

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

MINUTES OF THE 13TH 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 THURSDAY, 23 NOVEMBER 2023 AT 11.00 A.M.

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
Dato' Mohamad Azmi Bin Ali

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
Encik Ahmad Ridzuan Bin Wan Idrus
Datuk Mohamed Arsad Bin Sehan
Dato' Sri Chee Hong Leong, JP

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 13th 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 informed 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.

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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 participation and voting and Asia Securities Sdn Bhd as the independent scrutineer 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 steps for 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 2023

The Company Secretary informed that the audited financial statements together with the reports of the directors and auditors thereon and circular to shareholders 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 2023 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 RM773,850 for the financial year ended 30 June 2023 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 2023 until the next AGM of the Company.

8. ORDINARY RESOLUTIONS 3, 4, 5, 6 & 7 - RE-ELECTION OF DIRECTORS RETIRING PURSUANT TO THE COMPANY'S CONSTITUTION

The following Directors who retired by rotation in accordance with Clause 95 or 102 of the Company's Constitution and being eligible, had offered themselves for re-election:

- a) Resolution 3 - Re-election of Mr Lau Kean Cheong as Director
- b) Resolution 4 - Re-election of Mr Mai Mang Lee as Director
- c) Resolution 5 - Re-election of Mr Ahmad Ridzuan Bin Wan Idrus as Director
- d) Resolution 6 - Re-election of Dato' Mohamad Azmi Bin Ali as Director
- e) Resolution 7 - Re-election of Datuk Mohamed Arsad Bin Sehan as Director

The Company Secretary informed that Dato' Sri Chee Hong Leong, JP, who retired pursuant to Clause 102 of the Company's Constitution, had decided not to seek for re-election as Director of the Company. Hence, he would retire and cease to be a Director at the close of the meeting.

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9. ORDINARY RESOLUTION 8 - RE-APPOINTMENT OF AUDITORS

Resolution 8 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.

10. ORDINARY RESOLUTION 9 - AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTION 75 AND 76 OF THE COMPANIES ACT 2016

Resolution 9 was to empower the Directors of the Company to issue and allot shares of 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 2024.

11. ORDINARY RESOLUTION 10 - PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Resolution 10 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 2023.

12. ORDINARY RESOLUTION 11 - PROPOSED RENEWAL OF THE AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES

Resolution 11 was to renew the authority for the Company to purchase up to 10% of its total number of issued shares, details of which are as set out in Part B of the Circular to shareholders dated 25 October 2023 and this authority would remain in force until the next AGM of the Company in 2024.

13. QUESTIONS AND ANSWERS SESSION

The Company Secretary informed the shareholders and proxies who participated in the AGM via TIIH Online website that they could post questions on Tricor link query box and the Board would address their questions during Q&A session.

She further informed that Inari had received questions from the Minority Shareholders Watch Group ("MSWG") in a letter dated 14 November 2023. Pursuant to MSWG's request, the Company Secretary read out the questions and answers which were also shown on screen for the interest of all 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.

The Company Secretary informed that if there were further questions from shareholders, the Group CEO would address them while votes validation was in progress.

14. 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 website and the voting session would be closed at 11.55 a.m.

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Upon closure of the voting session, the Company Secretary informed that the scrutineer would commence the verification of poll results.

While the votes validation was in progress, the Group CEO responded to more questions submitted by shareholders and proxies, the responses to which are set out in Part B - Appendix attached to the minutes.

15. ANNOUNCEMENT OF POLL RESULTS

The meeting resumed at 12.11 p.m. for the declaration of poll results.

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

15.1 Ordinary Resolution 1 - Payment of Directors' Fees

Votes for		Votes against	
No. of shares	%	No. of shares	%
2,246,594,702	99.9679	720,440	0.0321

It was resolved :-

“**THAT** the payment of Directors' fees of RM773,850 for the financial year ended 30 June 2023 be and is hereby approved.”

15.2 Ordinary Resolution 2 - Payment of Directors' Benefits

Votes for		Votes against	
No. of shares	%	No. of shares	%
2,246,975,003	99.9849	340,139	0.0151

It was resolved :-

“**THAT** the payment of Directors' benefits of up to RM60,000 for the period from 24 November 2023 until the next Annual General Meeting of the Company be and is hereby approved.”

15.3 Ordinary Resolution 3 - Re-election of Mr Lau Kean Cheong

Votes for		Votes against	
No. of shares	%	No. of shares	%
2,225,437,467	98.9133	24,449,700	1.0867

It was resolved :-

“**THAT** Mr Lau Kean Cheong, retiring pursuant to Clause 95 of the Company's Constitution, be and is hereby re-elected as Director of the Company.”

15.4 Ordinary Resolution 4 - Re-election of Mr Mai Mang Lee

Votes for		Votes against	
No. of shares	%	No. of shares	%
1,715,523,123	78.3491	474,066,734	21.6509

It was resolved :-

“**THAT** Mr Mai Mang Lee, retiring pursuant to Clause 95 of the Company's Constitution, be and is hereby re-elected as Director of the Company.”

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15.5 Ordinary Resolution 5 - Re-election of Mr Ahmad Ridzuan Bin Wan Idrus

Votes for		Votes against	
No. of shares	%	No. of shares	%
1,778,158,211	81.2233	411,063,646	18.7767

It was resolved :-

“**THAT** Mr Ahmad Ridzuan Bin Wan Idrus, retiring pursuant to Clause 95 of the Company’s Constitution, be and is hereby re-elected as Director of the Company.”

15.6 Ordinary Resolution 6 - Re-election of Dato' Mohamad Azmi Bin Ali

Votes for		Votes against	
No. of shares	%	No. of shares	%
2,234,504,529	99.3328	15,009,638	0.6672

It was resolved :-

“**THAT** Dato' Mohamad Azmi Bin Ali, retiring pursuant to Clause 102 of the Company’s Constitution, be and is hereby re-elected as Director of the Company.”

15.7 Ordinary Resolution 7 - Re-election of Datuk Mohamed Arsad Bin Sehan

Votes for		Votes against	
No. of shares	%	No. of shares	%
1,824,714,550	95.8827	78,354,485	4.1173

It was resolved :-

“**THAT** Datuk Mohamed Arsad Bin Sehan, retiring pursuant to Clause 102 of the Company’s Constitution, be and is hereby re-elected as Director of the Company.”

15.8 Ordinary Resolution 8 - Re-appointment of Auditors

Votes for		Votes against	
No. of shares	%	No. of shares	%
2,244,262,770	99.7501	5,621,497	0.2499

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.”

15.9 Ordinary Resolution 9 - 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	%
1,594,872,432	70.8866	655,019,735	29.1134

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

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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.”

15.10 Ordinary Resolution 10 - 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	%
2,249,697,793	99.9919	181,374	0.0081

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 2023, subject to the following:-

- (a) the Recurrent Related Party Transactions are undertaken in the ordinary course of business which are necessary for 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 must 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.

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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."

15.11 Ordinary Resolution 11 - Proposed Renewal of Authority for the Company to Purchase its Own Shares

Votes for		Votes against	
No. of shares	%	No. of shares	%
1,890,574,924	84.0440	358,932,443	15.9560

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 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."

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16. CLOSE OF MEETING

There being no further business, the Chairperson declared the meeting closed at 12.15 p.m.

Signed as a correct record

Chairperson

SUMMARY OF KEY MATTERS DISCUSSED AT THE 13TH AGM OF INARI AMERTRON BERHAD HELD ON 23 NOVEMBER 2023

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

No.	Questions raised by MSWG	The Company’s responses
1.	<p>The Group established its first 1k clean room at its P34 plant in Batu Kawan to assemble memory products, leveraging cutting-edge technology for a new customer. (page 22 of AR2023)</p> <p>How much of the production capacity in P34 plant has been taken up by the said new customer?</p>	<p>The initial production capacity (single line) is tool up to support qualification and low volume production built. The customer is already in discussion with Inari to expand the production capacity from single line to 4 lines which will eventually take up 5% of P34 space capacity.</p>
2.	<p>The Group is making good progress on the construction of the manufacturing plant and physical facilities at its joint venture in China, Yiwu Semiconductor International Corporation (“YSIC”), with physical completion targeted by end of calendar 2023. (page 23 of AR2023)</p> <p>(a) What is the current status of the construction of the manufacturing plant and physical facilities at the Group’s joint venture in China?</p> <p>(b) When is the target commencement of operations?</p> <p>(c) Even before the factory’s completion, they have successfully secured a few customers’ interests who eagerly awaits qualification on YSIC’s production line to commence operations (page 36 of AR2023). How much production capacity of the new manufacturing facility in China will be taken up?</p>	<p>(a) The building works for Fab 1 have been completed. We are currently moving in machine & equipment for installation and setup.</p> <p>(b) This depends on the qualification requirement from the customer. It will usually take about 6 to 9 months from when the Fab 1 is ready. This is expected to take place during Q1FY2025.</p> <p>(c) We have been working with few new potential customers but still need to go through the qualification as mentioned above. It is too preliminary to discuss about capacity utilisation at this stage.</p>
3.	<p>The recent acquisition of a plot of 5.05 acre land in Batu Kawan close to the Group’s P34 plant shows the commitment to customers that the Group is fully prepared to expand to support their needs. (page 35 of AR2023)</p> <p>What are the Group’s plans in terms of targeted timeframe for future expansion of the said land?</p>	<p>Currently we are engaged with an architect to plan on the preliminary building design/layout. Concurrently, we are also working on an expansion to the P34 plant by building a new Block D beginning Q3FY2024.</p>

No.	Questions raised by MSWG	The Company's responses
4.	<p>Inari has departed from adopting Practice 5.9 of the Malaysian Code on Corporate Governance (MCCG), which encourages a board to comprise at least 30% of women directors.</p> <p>Currently, Inari's Board comprises twelve directors, out of whom one is a female director, representing 8.3% female representation at the Board level. The Company newly appointed 3 male Independent Non-Executive Directors ("INED") on 13 January 2023 and 21 February 2023, respectively to the Board (page 131 of AR2023).</p> <p>Did the Nomination Committee consider any female candidate as potential directors, prior to appointing the 3 male directors? What were the challenges faced by the Nomination Committee to recommend female director instead of male director to the Board?</p>	<p>Yes, respective Board members did consider female candidates. Unfortunately, well qualified female candidates are currently highly sought after. Nevertheless, the Board members have interviewed and shortlisted some candidates and are awaiting their availability before undergoing formal confirmation processes before appointing successful members during FY2024 towards meeting MCCG Practice 5.9.</p>
5.	<p>Dato' Sri Chee Hong Leong, JP, who retires pursuant to Clause 102 of the Company's Constitution, has expressed his intention not to seek for re-election as Director of the Company. Hence, he will retain office until the close of the 13th Annual General Meeting. (page 264 of AR2023)</p> <p>Given that Dato' Sri Chee Hong Leong, JP, the INED of the Company who joined the Board on 21 February 2023 has served the Board less than a year, is there any particular reason that has caused him not to seek re-election as Director and cutting short his tenure with the Company?</p>	<p>Dato' Sri Chee was appointed to the BOD in February 2023. He is also an Executive Director and significant shareholder at SYF Resources Berhad. In August 2023, SYF completed a restructuring exercise and became known as M&A Equity Holdings Berhad. Following completion of this exercise, Dato' Sri Chee expressed interest to commit more time to his new Executive Director role at M&A. It was agreed that the conducive time for Dato' Sri Chee to step down would be at the AGM.</p>

PART B : KEY MATTERS DISCUSSED

No.	Questions raised by shareholders/proxy	The Company's responses
1.	Note 11 - Included in the prepayments amounted to RM164,724,000 is for subscription consideration which is part of the proposed joint venture investment in the Yiwu Semiconductor International Corporation. Does the presentation of this RM164 million as prepayments and current asset appropriate? Given that it is for investment purpose, isn't it more appropriate to be presented as a non-current asset?	The account classification is being captured in accordance with MFRS.
2.	Note 11 – Similarly, there is RM2.6 million deposit paid for the purchase of land, and it is presented as deposits and current asset. Given that it is for investment in property, plant and equipment, isn't it more appropriate to be presented as a non-current asset?	The account classification is captured in accordance with MFRS. The RM2.6 million paid is the 20% deposit of the total purchase consideration of RM13.2 million. The remaining 80% will be paid progressively follow the term of payment. The details refer to our Annual Report, Note 37 on page 256.
3.	Note 24 – Tax expense. Why there was an over-provision in prior year deferred tax of RM15,751,000 which reduced the current year tax expense?	We captured accelerated capital allowance in accordance with the Income Tax Act. This resulted timing differences and hence deferred tax was recognised.
4.	During last year AGM held on 23 Nov 2022, the Ordinary Resolution 10 was rejected to retain Y.A.M. Tengku Aishah as Independent Non-Executive Director, why BOD still want to appoint back Y.A.M. Tengku Aishah as Non-Independent Non-Executive Director? This is seriously not respecting the voting result. Please, BOD don't hide this question and shareholder need the answer. Thanks. (EGM Ordinary Resolution 2, 8 & 9 also being rejected as well)	<p>Under MCCG Practice 5.3 stated that the tenure of an independent director shall not exceed a cumulative term limit of 9 years. Upon completion of 9 years, an independent director may continue to serve on Board as non-independent director. It also stated that if the board intends to retain an independent director beyond 9 years, it shall seek shareholders' approval.</p> <p>Hence, Tengku Aishah was re-designated to Chairperson/Non-Independent Non-Executive Director on 23 November 2022.</p> <p>As Tengku Aishah continues to contribute positively to the Board, the Board decided to retain Tengku Aishah as a Non-Independent Director of the Company.</p>

No.	Questions raised by shareholders/proxy	The Company's responses
5.	I hope bod will give e-voucher	We take note of your request. However, it has been Inari's practice not to provide any e-vouchers, food vouchers or e-wallets during the AGM. Nevertheless, Inari has rewarded shareholders by providing good dividends in FY2023 as evidenced by the high cash dividend payout ratio of 94.2% amounting to RM306.3 million.
6.	This year can distribute more dividend? And since virtual meeting cost saving, can company distribute the save costing to fully reward shareholders?	The Company announced Q1FY2024 results yesterday and declared high dividend payout at 97.3% over profit after tax, after considering various factors such as earnings and capital commitment while prioritizing the financial health of the Group.
7.	Hi, can you share with us the latest situation/ status of the factory in China? Any potential business opportunity with Huawei, especially on Huawei AI Chips?	<p>The building works for Fab 1 have been completed. We are currently moving in machines & equipment for installation and setup.</p> <p>This depends on the qualification requirement from the customer. It will usually take about 6-9 months from when the Fab 1 is ready. This is expected to take place during Q1FY2025.</p> <p>We have been working with few new potential customers but still need to go through the qualification as mentioned above. It is too preliminary to discuss capacity utilisation at this stage.</p> <p>YSIC provides CSP (Chip Scale Package), SiP (System in Package) and WLP (Wafer Level Packaging) for China Market. AI Chips use different packaging technologies.</p> <p>Due to non-disclosure agreement, we are unable to comment on China customers.</p>
8.	What is the earnings contribution being expected from the new product of silicon photonics packaging for data centres?	This depends on the market acceptance of the end products that our customer is marketing. Currently the volume is still not very significant, but we foresee this will grow over the period of time.
9.	What are the latest status of Inari's discussion with 4 strategic customers involved in automotive, smartwatch, optical transceivers for data centres and automated optical inspection (AOI) machine, and what are the earnings contribution from these respective strategic customers?	Currently, approximately 10% revenue contribution comes from the automotive segment and 13% from fixed line data communications.

No.	Questions raised by shareholders/proxy	The Company's responses
10.	What is the purpose of incorporating the new subsidiary of Inari Datamation Systems Sdn Bhd which is currently dormant?	<p>This company was incorporated to carry out the core activities to focus on:-</p> <ul style="list-style-type: none"> (i) up-to-date factory automation system which includes Business Intelligence (Industry 4.0); (ii) Provide and develop Inari Manufacturing Execution System (i-MES), proliferate to other subsidiaries, new start up and to our customers; and (iii) IT related infrastructures and architecture design and cyber securities.
11.	When is Yiwu plant to expect commence its operation (last year AGM said will start operating by November 2023)? What's the expected % contribution in Group's revenue? What will be the expected depreciation from this new plant and % impacted towards Group's earning?	<p>Please see answer to Question No. 7.</p> <p>The revenue contribution and depreciation from YSIC to the group for FY2024 is expected to be minimal.</p>
12.	With current slow down economic condition in China, will it impact Yiwu Plant operation? Any plan to delay the commencement of operation? or management is targeting to complete all the necessary qualifications during this slow down period so that when economic condition turns good, it can quickly ramp up the production?	<p>The current slow-down economic condition in China has not impacted YSIC operation as we have not started operation. In fact, we see continuing demand in China for SiP/CSP/WLP packaging.</p> <p>YSIC management has aggressively engaged with a few key fabless customers, and is working on the qualification for their existing and future products.</p>
13.	Can management share out the plan/progress/status of company stepping into GaN/SiC RF packaging?	Currently, the Group is not involved in this packaging technology.
14.	What's current revenue % contribution from automotive segment? Any % target aimed to achieve and achieved in how many years?	Some automotive customers have approached Inari. We target to double the revenue contribution of the automotive segment from 10% to 20% in 2 years' time.
15.	Data center contribution is fallied under category of optical communication or industrial? What will be the targeted revenue % contribution? and aimed to achieve within how many years?	Data center falls under optical communication. Currently, approximately 13% revenue contribution comes from the fixed line data communications.

No.	Questions raised by shareholders/proxy	The Company's responses
16.	IoT (internet of things) contribution is failed under category of industrial? What will be the targeted revenue % contribution? and aimed to achieve within how many years?	We do not classify our product segment into IoT, our products may or may not go into IoT products. It depends on the customers' application and adoption.
17.	AI (Artificial Intelligence) contribution is failed under category of industrial? What will be the targeted revenue % contribution? and aimed to achieve within how many years?	We do not classify our product segment into AI, our products may or may not go into AI products.
18.	AI Data Center infra-structure investment had created strong demand for (HBM) high bandwidth memory and fibre-optic products. In order to ride with AI mega trend, what are the company action plans?	<p>We always focus on our niche technology specifically RF, optoelectronics and generic products.</p> <p>We do not classify our product segment into AI data center products, our products may or may not go into this segment.</p> <p>More importantly, we need to provide the right technology and cost effective packaging solutions to enable customers to deploy their product applications.</p>
19.	Please guide us regarding China Yiwu Semiconductor International Corporation latest progress and mass production timeline.	Please see answer to Question No. 7.
20.	AMS Osram has planned to produce micro LED in year 2024. What are the action plans to be taken by INARI in order to capture this huge opportunity?	Due to signed non-disclosure agreements, we are not able to comment on this subject matter. We always look for opportunities with our current customers.
21.	May I know the production capacity of your China JV factory?	Please see answer to Question No. 7.
22.	<p>It was reported in CEO Morning Brief today (23/11/23) that Malaysia & Vietnam electronics facing closer scrutiny by US Authority over China forced labour. Over two-thirds of rejected or held cargoes came from Malaysia or Vietnam, which are major exporters to the US of solar panels and semiconductors.</p> <p>Does this scrutiny checks affected Inari? If yes, what will be the impact to the Inari's current quarter performance and the coming quarter(s)? How Management going to mitigate this impact?</p>	So far no impact to the Group.

No.	Questions raised by shareholders/proxy	The Company's responses
23.	How the Company cope the order booked that will decrease if the phone demand keep on decrease?	We have a good planning system alongside to our customer. We have not had many disruptions in the past 17 years working with our customers and do not have any intermittent/breakdown due to wrong planning. Our planning process is robust and achieved solid performance in the past quarters.
24.	<p>Malaysia might be affected of America restrict of import finish goods/components from Malaysia and Vietnamese produce, how was company overcome this if losing this areas of order books what would company overcome this losses (can be some sub contract affected too).</p> <p>Thank you boards and members answer question from Kow Lih Shi.</p>	Please see answer to Question No. 22.
25.	Company products are sold to which country?	The geographical markets for our products are Singapore, China, Malaysia and United States.
26.	Company product are use at which area?	RF filters are used in portable and wireless applications (eg: smartphones). Opto-sensors are used in fiber optic and wired communication infrastructure. And Opto products are also used in sensors for automotive.
27.	Can the technology expert explain to us what are the challenges of radio frequency technology does mkt has alternative or substitute for this technology?	Our RF filters are very efficient and cost effective and we don't see any substitute as of now. We are contemplating making them smaller, modular and cheaper with technology advancement.
28.	How minimum wage affect the company?	Our margin and performance are satisfactory, and the minimum wage is of minimal impact to the Group.
29.	How is US & China technology war affect Inari business?	There is no significant impact to our businesses in Penang and Philippines and YSIC has been set up for the China market.
30.	<p>1. Can the Board give us an update of the latest business environment, as there are mixed views provided by various semiconductors players around the world in the latest quarter.</p> <p>2. Can provide the breakdown of revenue of latest quarter in terms of end user industry?</p>	<p>1. OSAT is divided into different segments and should not be lumped into one. Our RF is one set of components in the smartphone which is almost irreplaceable.</p> <p>2. Smartphone and mobile devices 63%, optoelectronics and sensors 31% and generic 6%.</p>

No.	Questions raised by shareholders/proxy	The Company's responses
	<p>3. Analyst reports from investment banks reported that the company is starting to venture into silicon carbide business, can elaborate more?</p> <p>4. Do you foresee the bump pattern in revenue for the following quarters?</p>	<p>3. This product can use Inari's platform in making the product into smaller, modular and cheaper. We are working on this.</p> <p>4. Inari is doing well.</p>
31.	Can we have the average utilisation rates of production floor space for the Group's plant?	68% overall and 80% for RF.
32.	<p>How is Inari being affected by the trade war between USA and China?</p> <p>How do Inari mitigate the above issue?</p>	We continue to treat different countries equally and will continue to expand our businesses in China, Philippines and Penang.
33.	Do economic slowdown in Europe and China badly affect Inari business currently and in next few months? What is the prospect of the group business in next one year?	We expect higher loading in the next few months. The Group continues to expand businesses in China, Philippines and Penang.
34.	<p>Is there any new tax incentives obtained or extension such as pioneer status or reinvestment allowance?</p> <p>Any tax incentives end in FY2023 and FY2024?</p>	A subsidiary of the Company had applied for pioneer status in FY2023 with tax exemption on statutory income for 5 years for 5G RF System. The application had been approved by Malaysian Investment Development Authority on 7 December 2022.
35.	<p>I notice Inari had a joint venture in China for production.</p> <p>Since we are committed on this project, why Inari did not set aside the capital requirement by holding enough Renminbi requirement for this project?</p> <p>This is avoid currency risk.</p>	We have planned and monitored the forex rates closely since the JV contract was signed and have set aside sufficient Renminbi to subscribe for the registered capital in the JV company.

No.	Questions raised by shareholders/proxy	The Company's responses
36.	<p>The Company announced yesterday that it has extended the unutilised proceeds of the private placement amounting to RM641 million for another 24 months.</p> <p>(1) What are the main reason(s) for the extension?</p> <p>(2) With the recovery of the semiconductor sector in FY2024, where will the investments of the placement proceeds be utilised?</p>	<p>(1) The main reason for the extension of time is due to:</p> <ul style="list-style-type: none"> (i) The post recovering covid phase in terms of growth has led to some temporary volatility in P/Es. Market valuations have generally become higher than their historical average. Some stocks have been pushed higher by retail flows that are based on momentum rather than fundamentals. (ii) The Covid 19 pandemic has significantly altered the fundamentals of the semiconductor sector, including customer behaviour and has opened new possibilities for existing products and services including AI, IOT, and contactless solutions. Hence, the Company requires additional time to determine the right segment to capture growth and create leading-edge technology that will be in high demand. <p>(2) The Group is actively sourcing for potential investments to acquire and invest in good value, high quality and complementary semiconductor and OSAT related companies and assets that can generate sustainable revenue and earnings growth, good profit margins and good returns on invested capital.</p> <p>For capital expenditure, the Company is in the stage of planning future capital expenditure include building extension, factory fit-outs, acquire & install new manufacturing equipment, expand production space and acquisition of new industrial land in Penang and Philippines.</p>
37.	<p>I notice Inari payout dividend 90% more than its profit, can the Board explain why such a high payout, does Inari retain more for its expansion and growth?</p>	<p>In determining every dividend payout, the Board always consider various factors, including earnings, capital commitments, distributable reserves and other relevant factors in rewarding shareholders, while prioritising the financial health of the Group.</p>