Audit Committee has reviewed the terms of the Proposed Renewal of Shareholders' Mandate and is satisfied that the review procedures mentioned in Section 2.4 above for Recurrent Transactions, as well as the annual reviews to be made by the Audit Committee in relation thereto, are sufficient to ensure that Recurrent Transactions will be made on arm's length basis and on normal commercial terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of our minority shareholders.

### **3. RATIONALE**

The Proposed Renewal of Shareholders' Mandate is to facilitate transactions with the Related Parties specified in Section 2.3 above in the ordinary course of our Group's business on normal commercial terms in a timely manner and will enable our Group to continue to carry out Recurrent Transactions necessary for our Group's day-to-day operations and enhance our Group's ability to pursue business opportunities which are time-sensitive in nature in an expeditious manner.

The Proposed Renewal of Shareholders' Mandate on an annual basis would eliminate the need to convene separate general meetings from time to time to seek shareholders' approval on each occasion pursuant to the requirements of Paragraph 10.09 of the Listing Requirements, as and when potential transactions with the specified classes of Related Parties arise. This will substantially reduce administrative time and expenses associated in convening such meetings on an ad-hoc basis and improve administrative efficiency without compromising the corporate objectives and business opportunities available to our Group.

The Recurrent Transactions are intended to meet the business needs of our Group at the best possible terms. By transacting with the Related Parties, our Group would have an advantage of familiarity with the background, financial well-being and management of the Related Parties, thus enabling more informed commercial decisions to be made. In most dealings with the Related Parties, our Group and the Related Parties have a good understanding of each other's business needs and expectations thus providing a platform where all parties can benefit from conducting the Recurrent Transactions.

### **4. EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

The Proposed Renewal of Shareholders' Mandate will not have any effect on the share capital, shareholding structure, consolidated net assets, consolidated earnings and gearing of our Group.

### **5. APPROVALS REQUIRED**

The Proposed Renewal of Shareholders' Mandate is conditional upon the approval of the shareholders of Inari being obtained at the 13<sup>th</sup> AGM to be convened.

### **6. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS**

Save as disclosed below, none of our Directors, Major Shareholders and/or persons connected with them have any interest, direct or indirect, in the Proposed Renewal of Shareholders' Mandate:

- (i) MSPL is a major shareholder of Inari MIT Sdn Bhd ("Interested Major Shareholder") holding 49% equity interest in Inari MIT Sdn Bhd. Tang Liang and Lim Kok Yeow who are directors of Inari MIT Sdn Bhd, are also directors of MSPL ("Interested Directors").

The direct and indirect interests of the Interested Major Shareholder and Interested Directors in Inari MIT Sdn Bhd as at LPD are as follows:

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
<b>Interested Major Shareholder</b>				
MSPL	294,000	49	-	-
<b>Interested Directors</b>				
Tang Liang	-	-	-	-
Lim Kok Yeow	-	-	-	-

The Interested Major Shareholder and Interested Directors do not have any interest, direct or indirect, in the ordinary shares of Inari as at LPD.

All of our Interested Directors have abstained and will abstain from all board deliberations and voting on the resolution pertaining to the Proposed Renewal of Shareholders' Mandate. Our Interested Directors and Interested Major Shareholder will abstain from voting in respect of their direct and indirect shareholdings, if any, on the relevant resolution which they are interested in, pertaining to the Proposed Renewal of Shareholders' Mandate at the 13<sup>th</sup> AGM.

Further, our Interested Directors and Interested Major Shareholder will ensure that persons connected with them will also abstain from voting in respect of their direct and indirect shareholdings, if any, on the relevant resolution which they are interested in, pertaining to the Proposed Renewal of Shareholders' Mandate at the 13<sup>th</sup> AGM.

## 7. DIRECTORS' RECOMMENDATION

Our Board (save for the Interested Directors), having considered all aspects of the Proposed Renewal of Shareholders' Mandate, is of the opinion that the Proposed Renewal of Shareholders' Mandate is in the best interest of the Company.

Accordingly, our Board (save for the Interested Directors) recommends that you vote in favour of the resolution on the Proposed Renewal of Shareholders' Mandate at the 13<sup>th</sup> AGM.

## 8. AGM

The 13<sup>th</sup> AGM of our Company will be conducted on a fully virtual basis through live streaming and online remote voting via TIIH Online website at <https://tiih.online> or <https://tiih.com.my> (Domain registration number with MYNIC : D1A282781) on Thursday, 23 November 2023 at 11.00 a.m. for the purpose of considering and if thought fit, passing the resolution to give effect to the Proposed Renewal of Shareholders' Mandate.

The Annual Report 2023, Notice of AGM together with Proxy Form, Administrative Guide for AGM and this Circular/Statement are available at the Company's website <https://www.inari-amertron.com/2023-13th-agm.asp>. Please follow the procedures provided in the Administrative Guide to register, participate and vote remotely at the 13<sup>th</sup> AGM via the remote participation and voting facilities provided by Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") at <https://tiih.online>.

If you are unable to participate and vote at the AGM, you may appoint a proxy to do so in your stead by following the instructions set out in the Administrative Guide.

The Proxy Form must be deposited (by hand/post) at either of the following offices of Tricor:

<b>Tricor's Office</b>		<b>Tricor's Customer Service Centre</b>
Unit 32-01, Level 32, Tower A Vertical Business Suite Avenue 3, Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur	<b>OR</b>	Unit G-3, Ground Floor Vertical Podium Avenue 3, Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur

OR alternatively lodge electronically (instead of depositing hardcopy) via TIIH Online website at <https://tiah.online>, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

## 9. FURTHER INFORMATION

Please refer to the Appendix I for further information.

Yours faithfully,  
For and on behalf of the Board of Directors of  
**INARI AMERTRON BERHAD**

**DATO' MOHAMAD AZMI BIN ALI**  
Chairman of Audit Committee  
INDEPENDENT NON-EXECUTIVE DIRECTOR

**PART B**  
**STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF**  
**AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES**  
**("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")**

## DEFINITIONS

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"Bursa Securities"	: Bursa Malaysia Securities Berhad (Registration No: 200301033577 (635998-W))
"Code"	: The Malaysian Code on Take-Overs and Mergers, 2016 and any statutory modification or amendments thereto from time to time
"EPS"	: Earnings per share
"ESOS"	: Employees' share option scheme
"Inari Group" or "Group"	: Inari and its subsidiaries
"Inari Share(s)" or "Share(s)"	: Ordinary share(s) in Inari
"Inari" or "Company"	: Inari Amertron Berhad (Registration No: 201001016131 (1000809-U))
"Listing Requirements"	: Main Market Listing Requirements of Bursa Securities, including any amendments thereto that may be made from time to time
"LPD"	: 29 September 2023, being the latest practicable date prior to the date of printing of this Statement
"NA"	: Net assets attributable to ordinary equity holders of the Company
"Outstanding ESOS Options"	: 60,613,600 outstanding ESOS options which have been granted but unexercised as well as ESOS options allowed to be granted
"Proposed Share Buy-Back"	: Proposed share buy-back of up to ten percent (10%) of the total number of issued shares of the Company
"Purchased Share(s)"	: Shares purchased by the Company pursuant to the Proposed Share Buy-Back
"Record of Depositors"	: A record of securities holders established and maintained by Bursa Malaysia Depository Sdn Bhd
"RM" and "sen"	: Ringgit Malaysia and sen respectively
"Statement"	: This statement to shareholders dated 25 October 2023
"WAMP"	: Weighted average market price

All references to "our Company" or "Inari" in this Statement are to Inari Amertron Berhad, references to "our Group" or "Inari Group" are to our Company and our consolidated subsidiaries and references to "we", "us", "our" and "ourselves" are to our Company, and save where the context otherwise requires, our consolidated subsidiaries.

All references to "you" or "your" in this Statement are to the shareholders of our Company.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include corporations.

All references to the time of day in this Statement are references to Malaysian time. Certain figures in this Statement have been subject to rounding adjustments.



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

## **STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES (“PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY”)**

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### **1. INTRODUCTION**

At the 12<sup>th</sup> AGM of the Company held on 23 November 2022, the Company had obtained the shareholders’ authority for the Company to purchase its own shares of up to ten percent (10%) of the Company’s total number of issued shares. The said authority shall lapse at the conclusion of the 13<sup>th</sup> AGM, which will be held on 23 November 2023 unless approval of the Proposed Renewal of Share Buy-Back Authority is obtained from the shareholders of the Company at the 13<sup>th</sup> AGM.

Accordingly, the Board had on 22 September 2023 announced that the Company proposes to seek the approval of the shareholders for the Proposed Renewal of Share Buy-Back Authority.

The purpose of this Statement is to provide you, the shareholders of Inari, with the details of the Proposed Renewal of Share Buy-Back Authority and seek your approval for the resolution pertaining to the Proposed Renewal of Share Buy-Back Authority to be tabled at the 13<sup>th</sup> AGM of the Company.

### **2. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

The authority from the shareholders will be effective immediately upon the passing of the ordinary resolution for the Proposed Renewal of Share Buy-Back Authority at the 13<sup>th</sup> AGM and will continue to be in force until:

- (i) the conclusion of the next AGM of Inari following the AGM at which the ordinary resolution for the Proposed Renewal of Share Buy-Back Authority is passed, at which time it shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of Inari in a general meeting;

whichever occurs first.

The Proposed Share Buy-Back will be undertaken in accordance with Section 127 of the Act and Chapter 12 of the Listing Requirements. The Inari Shares purchased can be dealt with in the following manner:

- (i) cancel the shares so purchased;

- (ii) retain the shares so purchased in treasury, which may be distributed as share dividends to the shareholders and/or resold in accordance with the relevant rules of Bursa Securities and/or transferred for the purposes of an employees' share scheme and/or transferred as purchase consideration and/or cancelled and/or sold, transferred or otherwise be used for such other purposes as the Minister may by order prescribe;
- (iii) retain part of the shares so purchased as treasury shares and cancel the remainder; and/or
- (iv) such other manner as may be permitted by the Act.

## **2.1 Quantum**

The maximum aggregate number of Shares, which may be purchased by our Company, shall not exceed ten percent (10%) of the total number of issued shares of our Company at any point in time.

Based on the issued shares of Inari as at LPD of 3,743,747,999, the number of shares that can be purchased by the Company is up to 374,374,799 Inari Shares representing up to 10% of the issued shares of the Company.

## **2.2 Maximum amount of funds to be allocated and the source of funds**

The Listing Requirements stipulate that the purchase by a listed company of its own shares must be made wholly out of the retained profits of the listed company. Based on the latest audited financial statements of Inari as at 30 June 2023, the Company has retained profits of RM88.6 million.

The funding for the Proposed Share Buy-Back will be sourced from internally generated funds of the Group and/or external borrowings and the amount shall not exceed the amount of retained profit of the Company. The amount of internally generated funds and/or external borrowings to be utilised will only be determined later, depending on, amongst others, the availability of internally generated funds, the actual number of Shares to be purchased and other relevant factors. The actual number of Shares to be purchased, and the timing of such purchases will depend on, amongst others, the market conditions and sentiments of the stock market as well as the retained profits and the financial resources available to the Inari Group.

If Inari purchases its own Shares using external borrowings, the Board will ensure that Inari Group has sufficient funds to repay the external borrowings and that the repayment will not have any material effect on the cash flow of the Inari Group.

## **2.3 Potential advantages and disadvantages**

The potential advantages and disadvantages of the Proposed Share Buy-Back, if implemented, to the Company and its shareholders are as follows:

Potential advantages:

- (i) allows the Company the flexibility in attaining its desired capital structure;
- (ii) rewards the shareholders in the event that the treasury shares are distributed as share dividends; and
- (iii) mitigates the dilution effects on the EPS of the Inari Group if the Shares purchased are cancelled, hence making the Inari Shares more attractive to investors.

Potential disadvantages:

- (i) reduce the financial resources of the Inari Group and may result in the forgoing of better investment opportunities that may emerge in the future; and
- (ii) may result in the reduction of financial resources available for distribution of dividends and/or bonus shares to shareholders in the future as the Proposed Share Buy-Back can only be made out of the retained profit of the Company.

However, these disadvantages are mitigated by the prospect that the financial capacity of the Group may increase, if the Purchased Shares held as treasury shares are re-sold at higher price than their purchase price.

The Proposed Share Buy-Back is not expected to cause any potential material disadvantage to the Company or its shareholders as any share buy-back exercise will be undertaken only after in depth consideration of the financial resources of the Company and of the resultant impact to its shareholders.

The Board will be mindful of the interests of the Company and its shareholders when undertaking the Proposed Share Buy-Back and in the subsequent resale of treasury shares on Bursa Securities, if any.

#### **2.4 Public shareholding spread**

Based on the Record of Depositors of the Company as at the LPD, the total percentage of the issued shares of Inari which is held by the public was 82.80%.

The Board will be mindful of the public shareholding spread requirement before making any purchases of its own Shares.

#### **2.5 Implication relating to the Code**

As it is not intended for the Proposed Share Buy-Back to trigger the obligation to undertake a mandatory general offer under the Code by any of its substantial shareholders and/or persons acting in concert with them, the Board of Directors of the Company will ensure that only such number of Inari Shares are purchased, retained as treasury shares, cancelled or distributed such that the Code will not be triggered. In this connection, the Board is mindful of the requirements of the Code when making any purchase of Inari Shares pursuant to the Proposed Share Buy-Back.

#### **2.6 Purchase price and resale price**

Pursuant to the Listing Requirements, Inari may only purchase its Shares on Bursa Securities at a price which is not more than fifteen percent (15%) above the WAMP of the Inari Shares for the five (5) market days immediately prior to the date of purchase(s). An immediate announcement will be made to Bursa Securities of any purchase(s) of its own Shares on the day of purchase.

Where the Company decides to resell the treasury shares on Bursa Securities or transfer treasury shares pursuant to Section 127(7) of the Act, the Company may only do so at:

- (i) a price which is not less than the WAMP of the Inari Shares for the five (5) market days immediately prior to the resale or transfer; or
- (ii) a discounted price of not more than five percent (5%) to the WAMP of the Inari Shares for the five (5) market days immediately prior to the resale or transfer provided that:

- (a) the resale or transfer takes place not earlier than thirty (30) days from the date of purchase; and
- (b) the resale or transfer price is not less than the cost of purchase of the Inari Shares being resold or transferred.

### 3. RATIONALE FOR THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back is undertaken for the following purposes:

- (i) enable the Company to utilise any of the Inari Group's surplus financial resources, which is not immediately required for other uses, to purchase its own Shares from the open market at market prices which the Board views favourable;
- (ii) to stabilise the supply and demand, thereby supporting the fundamental value of the Inari Shares;
- (iii) if the Purchased Shares are subsequently cancelled, long-term investors are expected to enjoy a corresponding increase in the value of their investments in the Company with the proportionate strengthening of the EPS of Inari;
- (iv) the Purchased Shares can also be held as treasury shares and resold on Bursa Securities at a higher price therefore realising a potential gain without affecting the total issued share capital of the Company; and
- (v) should any treasury shares be distributed as share dividends, this would also serve to reward the shareholders of the Company.

### 4. EFFECTS OF THE PROPOSED SHARE BUY-BACK

The proforma effects of the Proposed Share Buy-Back on the share capital, NA, earnings, EPS and shareholdings of substantial shareholders and Directors of the Company are set out below based on the following assumptions:

Minimum Scenario: Assuming none of the Outstanding ESOS Options are exercised before the implementation of the Proposed Share Buy-Back.

Maximum Scenario: Assuming all of the Outstanding ESOS Options are exercised before the implementation of the Proposed Share Buy-Back.

#### 4.1 Share capital

The effects of the Proposed Share Buy-Back on the issued shares of the Company are set out below:

	<b>Minimum Scenario No. of Inari Shares</b>	<b>Maximum Scenario No. of Inari Shares</b>
Issued shares as at LPD	3,743,747,999	3,743,747,999
To be issued assuming full exercise of Outstanding ESOS Options	-	60,613,600
	<u>3,743,747,999</u>	<u>3,804,361,599</u>
To be purchased and cancelled pursuant to the Proposed Share Buy-Back	(374,374,799)	(380,436,159)
	<u>3,369,373,200</u>	<u>3,423,925,440</u>
To be issued assuming full exercise of Outstanding ESOS Options	60,613,600	-
<b>Enlarged issued shares</b>	<b><u>3,429,986,800</u></b>	<b><u>3,423,925,440</u></b>

The effect of the Proposed Share Buy-Back on the issued shares of the Company will depend on the intention of the Board with regards to the treatment of the Purchased Shares. If the Purchased Shares are cancelled, the issued shares will be reduced by the number of Shares so cancelled. Conversely, if the purchased Inari Shares are retained as treasury shares, resold or distributed to the shareholders, the Proposed Share Buy-Back will not have any effect on the issued shares of the Company. Nevertheless, certain rights (such as voting rights) attached to the Purchased Shares will be suspended when held as treasury shares.

#### **4.2 NA and gearing**

The effect of the Proposed Share Buy-Back on the NA per Share will depend on the actual purchase prices of the Inari Shares. If all the Purchased Shares are cancelled, the Proposed Share Buy-Back will reduce the NA per Share if the purchase price exceeds the NA per Share at the time of the purchase. Conversely, the NA per Share will increase if the purchase price is below the NA per Share at the time of the purchase.

The NA will decrease if the Purchased Shares are retained as treasury shares due to the accounting requirement for treasury shares to be carried at cost resulting in a decrease by the cost of the treasury shares.

If the treasury shares are subsequently resold on Bursa Securities, the NA upon the resale will increase if the Company realises a gain from the resale, and vice-versa. If the treasury shares are distributed as dividends, the NA of the Inari Group will be reduced by the cost of the treasury shares.

The effects of the Proposed Share Buy-Back on the gearing of the Group will depend on the proportion of borrowing utilised to fund any purchase of Inari Shares. At this juncture, Inari has not determined whether to use any form of borrowings for purposes of the Proposed Share Buy-Back. Nevertheless, all else being equal, assuming that the treasury shares are retained by the Company and no borrowing is being utilised to fund any purchase of Inari Shares, the Proposed Share Buy-Back may increase the gearing of the Group as the equity will be reduced by the cost of shares acquired and held as treasury shares.

#### **4.3 Earnings and EPS**

The effects of the Proposed Share Buy-Back will depend on the purchase prices of the Inari Shares and the effective funding cost, if any, or any loss in interest income to the Inari Group.

Assuming the Purchased Shares are retained as treasury shares and resold, the effects on the earnings of the Inari Group will depend on the actual selling prices, the number of treasury shares resold, and the effective gain or interest savings arising from the exercises.

If the Purchased Shares are cancelled, the Proposed Share Buy-Back will increase the EPS of the Inari Group provided that the income foregone and interest expenses incurred on the Purchased Shares are less than the EPS before the Proposed Share Buy-Back.

#### **4.4 Working capital**

The Proposed Share Buy-Back, when implemented, will reduce the working capital of the Inari Group, with the quantum depending on the purchase prices and the actual number of Purchased Shares. However, the Board believes that the Proposed Share Buy-Back will not have any material effect on the working capital of the Group.

#### **4.5 Existing convertible securities**

Save for the 60,613,600 Outstanding ESOS Options, the Company does not have any other outstanding convertible securities as at the LPD.

The Proposed Share Buy-Back will not have any effect on the Outstanding ESOS Options.

#### **4.6 Dividends**

Assuming the Proposed Share Buy-Back is implemented in full and the dividend quantum is maintained at historical levels, if the Inari Shares so purchased are cancelled, the Proposed Share Buy-Back will have the effect of increasing the dividend rate of Inari as a result of the reduction in the number of issued shares of Inari.



## Maximum Scenario

	(I) As at LPD				(II) Assuming all Outstanding ESOS Options are exercised				(III) After (II) and after the Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares (‘000)	%	No. of Shares (‘000)	%	No. of Shares (‘000)	%	No. of Shares (‘000)	%	No. of Shares (‘000)	%	No. of Shares (‘000)	%
Dato’ Sri Thong Kok Khee <sup>(1)</sup>	1,999	0.05	538,554	14.39	1,999	0.05	538,554	14.16	1,999	0.06	538,554	15.73
Insas Technology Berhad <sup>(2)</sup>	414,769	11.08	17,217	0.46	414,769	10.90	17,217	0.45	414,769	12.11	17,217	0.50
Insas Berhad <sup>(3)</sup>	-	-	537,009	14.34	-	-	537,009	14.12	-	-	537,009	15.68
Kumpulan Wang Persaraan (Diperbadankan) <sup>(4)</sup>	328,595	8.78	29,951	0.80	328,595	8.64	29,951	0.79	328,595	9.60	29,951	0.87
Employees Provident Fund Board	388,466	10.38	-	-	388,466	10.21	-	-	388,466	11.35	-	-

### Notes:

- (1) Direct interest and deemed interest by virtue of Section 8(4) and Section 59(11) of the Act held through Insas Berhad, Immobiliare Holdings Pte Ltd and children.
- (2) Direct interest and deemed interest by virtue of Section 8(4) of the Act held through subsidiary.
- (3) Deemed interest by virtue of Section 8(4) of the Act held through subsidiaries.
- (4) Direct interest and deemed interest held through fund managers.

#### 4.8 Directors' shareholdings

The effect of the Proposed Share Buy-Back on the shareholdings of the Directors of Inari is set out below:

##### Minimum Scenario

	(I) As at LPD		(II) After the Proposed Share Buy-Back		(III) After (II) and assuming all Outstanding ESOS Options are exercised	
	Direct	Indirect	Direct	Indirect	Direct	Indirect
	No. of Shares ('000)	No. of Shares ('000)	No. of Shares ('000)	No. of Shares ('000)	No. of Shares ('000)	No. of Shares ('000)
Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah Binti Almarhum Sultan Haji Ahmad Shah, DK(II), SIMP	190	-	190	-	190	-
	0.01	-	0.01	-	0.01	0.01
Dato' Sri Thong Kok Khoo <sup>(1)</sup>	1,999	538,554	1,999	538,554	1,999	538,554
	0.05	14.39	0.06	15.98	0.06	15.70
Dato' Dr Tan Seng Chuan	2,056	-	2,056	-	3,784	-
	0.05	-	0.06	-	0.11	-
Lau Kean Cheong <sup>(2)</sup>	36,862	13,483	36,862	13,483	43,774	13,483
	0.98	0.36	1.09	0.40	1.28	0.39
Dato' Wong Gian Kui	82	-	82	-	2,674	-
	*	-	*	-	0.08	-
Ho Phon Guan	35,365	-	35,365	-	37,093	-
	0.94	-	1.05	-	1.08	-
Mai Mang Lee <sup>(3)</sup>	13,148	2,000	13,148	2,000	14,876	2,000
	0.35	0.05	0.39	0.06	0.43	0.06
Datuk Phang Ah Tong	-	-	-	-	-	-
Ahmad Ridzuan Bin Wan Idrus	-	-	-	-	-	-
Dato' Mohamad Azmi Bin Ali	-	-	-	-	-	-
Datuk Mohamed Arsad Bin Sehan	-	-	-	-	-	-
Dato' Sri Chee Hong Leong, JP	-	-	-	-	-	-
Thong Mei Chuen	708	-	708	-	708	-
	0.02	-	0.02	-	0.02	-

## Maximum Scenario

	(I) As at LPD				(II) Assuming all Outstanding ESOS Options are exercised				(III) After (II) and after the Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares (‘000)	%	No. of Shares (‘000)	%	No. of Shares (‘000)	%	No. of Shares (‘000)	%	No. of Shares (‘000)	%	No. of Shares (‘000)	%
Y.A.M. Tengku Puteri Seri Kemala Tengku Hajjah Aishah Binti Almarhum Sultan Haji Ahmad Shah, DK(II), SIMP	190	0.01	-	-	190	0.01	-	-	190	0.01	-	-
Dato’ Sri Thong Kok Khee <sup>(1)</sup>	1,999	0.05	538,554	14.39	1,999	0.05	538,554	14.16	1,999	0.06	538,554	15.73
Dato’ Dr Tan Seng Chuan	2,056	0.05	-	-	3,784	0.10	-	-	3,784	0.11	-	-
Lau Kean Cheong <sup>(2)</sup>	36,862	0.98	13,483	0.36	43,774	1.15	13,483	0.35	43,774	1.28	13,483	0.39
Dato’ Wong Gian Kui	82	*	-	-	2,674	0.07	-	-	2,674	0.08	-	-
Ho Phon Guan	35,365	0.94	-	-	37,093	0.98	-	-	37,093	1.08	-	-
Mai Mang Lee <sup>(3)</sup>	13,148	0.35	2,000	0.05	14,876	0.39	2,000	0.05	14,876	0.43	2,000	0.06
Datuk Phang Ah Tong	-	-	-	-	-	-	-	-	-	-	-	-
Ahmad Ridzuan Bin Wan Idrus	-	-	-	-	-	-	-	-	-	-	-	-
Dato’ Mohamad Azmi Bin Ali	-	-	-	-	-	-	-	-	-	-	-	-
Datuk Mohamed Arsad Bin Sehan	-	-	-	-	-	-	-	-	-	-	-	-
Dato’ Sri Chee Hong Leong, JP	-	-	-	-	-	-	-	-	-	-	-	-
Thong Mei Chuen	708	0.02	-	-	708	0.02	-	-	708	0.02	-	-

### Notes:

\* Negligible

(1) Direct interest and deemed interest by virtue of Section 8(4) and Section 59(11) of the Act held through Insas Berhad, Immobiliare Holdings Pte Ltd and children.

(2) Direct interest and deemed interest by virtue of Section 59(11) of the Act held through spouse.

(3) Direct interest and deemed interest by virtue of Section 59(11) of the Act held through children.

## 5. PURCHASES OF SHARES AND RESALE, TRANSFER OR CANCELLATION OF TREASURY SHARES

Inari did not purchase its own Shares in the previous twelve (12) months preceding the date of this Statement. As such, the Company does not have any treasury shares and has not resold, transferred, cancelled and/or distributed any treasury shares as dividends in the same period.

## 6. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of Inari Shares as traded on Bursa Securities for the preceding twelve (12) months are as follows: -

	High (RM)	Low (RM)
<b>2022</b>		
October	2.57	2.34
November	2.78	2.42
December	2.82	2.61
<b>2023</b>		
January	2.80	2.59
February	2.68	2.42
March	2.49	2.35
April	2.52	2.27
May	2.52	2.15
June	2.80	2.44
July	3.12	2.70
August	3.15	3.00
September	3.15	2.83

(Source: <https://finance.yahoo.com/quote/0166.KL/history?p=0166.KL&.tsrc=fin-srch>)

The last transacted price of Inari Shares on Bursa Securities on the LPD was RM2.90.

## 7. APPROVALS REQUIRED

The Proposed Renewal of Share Buy-Back Authority is subject to the approval from the shareholders of Inari at the 13<sup>th</sup> AGM.

The Proposed Renewal of Share Buy-Back Authority is not conditional upon any other proposal undertaken or to be undertaken by the Company.

## 8. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Save for the consequential increase in the percentage shareholdings of the Directors and the substantial shareholders of Inari as a result of the implementation of the Proposed Share Buy-Back, none of the Directors and/or substantial shareholders of the Company and persons connected to them have any interest, direct or indirect, in the Proposed Share Buy-Back and the subsequent resale of treasury shares, if any.

**9. DIRECTORS' RECOMMENDATION**

The Board, having considered all aspects of the Proposed Renewal of Share Buy-Back Authority, is of the opinion that the Proposed Renewal of Share Buy-Back Authority is in the best interest of Inari and the shareholders of Inari. The Board recommends that the shareholders vote in favour of the ordinary resolution pertaining to the Proposed Renewal of Share Buy-Back Authority to be tabled at the 13<sup>th</sup> AGM of the Company.

**10. FURTHER INFORMATION**

Please refer to Appendix I for further information.

Yours faithfully,  
For and on behalf of the Board of Directors of  
**INARI AMERTRON BERHAD**

**DATO' MOHAMAD AZMI BIN ALI**  
Chairman of Audit Committee  
Independent Non-Executive Director

**FURTHER INFORMATION****1. RESPONSIBILITY STATEMENT**

Our Directors have seen and approved this document and they, collectively and individually, accept full responsibility for the accuracy of the information in this document. They confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading information in this document or other facts which, if omitted, would make any information in this Circular/Statement false or misleading.

**2. MATERIAL CONTRACTS**

Saved as disclosed below, we and our subsidiaries have not entered into any material contracts (not being contracts entered into in the ordinary course of business) during the two (2) years immediately preceding the date of this Circular/Statement :

- (i) Joint Venture Contract dated 28 June 2022 between Amertron International Limited ("AIL"), an indirect wholly-owned subsidiary of the Company, CFTC (Yiwu) Equity Investment Fund Partnership (Limited Partnership) ("CFTC (Yiwu)") and CFTC Equity Investment Management (Beijing) Co., Ltd ("CFTC Equity") for the purpose of carrying out OSAT manufacturing and related business in China for the China market under a joint-venture company, Yiwu Semiconductor International Corporation ("JV Company").
- (ii) Equity Subscription Agreement dated 28 June 2022 between AIL, CFTC (Yiwu) and CFTC Equity to increase the registered capital in the JV Company from RMB770,001,000 to RMB1,691,001,000. AIL will subscribe for such registered capital to become a majority shareholder representing 54.4648% of the enlarged equity capital in the JV Company.

**3. MATERIAL LITIGATION**

We and our subsidiaries are not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of our Group and our Directors are not aware of any proceedings, pending or threatened, against our Group or of any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of our Group.

**4. DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents or copies of them are available for inspection during normal business hours at the Company's registered office at No. 47-5, The Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur from Mondays to Fridays (except public holidays) from the date of this document up to and including the date of the AGM:

- (i) Constitution of Inari;
- (ii) The material contracts referred to in Section 2 above; and
- (iii) The audited consolidated financial statements of Inari for the two (2) financial years ended 30 June 2022 and 30 June 2023.