

INARI AMERTRON BERHAD
(Company No. 1000809-U)
(Incorporated in Malaysia)

KEY MATTERS DISCUSSED AT THE SEVENTH ANNUAL GENERAL MEETING (“7th AGM”) OF THE COMPANY HELD AT DEWAN BERJAYA, BUKIT KIARA EQUESTRIAN & COUNTRY RESORT, JALAN BUKIT KIARA, OFF JALAN DAMANSARA, 60000 KUALA LUMPUR ON WEDNESDAY, 22 NOVEMBER 2017 AT 11.00 A.M.

Following a question-and-answer session between the Shareholders and the Management/Directors, the following salient points were covered:

1. Impact from the strengthening of MYR and forex fluctuation on the Company's profitability. The Company is unable to eliminate the foreign exchange risk entirely but had entered into hedging contracts to mitigate forex risk. The Company is of the view that managing margins of which forex fluctuations is just one factor remains the key focus.
2. The reason for the decrease in the number of foreign workers from FY2015 to FY2016 was mainly due to increase in automation. The management is working closely with local governments and local universities to train the local interns with an aim to creating a pool of local workforce and reduce the dependency on the foreign workers
3. The Company has obtained a matching grant of RM100.0 million from MIDA to its subsidiary as announced on 3 March 2016. The Company is in the process of finalizing the terms and conditions of the grant agreement, and is expected to complete by end of the year.
4. The increase in staff costs in FY2017 as compared to FY2016 was due to the hiring of more skilled staff as the volume and complexity of our operations grow. The Company also has a competitive reward scheme when KPIs are met, in order to retain and motivate the talent pool.
5. Customers A and B contributed about 86% of the Company's total revenue. They are the well-known and established companies and are performing very well. As refer to public information, the customer continues to expand its business through acquisition of new ventures and has many different subdivisions for different products such as smartphones and infrastructure. We have always been focus to stay relevant and be competitive to serve the customers expansion needs.
6. According to our dividend policy as stated in the IPO Prospectus, the Board intends to pay dividends of up to 40% of profit after tax to shareholders after considering our level of cash and retained earnings, results of operations and capital requirements. Nevertheless, the Company had paid a higher dividend payout ratio of 72% of PAT which is equivalent to RM165 mil in FY 2017.

Delivering good return for our shareholders is always one of our targets. As for the excess of cash, the Company is continuously looking for opportunities to expand its business portfolio.

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