

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

MINUTES OF THE 14TH 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 TUESDAY, 26 NOVEMBER 2024 AT 11.00 A.M.

Present at broadcast venue

Chairperson : Y.A.M. Tengku Puteri Seri Kemala Tengku Dato' Sri Setia Hajjah Aishah Binti Almarhum Sultan Haji Ahmad Shah Al-Musta'in Billah, DK., SAAS., SSAP., 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' Ong Eng Bin
Dr Tunku Alina Binti Raja Muhd Alias

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 14th 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 was present in accordance with the Company's Constitution, 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 and published in newspaper on 25 October 2024, 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

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participation and voting facilities via TIIH Online website. The Chairperson exercised her rights and demanded for a poll in accordance with the Company's Constitution.

The Chairperson further informed that the Company had appointed Tricor Investor and Issuing House Services Sdn Bhd as the poll administrator to facilitate the remote 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 am. 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 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 2024

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 2024 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 RM895,400 for the financial year ended 30 June 2024 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 RM70,000 to the Non-Executive Directors of the Company for the period from 27 November 2024 until the next AGM of the Company.

8. ORDINARY RESOLUTIONS 3, 4, 5, 6, 7 & 8 - 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 Y.A.M. Tengku Puteri Seri Kemala Tengku Dato' Sri Setia Hajjah Aishah Binti Almarhum Sultan Haji Ahmad Shah Al-Musta'in Billah, DK., SAAS., SSAP., SIMP. as Director
- b) Resolution 4 - Re-election of Dato' Sri Thong Kok Khee as Director
- c) Resolution 5 - Re-election of Dato' Wong Gian Kui as Director
- d) Resolution 6 - Re-election of Datuk Phang Ah Tong as Director
- e) Resolution 7 - Re-election of Dato' Ong Eng Bin as Director
- f) Resolution 8 - Re-election of Dr Tunku Alina Binti Raja Muhd Alias as Director

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9. ORDINARY RESOLUTION 9 - RE-APPOINTMENT OF AUDITORS

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

Resolution 10 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 2025.

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

Resolution 11 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 2024.

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

Resolution 12 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 2024 and this authority would remain in force until the next AGM of the Company in 2025.

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 2024. 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 of the Appendix 1 attached to the minutes.

Subsequent to the broadcast of corporate video, the Group CFO, Ms Chong Poh Leng and the Group CEO, Mr Lau Kean Cheong, took-over and responded to the questions submitted by shareholders and proxies. The pertinent questions and answers are set out in Part B of the Appendix 1 attached to the minutes.

14. POLLING PROCESS

After confirming that the Company had not received any notice of other business for the meeting by the Company Secretary, the shareholders and proxies were given 10 minutes to cast their votes via TIIH Online website.

Upon closure of the voting session at 12.08 pm, the scrutineer commenced the verification of poll results which took about 20 minutes to complete.

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While the votes validation was in progress, the Group CEO responded to the additional questions submitted by shareholders and proxies, the responses to which are set out in Part B of the Appendix 1 attached to the minutes.

15. ANNOUNCEMENT OF POLL RESULTS

The meeting resumed at 12.28 pm for the declaration of poll results.

Based on the poll results, the Chairperson declared that all the ordinary resolutions were carried. The summary of poll results are set out in Appendix 2 attached to the minutes.

15.1 Ordinary Resolution 1 - Payment of Directors' Fees

Votes for		Votes against	
No. of shares	%	No. of shares	%
2,424,279,820	99.9905	230,449	0.0095

It was resolved :-

“THAT the payment of Directors' fees of RM895,400 for the financial year ended 30 June 2024 be and is hereby approved.”

15.2 Ordinary Resolution 2 - Payment of Directors' Benefits

Votes for		Votes against	
No. of shares	%	No. of shares	%
2,424,037,020	99.9807	468,649	0.0193

It was resolved :-

“THAT the payment of Directors' benefits of up to RM70,000 for the period from 27 November 2024 until the next Annual General Meeting of the Company be and is hereby approved.”

15.3 Ordinary Resolution 3 - Re-election of Y.A.M. Tengku Puteri Seri Kemala Tengku Dato' Sri Setia Hajjah Aishah Binti Almarhum Sultan Haji Ahmad Shah Al-Musta'in Billah, DK., SAAS., SSAP., SIMP.

Votes for		Votes against	
No. of shares	%	No. of shares	%
1,977,668,229	81.4884	449,265,065	18.5116

It was resolved :-

“THAT Y.A.M. Tengku Puteri Seri Kemala Tengku Dato' Sri Setia Hajjah Aishah Binti Almarhum Sultan Haji Ahmad Shah Al-Musta'in Billah, DK., SAAS., SSAP., SIMP., 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 Dato' Sri Thong Kok Khee

Votes for		Votes against	
No. of shares	%	No. of shares	%
2,302,473,272	94.8728	124,431,822	5.1272

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It was resolved :-

“**THAT** Dato’ Sri Thong Kok Khee, retiring pursuant to Clause 95 of the Company’s Constitution, be and is hereby re-elected as Director of the Company.”

15.5 Ordinary Resolution 5 - Re-election of Dato’ Wong Gian Kui

Votes for		Votes against	
No. of shares	%	No. of shares	%
2,190,859,043	90.2738	236,046,051	9.7262

It was resolved :-

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

15.6 Ordinary Resolution 6 - Re-election of Datuk Phang Ah Tong

Votes for		Votes against	
No. of shares	%	No. of shares	%
2,320,650,757	95.6162	106,396,437	4.3838

It was resolved :-

“**THAT** Datuk Phang Ah Tong, retiring pursuant to Clause 95 of the Company’s Constitution, be and is hereby re-elected as Director of the Company.”

15.7 Ordinary Resolution 7 - Re-election of Dato’ Ong Eng Bin

Votes for		Votes against	
No. of shares	%	No. of shares	%
2,426,824,932	99.9908	222,262	0.0092

It was resolved :-

“**THAT** Dato’ Ong Eng Bin, 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-election of Dr Tunku Alina Binti Raja Muhd Alias

Votes for		Votes against	
No. of shares	%	No. of shares	%
2,424,579,226	99.8969	2,502,168	0.1031

It was resolved :-

“**THAT** Dr Tunku Alina Binti Raja Muhd Alias, retiring pursuant to Clause 102 of the Company’s Constitution, be and is hereby re-elected as Director of the Company.”

15.9 Ordinary Resolution 9 - Re-appointment of Auditors

Votes for		Votes against	
No. of shares	%	No. of shares	%
2,417,998,612	99.6760	7,860,282	0.3240

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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 as auditors of the Company for the ensuing year at a remuneration to be determined by the Board of Directors.”

- 15.10 Ordinary Resolution 10 - 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	%
1,643,606,629	67.7201	783,453,265	32.2799

It was resolved :-

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

AND THAT pursuant to Section 85 of the Companies Act 2016 read together with Clause 63 of the Company’s Constitution, approval be and is 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.”

- 15.11 Ordinary Resolution 11 - 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	%
2,426,872,325	99.9923	187,569	0.0077

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 2024, 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;

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- (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.

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.”

15.12 Ordinary Resolution 12 - Proposed Renewal of Authority for the Company to Purchase its Own Shares

Votes for		Votes against	
No. of shares	%	No. of shares	%
2,407,004,124	99.1886	19,691,270	0.8114

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

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

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

16. CLOSE OF MEETING

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

Signed as a correct record

Chairperson

Date :

SUMMARY OF KEY MATTERS DISCUSSED AT THE 14TH AGM OF INARI AMERTRON BERHAD HELD ON 26 NOVEMBER 2024

APPENDIX 1 – PART A : QUESTIONS RAISED BY MINORITY SHAREHOLDERS WATCH GROUP (“MSWG”)

No.	Questions raised by MSWG	The Company’s responses
1.	<p>The Group made a net profit of RM300.1 million in FY2024, lower by 7.7% from RM325.0 million in FY2023. The decline was mainly due to unfavourable movement in foreign exchange rates, increase in electricity rates and losses in work-in-progress items arising from unstable glitches in electricity supply from grid experienced during the financial year under review which had since been rectified. <i>(page 32 of AR2024)</i></p> <p>In terms of losses in work-in-progress items arising from unstable glitches in electricity supply from grid experienced during the financial year under review, what was the financial and non-financial impact to the Group?</p>	<p>The direct financial loss arising from the unstable glitches in electricity supply was about RM3.3million. The consequential financial impact would be the production activities disruption which affect the order fulfilment, and the sensitive manufacturing processes requiring recalibration after a power interruption causing loss of production output. There were no other non-financial impact to the Group.</p>
2.	<p>In FY2024, the Philippines operation received increased orders of optical products from an existing customer for edge AI deployment and also secured orders for high power LED products from a new customer. In anticipation of growing requirements, the Group is constructing plant CK2.1 which is an extension to CK2 and will be completed by end of 3rd quarter FY2025. <i>(page 35 of AR2024)</i></p> <p>a. Please provide brief details on the CK2.1 plant, including its size, capacity, and timeline for completion, is it still on track?</p> <p>b. What is the budgeted capital expenditure for constructing plant CK2.1?</p>	<p>a. CK2.1 is a 3-storey building extended from CK2 with total built up area of 2,164sqm. The building is projected to be completed with occupancy certificate by February 2025.</p> <p>b. The budgeted capital expenditure for CK2.1 including clean room is approximately USD 2.1 million.</p>

No.	Questions raised by MSWG	The Company's responses																				
3.	<p>Yiwu Semiconductor International Corporation (“YSIC”), the Group’s joint venture in China, construction of the manufacturing plant and facilities for phase 1 was completed in November 2023 in record time. With an exceptional team of experienced employees on board, there are already a few products which have passed qualification. These are at the quotation stage and will soon commence low volume manufacturing. <i>(page 36 of AR2024)</i></p> <p>a. What are the target markets for the few products which have passed qualification?</p> <p>b. To date, has YSIC commenced low-volume manufacturing? What is the possibility of commencing mass production for the abovementioned quotation in the financial year ending 2025?</p>	<p>a. Advanced packaging for telecommunication would be the target markets for those few products which have passed qualification.</p> <p>b. Low-volume manufacturing of these products is expecting in Q2 2025 and high-volume manufacturing is expecting to commence in Q3 2025 with volume commitment after expected changes in engineering processes are agreed with the first customer.</p>																				
4.	<p>Some of the Group’s initiatives on energy-efficiency and saving projects as at FY2024 are listed below:</p> <table border="1" data-bbox="257 794 1084 1058"> <thead> <tr> <th>Energy-efficiency projects</th> <th>Purpose</th> <th>Target saving</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>Installation of solar panels at P1 and P5</td> <td>Green energy</td> <td>42,726 kWh/month</td> <td>In-progress</td> </tr> <tr> <td>Additional installation of solar panels at P21</td> <td>Green energy</td> <td>56,563 kWh/month</td> <td>In-progress</td> </tr> <tr> <td>Installation of roofing solar farm at CK, Philippines</td> <td>Green energy</td> <td>50,000 kWh/month</td> <td>In-progress</td> </tr> <tr> <td>Installation of solar panel at CK2, Philippines</td> <td>Green energy</td> <td>1,930 kWh/month</td> <td>In-progress</td> </tr> </tbody> </table> <p><i>(page 85 of AR2024)</i></p> <p>When does the Group target to complete the installation of solar panels at its respective plants? What is the estimated total cost of installing solar panels for the abovementioned?</p>	Energy-efficiency projects	Purpose	Target saving	Status	Installation of solar panels at P1 and P5	Green energy	42,726 kWh/month	In-progress	Additional installation of solar panels at P21	Green energy	56,563 kWh/month	In-progress	Installation of roofing solar farm at CK, Philippines	Green energy	50,000 kWh/month	In-progress	Installation of solar panel at CK2, Philippines	Green energy	1,930 kWh/month	In-progress	<p>The installation of solar panels at P1, P5 and P21 is targeted to complete by Q3 2025. Both CK1 and CK2 are at feasibility study stage.</p> <p>We are not able to disclose the cost due to the NDAs signed with the suppliers.</p>
Energy-efficiency projects	Purpose	Target saving	Status																			
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No.	Questions raised by MSWG	The Company's responses
5.	<p>Datuk Mohamed Arsad Bin Sehan, the Independent Non-Executive Director of the Company, only attended 3 out of 5 Board meetings - 60% attendance during the financial year. <i>(page 149 of AR2024)</i></p> <p>What are the reasons for him not being able to attend the other two Board meetings during the financial year?</p>	<p>The dates of board meetings for the calendar year 2023 were fixed before Datuk Arsad's appointment as director in February 2023. Datuk Arsad was unable to attend the board meetings held in September and November 2023 due to his prior commitments which he is unable to reschedule.</p> <p>Nevertheless, Datuk Arsad attended the rest of the board meetings and met the minimum 50% attendance requirement.</p>

APPENDIX 1 – PART B : KEY MATTERS DISCUSSED

No.	Questions raised by shareholders/proxy	The Company's responses
1.	In year 2025 SC had implement physical meeting, could company doing hybrid meeting for more participants and easy to access?	The Company will consider all feasible options to ensure both compliance and meaningful engagement with our shareholders.
2.	Page 38 of annual report mentioned that company engage in active foreign currency hedging and using USD in procurement and purchasing arrangements with both local and foreign suppliers, so how much % can be mitigated? It's because page 251 of annual report shows that 1% weakened in USD contribute to RM 1.8 mil forex loss (FY2023) vs nearly RM 3 mil forex loss (FY2024), it seems that company's effort not really work. Can management comment on this?	<p>The Group is exposed to foreign exchange risk through transactions that are not denominated in the respective companies' functional currencies.</p> <p>The forex forward transaction of foreign currencies is mainly performed for the use on local purchases and overhead costs, we minimise the forex risk from transactional exposure through natural hedge by maintaining the foreign denominated bank accounts to facilitate the receipt of revenue and to pay for purchases and investment activities denominated in foreign currencies. It's important to note that the amount of forex loss or gain is subject to various factors, including the volume of sales, purchases, account receivable and payable, and bank balance in USD currency. We do not hold speculative forex positions.</p>
3.	Several listed companies reported huge forex loss for the quarter ended 30 Sept 2024. How was Inari being impacted by the strengthening of MYR against USD for such period as most of the Inari's revenue is generated in USD?	We are unable to comment on the performance of Inari for Q1 as we have not released the results. However, we can comment that the sharp decline in the USD-to-RM has reversed equally sharply after 30th September 2024 and is showing a rapid recovery. Any forex losses which are unrealised in Q1 FY2025 will be expected to recover in Q2 FY2025 if this trend holds or continues.
4.	What is the Group's policy and practice in term of engaging in foreign currency hedging to mitigate the foreign currency exchange risk?	Please refer to our reply in Question 2.
5.	Which subsidiary has been granted with the pioneer status and what are the lines of its statutory income exempted from tax?	Inari Technology Sdn Bhd has pioneer status for the Advance SiP (RF), and our subsidiary in China, YSIC has received similar incentives from the Chinese government.

No.	Questions raised by shareholders/proxy	The Company's responses
6.	The statutory audit fees and other services paid or payable to Grant Thornton's member firms are both increased by RM41k. What are the additional scope of works performed that commensurate such increase in auditors' remunerations?	Increase of audit fees was due to the group's expansion with the addition of a newly acquired subsidiary, and the increase of non-audit fees (other services) was mainly incurred for advisory services related to statutory tax compliance. In general, audit fees are expected to increase yearly due to inflation and increasing compliance requirements.
7.	The total fee paid/payable for the outsourcing of the internal audit function increased by RM40k from RM298k in FY2023 to RM338k in FY2024. What is or are the additional scope or area covered by the internal auditors in the current financial year that commensurate the increase in internal audit fees?	The increase of internal audit fees was mainly due to the increase of audit activities in FY2024. The detailed list of activities is spelled out in page 170 of the Company's Annual Report FY2024.
8.	Why the administrative expenses increased by RM16.8 million when Inari is implementing various cost optimisation measures?	The increase was mainly due to unrealised foreign exchange loss of RM5.7 million and a pre-operating expenditure of RM6.8 million from the newly acquired subsidiary, YSIC.
9.	With a reported 9.21% increase in revenue reaching 1.48 billion MYR in 2024 but a decrease in earnings by 7.21%, what strategic steps will Inari take to address profitability and margins moving forward, especially in the face of global semiconductor competition and evolving customer demands? Could you provide insights into any specific technologies or partnerships expected to bolster revenue and improve net margins?	<p>The Group's current business is positioned to benefit from the advancement of intelligent smartphones and the growth of high bandwidth optoelectronic devices in networks and data centres serving the AI market. In anticipation that the advanced packaging will become a strategic enabler to assemble the most sophisticated leading-edge chips, the Group will continue to focus on the development of advanced packaging and implement strategies to improve our production capacity and utilisation, as well as strengthen our operational efficiencies.</p> <p>We are not able to disclose the details of the partnership business for confidentiality reasons.</p>
10.	<p><u>Inari's Memory Modules Product Offering and Roadmap:</u></p> <p>a. Could you provide a detailed overview of Inari's involvement in the memory modules segment, specifically outlining product offerings and future plans?</p>	<p>a. Our services included die prep & assembly of the flash memory products.</p>

No.	Questions raised by shareholders/proxy	The Company's responses
	<p>b. How does Inari intend to position itself in the growing memory module market, especially in relation to back-end services for high-demand applications like 5G and cloud storage?</p>	<p>b. With the thin die and die stacking capabilities that we demonstrated in the existing product, inari is at the right track of offering the back-end services on the high-end memory products when opportunity arises.</p>
11.	<p><u>Growth of Inari's Fiber-Optic Transceivers in the Context of Malaysia's Data Center Expansion:</u></p> <p>a. With the rapid rise of Malaysia's data center industry, how does Inari plan to scale its fiber-optic transceivers to support growing cloud-connected infrastructure?</p> <p>b. Could you share any strategies for expanding partnerships or innovations targeting data center demands?</p>	<p>a. The existing capacity for the fiber-optic transceiver production line in Penang is dedicated to the US customer. We had expanded the capacity to support the increase in demand from our US customer, in tandem with the growth in AI market.</p> <p>b. We have capabilities for pluggable transceivers for data centers in our Philippines AIP plant. For higher-end co-package optics, Inari is working on 2.5D capabilities. This requires significant capex costs and new innovations; hence, we are working on investment return with prospective partners.</p>
12.	<p><u>On Expanding OSAT (Outsourced Semiconductor Assembly and Testing) Capabilities:</u></p> <p>a. As the OSAT market grows, what are Inari's plans for expanding its semiconductor assembly and testing services to keep up with global demand?</p> <p>b. Are there specific investments planned for advanced packaging technologies, such as 2.5D/3D IC integration, to support next-generation electronics?</p>	<p>a. Our capacity expansion is always driven by business loading forecast from our customers. Based on our past track record, especially during pandemic. One of our competitive advantages is speed, we are able to expand our capacity within short period of time upon customers' demand.</p> <p>b. We are in a tripartite collaboration with the government agencies and local universities to setup the advanced packaging technologies. Nevertheless, we are cautious in terms of investing in the right CAPEX and is exploring the most cost-effective way to tool up this capability to target specific customers.</p>

No.	Questions raised by shareholders/proxy	The Company's responses
13.	<p><u>Future Growth in RF Components and SiP (System-in-Package) Solutions:</u></p> <p>a. How does Inari view the future growth of its RF and SiP solutions in light of 5G expansion and increasing IoT demands?</p> <p>b. Are there any new customer segments or products being developed to address emerging needs in these areas?</p>	<p>a. The RF filter modules will be deployed in the higher end flagship smartphone or mobile devices. It is still a main business stream for the next few years. The SiP standard platform will be the baseline of advanced packaging. Our capabilities in SiP towards miniaturization is one of the crucial solutions for the high end advanced packaging.</p> <p>b. We are aggressively engaging with new potential partners/customers in emerging technologies such as power management, optoelectronics and many more.</p>
14.	<p><u>Positioning in Malaysia's New Industrial Master Plan (NIMP 2030) and Advanced Packaging Sector:</u></p> <p>a. In line with Malaysia's New Industrial Master Plan (NIMP 2030) emphasizing high-tech manufacturing, how does Inari plan to enhance its capabilities in advanced packaging technologies?</p> <p>b. Are there plans to collaborate with international partners or invest in R&D to accelerate growth in this sector?</p>	<p>a & b: As mentioned earlier on, we are in a tripartite collaboration with the government agencies and local universities to setup the advanced packaging technologies. Nevertheless, we are cautious in terms of investing in the right CAPEX and is exploring the most cost-effective way to tool up this capability to target specific partners/customers.</p>
15.	<p>a. Please share the Yiwu Semicon Int Corp mass production timeline.</p> <p>b. What is the estimated percentage revenue contribution?</p>	<p>a & b: For chip-scale packaging, the Company has passed the qualification for few products. Low-volume manufacturing of these products is expecting in Q2 2025. High-volume manufacturing is expecting to commence in Q3 2025 with volume commitment after certain changes in engineering processes are agreed with the first customer. The estimated revenue contribution for FY2025 is low.</p>
16.	<p>Has Inari moved into Co-Packaged Optics technology? If yes, what are the products to be supported (400G, 800G, 1200G, 1600G / bps)?</p>	<p>Yes, we are supporting 800G end application. However, these are pluggable transceivers. For Co-Package Optics, we are working currently on some enquiries from potential partners/customers.</p>

No.	Questions raised by shareholders/proxy	The Company's responses
17.	Inari Annual Report outlook: "to grow revenue consistent with or better than industry forecasts in FY2025." Can we assume Inari revenue growth will be consistent with TSMC, Frontken and/or Broadcom?	Our statement implies alignment with broader semiconductor industry trends. The revenue growth is depending on specific product and customer mix as well as industry tailwinds or headwinds.
18.	Is the new NTD (New Technology and Development) Team involve in CoWoS or any 2.5D packaging technology? Can management share out any progress/status related to the new technology developed?	Yes, New Technology and Development ("NTD") team is heading the 2.5D packaging effort. We are collaborating with local institutes as well as local and international partners to expedite the capability set up. We are not involved in CoWoS yet.
19.	Although management always replied not involving in any GaN/SiC RF packaging technology, can management share out the reason of not involving in this packaging technology? Is it due to cost? or immature technology? or no any customer involved in this technology?	There's no customer for GaN power chip at this moment. However, our Philippines plant is in the process of setting up the SiC power chip assembly capability.
20.	Any opportunity for the company to involve in Broadcom AI chip (ASIC) packaging? Any potential revenue % target aimed to achieve and achieved in how many years?	We are doing final test for certain Edge AI chip packages at the moment.
21.	Does the slow down in automotive industry impacting company's target in achieving 20% revenue contribution from automotive segment? Last year company said will achieve this target in 1-2 years time, so now what's the status?	The current revenue contribution from automotive segment ultimately depends on market demand which is soft at the moment.
22.	Yiwu Semiconductor International Corporation (YSIC) has started operation since Nov 2023, but until now only at the stage of commencing low volume manufacturing, is it affected by the current slow down economic condition in China? What's the targeted timeline to achieve high volume production? What will be the expected revenue % contribution to the Group when reaching that stage? What will be the expected depreciation from this new plant and % impacted towards Group's earning?	Low-volume manufacturing is expecting in Q2 2025. High-volume manufacturing is expecting to commence in Q3 2025 with volume commitment after certain changes in engineering processes are agreed with the first customer. The depreciation of plant and building is approximately RMB900k per month.

No.	Questions raised by shareholders/proxy	The Company's responses
23.	Pg 34 of annual report mentioned that Edge AI application in consumer and industrial devices. Can management share out what's the each revenue % contribution from both segment? Any targeted revenue % aimed to achieve from this Edge AI application and target to achieve within how many years?	The revenue contribution is relatively small in its early stages, but we target its revenue contribution will grow within 3-5 years.
24.	Data center (optical communication) contributes about 13% of company's revenue, any target to increase the revenue %? If yes, what's the revenue % target and plan to achieve in how many years?	The sales growth % depends on our customers' growth and market demand.
25.	Page 26 of annual report mentioned that outlook of semiconductor industry has both opportunities (from AI, cloud computing, data centre) and challenges (from automotive, geopolitical tensions, fluctuating consumer behaviour, tight monetary policies), so in management view, company is in which situation? opportunities > challenge? or challenge > opportunities?	We are seeing a lot of business opportunities, but at the same time we need to be cautious in our decision making on setting the business strategies in this highly volatile business environment. Our speed of execution is one of the key competitive advantages in this current situation.
26.	Page 32 of annual report mentioned that company suffer losses in work-in-progress items arising from unstable glitches in electricity supply from grid, is it due to company or TNB problem? If it's from the latter, any compensation from TNB? If yes, how much? If it's company problem, any action to prevent it happen again?	It is technical glitches from TNB and there was no compensation. Nevertheless, the Company is building a 33kV electricity substation expected to start operating in June 2025 for higher quality electricity transmission and voltage regulation to mitigate this risk in future.
27.	Since Donald Trump will be the USA President for the term till year 2028, can management share out the action taken by company to avoid situation in FY2019 happened again?	We do not know what is meant by situation in FY2019. The Company practice proactive monitoring of geopolitical events, trade and economic policies, as well as any industry-specific developments to strategically navigate and respond to the business environment.
28.	Did Inari claim or being compensated for the losses in WIP items arising from unstable glitches in electricity supply from grid experienced?	Please refer to our reply earlier in Question 26.
29.	What are the measures by Inari to diversify the customer base to reduce the risk of highly dependent on a few major customers?	Please refer to our reply earlier in Question 13b.

No.	Questions raised by shareholders/proxy	The Company's responses
30.	<p>Page 32 to the Annual Report - It is stated that Inari experienced short term lower gross margins due to staging of new products in our push for revenue growth for the future. How many and what are the new products in the pipeline and how much revenue growth projected to be contributed by these new products in FY2025 and beyond? What is the average gross margin of these new products in the current financial year and how much are they lower compared to their expected normalised gross margin?</p>	<p>Memory product is one of our new products in our push for revenue growth for the future. We will disclose more information when the revenue contribution becomes more significant in FY2025 or FY2026.</p> <p>GP% by product is confidential information which we cannot disclose as the customers are very sensitive to disclosure of this information.</p>
31.	<p>How much capital expenditure planned for the respective on-going expansion plan:</p> <ul style="list-style-type: none"> • building another block next to P34 plant at Batu Kawan? • the acquisition of a 5-acre piece of industrial land in Batu Kawan? • an extension (CK2.1) to Clark CK2 plant in Philippines 	<p>The total capital expenditure planned for all 3 facilities is approximately RM120 million. We are unable to disclose by each facility due to on going or planned tendering process.</p>
32.	<p>How had Inari strategized the Group's responses towards several risks stated in the MD&A ie.</p> <ul style="list-style-type: none"> • deflationary pressures on manufacturing output sold domestically and exported by China for mature manufacturing processes and products? • price erosion from excessive over-capacity in the semiconductor industry coming onstream in FY2025? 	<ul style="list-style-type: none"> • Due to deflation we are slowing down initial planned aggressive expansion in China by moving more cautiously. • Year-on-year cost down is part of the requirement of doing business. We need to secure new flagship products with higher margins, optimize our operation efficiency and getting the same cost reduction from our own supply chain to maintain our profitability. We had demonstrated this over the past many years.

No.	Questions raised by shareholders/proxy	The Company's responses
33.	<p>"Inari has dedicated a yearly budget of RM100 million to boost our capacity and enhance our capabilities." (MDNA - Page 39 of AR). However, Note 27 of the Financial Statement reported that only RM27.4 million of Capex were authorised and contracted for in FY2024.</p> <p>(1) Please explain the disparity between the yearly budget and actual capex contracted in FY2024.</p> <p>(2) What is the expected Capex for FY2025 based on current committed contracts and contracts in hand?</p>	<p>(1) The actual capex incurred and paid out in FY2024 ended 30 June 2024 was RM180.7 million. Please refer to the Statements of Cash Flows at page 198 of the Annual Report 2024.</p> <p>(2) The amount of RM27.4 million reported in Note 27 of the Financial Statement FY2024 was the capital commitments which have been authorised and contracted as of 30 June 2024. The utilisation of the balance amount from the yearly budget of RM100 million is in the pipeline, which will undergo a thorough and systematic evaluation process before any capex project is being authorised and contracted.</p>
34.	<p>Hi there, will the dividend payout to shareholders be improved for next year?</p> <p>Also, do we have any vouchers for attending this virtual event today? Thank you.</p>	<p>Inari has rewarded shareholders by providing good dividends in FY2024 as evidenced by the high cash dividend over PAT payout ratio of 96.5%, amounting to total of RM289.6 million.</p> <p>In determining the dividend distribution since the past, we take into consideration of various business and financial factors, including the anticipated financial performance and any other factors deemed important to the Company growth for determining an appropriate dividend payout.</p>
35.	<p>2024 will be the last year for these Directors/CEO to hide behind the video camera to conduct AGM.</p>	<p>We welcome our shareholders to participate in our physical or hybrid AGM in 2025.</p>
36.	<p>Does Pm10 Promoting effective boost to company business of promote Malaysia and semi cond technology overall?</p>	<p>We are in a tripartite collaboration with the government agencies and local universities to setup the advanced packaging technologies. Nevertheless, we are cautious in terms of investing in the right CAPEX and is exploring the most cost-effective way to tool up this capability to target specific customers.</p>
37.	<p>What specific strategies is the company implementing to maintain its competitive edge in the OSAT industry, particularly in the realm of advanced packaging technologies like CoWoS?</p>	<p>We have formed the New Technology Development team particularly for this advanced packaging roadmap. We believe this roadmap will bring us to 2.5D packaging which we are getting more interests from the new or potential partners. We are not involved in CoWoS yet.</p>

No.	Questions raised by shareholders/proxy	The Company's responses
38.	How is the operations of JV with Yiwu in China, have we reached operations breakeven level, if not what is the targeted breakeven plan in our long term budgetary business plan?	Low-volume manufacturing of these products will be expected in Q2 2025. High-volume manufacturing is expected to commence in Q3 2025. Few of our products that are in telecommunications sector have passed the qualifications and our team is working hard to engage with new customers. We believe that once the production achieves a stable loading in 1 to 2 years time, YSIC would breakeven and contribute to the Group's profitability.
39.	What's the roadmap in the coming five years to capture the growth of AI industry? Please elaborate in detail.	As many potential customers have relayed their interest due to China and Taiwan plus one topics, we are focusing more on the advanced packaging such as 2.5D packaging, optoelectronics for co packaged optics etc for application in the AI industry.
40.	The Company's financial performance over the recent quarters does not seem to reflect the much-anticipated recovery. Do you see a new tech upcycle upcoming for the semiconductor sector, or specifically the OSAT industry, in Malaysia, and when will it be?	With the smartphone market now seems saturated, we envision the market for new AI smartphone and optical communication will bring our Company to the next level.
41.	Inari main business are still come from the west, namely USA, hence by having a JV with Yiwu and putting a factory in China, how Inari going to manage the challenges of 2 major adversary of the west vs China that may impact Inari businesses?	We maintained a strong focus in driving our business growth and effectively navigate the challenges in the business environment, including geopolitical factors.

APPENDIX 2 : RESULT ON VOTING BY POLL

INARI AMERTRON BERHAD
(201001016131)

14th Annual General Meeting
TIIH Online website at <https://tiih.online>

On 26-November-2024 at 11:00AM

Result On Voting By Poll

Resolution(s)	Vote For				Vote Against				Total Votes			
	No of Units	%	No of P/S	%	No of Units	%	No of P/S	%	No of Units	%	No of P/S	%
Resolution 1	2,424,279,820	99.9905	790	92.5059	230,449	0.0095	64	7.4941	2,424,510,269	100.0000	854	100.0000
Resolution 2	2,424,037,020	99.9807	786	92.0375	468,649	0.0193	68	7.9625	2,424,505,669	100.0000	854	100.0000
Resolution 3	1,977,668,229	81.4884	574	67.1345	449,265,065	18.5116	281	32.8655	2,426,933,294	100.0000	855	100.0000
Resolution 4	2,302,473,272	94.8728	626	73.0455	124,431,822	5.1272	231	26.9545	2,426,905,094	100.0000	857	100.0000
Resolution 5	2,190,859,043	90.2738	622	72.5788	236,046,051	9.7262	235	27.4212	2,426,905,094	100.0000	857	100.0000
Resolution 6	2,320,650,757	95.6162	649	74.8558	106,396,437	4.3838	218	25.1442	2,427,047,194	100.0000	867	100.0000
Resolution 7	2,426,824,932	99.9908	814	94.8718	222,262	0.0092	44	5.1282	2,427,047,194	100.0000	858	100.0000
Resolution 8	2,424,579,226	99.8969	807	93.8372	2,502,168	0.1031	53	6.1628	2,427,081,394	100.0000	860	100.0000
Resolution 9	2,417,998,612	99.6760	795	92.7655	7,860,282	0.3240	62	7.2345	2,425,858,894	100.0000	857	100.0000
Resolution 10	1,643,606,629	67.7201	726	84.6154	783,453,265	32.2799	132	15.3846	2,427,059,894	100.0000	858	100.0000
Resolution 11	2,426,872,325	99.9923	804	93.7063	187,569	0.0077	54	6.2937	2,427,059,894	100.0000	858	100.0000
Resolution 12	2,407,004,124	99.1886	772	90.0817	19,691,270	0.8114	85	9.9183	2,426,695,394	100.0000	857	100.0000

