

**AIMFLEX BERHAD**  
**Registration No. 201801011135 (1273151-K)**  
(Incorporated in Malaysia)

**Appendix I (Questions and Answers during the Seventh Annual General Meeting)**

**1) What is the progress of operation expansion into the northern region of Malaysia and its estimated operation size?**

Aimflex has acquired three subsidiaries in the northern region and consolidated their operations at a single location. Following the acquisition, the number of customers has increased, and Aimflex continues to serve them accordingly.

**2) Does the reciprocal tariff imposed by U.S. have any impact on the Company?**

There are customers that require shipments to the US, but the volume is very low. As such, the direct impact of the tariffs on Aimflex is minimal. However, due to the tariffs, some of the customers' businesses might be affected, which could indirectly impact Aimflex.

**3) Is there any new progress on the Company's silicone photonic device and is there any strong Chinese and Taiwanese player in this industry?**

While there are strong competitors based in China serving the local market, several non-China customers have shown a preference not to engage with them due to various considerations.

In terms of Aimflex's progress, the 2.0 machine development has been successfully completed. The team is currently engaging with several customers to explore the next phase of implementation. The silicone photonic devices developed is not a standard product but rather a flexible platform capable of automating six critical assembly processes. These processes are highly sensitive to the nature of the customers' products. Although the core platform can be reused when product specifications change, a substantial level of customisation is required for each application.

Most of the Company's current customer base operates within the semiconductor segment, with limited activity observed in lower-end segments such as telecommunications and consumer electronics.

**4) What is the reason for the substantial decrease in contract liability as shown in cashflow statements for the financial year ended 31 December 2024?**

The decrease in contract liability is mainly related to the advance consideration received from customers which revenue is recognised at point of time and when the performance obligation is satisfied.

**5) Can management provide insights on challenges impacted the margin and how they are being mitigated?**

It is acknowledged that this is a common issue within the **Electrical & Electronics (E&E) and System Integration (SI) industries**, particularly during the current challenging economic climate. Many multinational corporation (MNC) customers are actively seeking ways to reduce their costs, which in turn has exerted downward pressure on service providers' margins. To mitigate this, the Company has adopted a strategic approach by focusing on its core competencies while outsourcing certain accessory components to trusted partners. This

collaboration helps to reduce overall production costs without compromising on the quality of core deliverables.

**6) Is there any plans to distribute dividend?**

The Company is still in the process of strengthening its positioning and diversifying its customer base. Hence, there is no plan to distribute dividend. However, the Company assured that the dividend distribution will be reviewed and addressed at an appropriate time when it is deemed suitable for consideration.

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**7) Has the Company secured any silicon photonic testing equipment contract?**

The Management is in discussion involving few contracts as the silicon photonic product and technology is always evolving. The Company is close to complete its 2.0 machine to align with the new market expansion for silicon photonic testing equipments.

**8) What is the Company's future outlook? Will the Board of Directors consider giving door gift such as e-voucher or e-wallets for those participating in the AGM as a token of appreciation?**

The Management will have discussion internally to come to a decision in relation to door gift offerings in the upcoming AGM.

**9) The Prime Minister has been heavily attracting Chinese investments, resulting in many small and medium-sized Chinese enterprises competing with local companies. Moreover, Chinese companies are known for aggressive pricing due to subsidies from their government, as seen with Mixue, which nearly devastated the local steel industry and their electric vehicles. What are the Company's strategies or solutions to face this impending challenge?**

In the automation field, Chinese market players entering the market can be advantageous to the local market players as this give rise to potential collaboration with the Chinese market players which can help local market players in expanding its business and enhances its operations.