

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

MINUTES OF THE FOURTH ANNUAL GENERAL MEETING (“MEETING” OR “AGM”) OF AIMFLEX BERHAD (“AIMFLEX” OR “COMPANY”) HELD ON A FULLY VIRTUAL BASIS THROUGH ONLINE MEETING PLATFORM 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: D1A212781) PROVIDED BY TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN. BHD. IN MALAYSIA ON THURSDAY, 23 JUNE 2022 AT 10.00 A.M.

Present : **Attendance via video conferencing**

Dato’ (Dr.) Ts. Awang Daud Bin Awang Putera (Non-Independent Non-Executive Chairman)
Ms. Tee Sook Sing (Managing Director)
Mr. Chuah Chong Ewe (Executive Director)
Mr. Chuah Chong San (Executive Director)
Pn. Siti Zaleha Binti Sulaiman (Independent Non-Executive Director)
Professor Dr. Ruzairi Bin Hj Abdul Rahim (Independent Non-Executive Director)
Ms. Law Lee Yen (Independent Non-Executive Director)

All members and proxies entered in the Attendance List

By Invitation : All guests entered in the Attendance List

In Attendance : Mr. Soo Choon Siong (Chief Financial Officer)
Ms. Wong Mee Kiat (Company Secretary)
Ms. Tan Yen Fen, Representative of RSM Malaysia PLT (External Auditors of the Company)
Mr. Ng Thiam Liang, Representative of RSM Malaysia PLT (External Auditors of the Company)
Mr. William Lau, Representative of RSM Malaysia PLT (External Auditors of the Company)

WELCOMING ADDRESS

Dato’ (Dr.) Ts. Awang Daud Bin Awang Putera (“the Chairman”), on behalf of the Board of Directors, welcomed the shareholders, proxy holders and invited guests to the Company’s fully virtual 4th AGM, which was conducted through online meeting platform via TIIH Online website at <https://tiih.online> provided by Tricor Investor & Issuing House Services Sdn. Bhd. in Malaysia. Dato’ Chairman thanked all participants for joining the meeting remotely via video conferencing.

Dato’ Chairman introduced the following Board members, Chief Financial Officer, Company Secretary and representatives from the External Auditors to all present:-

1. Ms. Tee Sook Sing, Managing Director;

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2. Mr. Chuah Chong Ewe, Executive Director;
3. Mr. Chuah Chong San, Executive Director;
4. Pn. Siti Zaleha Binti Sulaiman, the Independent Non-Executive Director;
5. Professor Dr. Ruzairi bin Abdul Rahim, Independent Non-Executive Director;
6. Ms. Law Lee Yen, Independent Non-Executive Director;
7. Mr. Soo Choon Siong, Chief Financial Officer;
8. Ms. Wong Mee Kiat, Company Secretary;
9. Ms. Tan Yen Fen, Representative of RSM Malaysia PLT (External Auditors of the Company)
10. Mr. Ng Thiam Liang, Representative of RSM Malaysia PLT (External Auditors of the Company); and
11. Mr. William Lau, Representative of RSM Malaysia PLT(External Auditors of the Company)

QUORUM

The Company Secretary confirmed that the requisite quorum was present as at the commencement of the meeting and therefore, the Chairman called the meeting to order and proceed with the agenda.

NOTICE OF MEETING

The notice convening the meeting, having been circulated earlier to all the shareholders of the Company within the prescribed period, was taken as read.

POLLING PROCEDURES

Dato' Chairman informed that as required by Rule 8.29 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions as set out in the notice calling the meeting were to be voted on by poll, and an independent scrutineer was to be appointed to validate the votes cast. For this purpose, Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") had been appointed as the poll administrator, and Asia Securities Sdn Berhad as the independent scrutineer to verify and confirm the poll results.

Affirmative votes of more than half of the members/proxies who participated and voted remotely at the meeting would be required to pass all the resolutions. Shareholders and proxies would be allowed to cast their votes remotely during the meeting until online voting was declared closed after presentation of all resolutions. Dato' Chairman would announce the start and end of the online voting session.

A video presentation was made by Tricor, the poll administrator which guided the shareholders who have attended the AGM through live streaming on the electronic voting. After Tricor's presentation, Dato' Chairman announced that online voting was opened.

BRIEFING ON THE COMPANY'S PERFORMANCE FOR 2021

Mr. Soo Choon Siong, Chief Financial Officer, was invited to brief the shareholders on the performance of the Group for the year 2021. He presented financial highlights, business snapshots and operational updates of the Group.

ORDINARY BUSINESSSES

RECEIPT OF AUDITED FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED 31 DECEMBER 2021 TOGETHER WITH REPORTS OF DIRECTORS AND AUDITORS

Dato' Chairman informed that the audited financial statements did not require shareholders' approval and hence would not be put for voting.

The audited financial statements for the financial year ended 31 December 2021 were duly received by the meeting.

RESOLUTION 1 - ADDITIONAL PAYMENT OF DIRECTORS' FEES AND BENEFITS

Dato' Chairman informed that Resolution 1 was to approve and ratify the the additional payment of Directors' Fees and benefits totalling RM50,000.00 which was in excess of the earlier approved amount of RM178,500.00 for the period commencing from 25 January 2022 until the conclusion of 4th AGM of the Company.

RESOLUTIONS 2 & 3 - RE-ELECTION OF DIRECTORS

Dato' Chairman informed that Resolutions 2 & 3 were to approve the re-election of Ms. Tee Sook Sing and Professor Dr. Ruzairi Bin Hj Abdul Rahim, who were retiring pursuant to Article 131 of the Company's Constitution. All the retiring Directors had offered themselves for re-election as Directors of the Company.

RESOLUTIONS 4 & 5 - ELECTION OF DIRECTORS

Dato' Chairman informed that Resolutions 4 and 5 were to approve the election of Mr. Chuah Chong Ewe and Mr. Chuah Chong San, who were retiring pursuant to Article 116 of the Company's Constitution. The retiring Directors had offered themselves for election as Directors of the Company.

RESOLUTION 6 - DIRECTORS' FEES AND BENEFITS

Dato' Chairman informed that Resolution 6 was to seek shareholders' approval to pay the Directors' fees of up to RM300,000.00 and benefits of up to RM20,000.00 from 2022 Annual General Meeting until the next Annual General Meeting of the Company.

RESOLUTION 7 – RE-APPOINTMENT OF AUDITORS OF THE COMPANY AND AUTHORISATION FOR DIRECTORS TO FIX REMUNERATION OF AUDITORS

Dato' Chairman informed that Resolution 7 was for the re-appointment of RSM Malaysia PLT as the Company's auditors for the ensuing financial year end at a remuneration to be fixed by the Directors.

SPECIAL BUSINESS

RESOLUTION 8 - AUTHORITY TO ISSUE SHARES

Dato' Chairman informed that Resolution 8 was for the approval for issuance of new ordinary shares pursuant to Section 75 and Section 76 of Companies Act 2016. The text of the resolution for consideration is set out on the notice of the Fourth Annual General Meeting dated 29 April 2022. He further explained that the passing of this Resolution will empower

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the Directors to issue shares in the Company provided that the aggregate number of shares to be issued does not exceed twenty percent of the total number of issued shares of the Company for the time being to be utilised until 31 December 2022 as empowered by Bursa Securities pursuant to the extension of the implementation period of the enhanced general mandate announced by Bursa Malaysia Berhad on 23 December 2021 and thereafter, 10% of the total number of issued shares of the Company for the time being as stipulated under Rule 6.04(1) of the Bursa Securities Ace Market Listing Requirements to be utilised before the conclusion of the next AGM of the Company.

ANY OTHER BUSINESS

Dato' Chairman confirmed that the Company had not received any notice to transact any other business.

Q&A SESSION

The Chairman of the Meeting gone through the questions submitted via TIH online and posed in the Query box during the meeting. He passed the Q&A Session to Mr. Soo Choon Siong, the Chief Financial Officer.

The questions and the Company's response are attached as Appendix I. He then handed the meeting back to Dato' Chairman.

POLL RESULTS

After announcing the close of the online voting, Dato' Chairman informed that results of the poll would be declared after counting of votes by the poll administrator and validation of the poll results by the scrutineer, which would take about 20 minutes, during which a short break ensued.

The poll results as set out below were handed to Dato' Chairman and shown on the screen:

Resolution	Vote For		Vote Against	
	No. of Units	%	No. of Units	%
Resolution 1	469,178,353	99.9214	369,007	0.0786
Resolution 2	575,520,053	99.9687	180,007	0.0313
Resolution 3	640,395,353	99.9652	223,007	0.0348
Resolution 4	640,573,253	99.9741	165,907	0.0259
Resolution 5	640,573,253	99.9741	165,907	0.0259
Resolution 6	469,117,653	99.9342	308,907	0.0658
Resolution 7	640,553,453	99.9710	185,707	0.0290
Resolution 8	640,309,753	99.9330	429,407	0.0670

Based on the poll results, Dato' Chairman declared the following Resolutions carried:

RESOLUTION 1 - ADDITIONAL PAYMENT OF DIRECTORS' FEES AND BENEFITS

THAT additional payment of Directors' Fees and benefits totalling RM50,000.00 which was in excess of the earlier approved amount of RM178,500.00 for the period commencing from 25 January 2022 until the conclusion of 4th AGM of the Company be and is hereby approved and ratified.

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RESOLUTION 2 – RE-ELECTION OF DIRECTOR

THAT Ms. Tee Sook Sing, who is retiring pursuant to Article 131 of the Company's Constitution at the conclusion of this Annual General Meeting of the Company be and is hereby re-elected as a Director of the Company.

RESOLUTION 3 - RE-ELECTION OF DIRECTOR

THAT Professor Dr. Ruzairi Bin Hj Abdul Rahim, who is retiring pursuant to Article 131 of the Company's Constitution at the conclusion of this Annual General Meeting of the Company be and is hereby re-elected as Director of the Company.

RESOLUTION 4 - ELECTION OF DIRECTOR

THAT Mr. Chuah Chong Ewe, who is retiring pursuant to Article 116 of the Company's Constitution at the conclusion of this Annual General Meeting of the Company be and is hereby elected as Director of the Company.

RESOLUTION 5 - ELECTION OF DIRECTOR

THAT Mr. Chuah Chong San, who is retiring pursuant to Article 116 of the Company's Constitution at the conclusion of this Annual General Meeting of the Company be and is hereby elected as Director of the Company.

RESOLUTION 6 - DIRECTORS' FEES AND BENEFITS

THAT Directors' fees of up to RM300,000.00 and benefits of up to RM20,000.00 from 2022 Annual General Meeting of the Company be and are hereby approved.

RESOLUTION 7 – RE-APPOINTMENT OF AUDITORS OF THE COMPANY AND AUTHORISATION FOR DIRECTORS TO FIX REMUNERATION OF AUDITORS

THAT Messrs. RSM Malaysia PLT, the retiring auditors be and are hereby appointed as the auditors of the Company for the financial year ending 31 December 2022 and THAT the Directors be and are hereby authorised to fix their remuneration.

RESOLUTION 8 - AUTHORITY TO ISSUE SHARES

THAT subject always to the Companies Act 2016 ("the Act"), the constitution of the Company and the approvals from Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant governmental and/or regulatory authorities, where such approval is necessary, the Directors of the Company be and are hereby authorised and empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit, provided always that the aggregate number of shares issued pursuant to this resolution does not exceed twenty percent (20%) of the total number of issued shares of the Company for the time being to be utilised until 31 December 2022 as empowered by Bursa Securities pursuant to the extension of the implementation period of the enhanced general mandate announced by Bursa Malaysia Berhad on 23 December 2021 and thereafter, ten per centum (10%) of the total number of issued shares of the Company for the time being as stipulated under Rule 6.04(1) of the Bursa Securities Ace Market Listing Requirements to be utilised before the conclusion of the next Annual General Meeting ("AGM") of the Company; AND THAT the Directors be and are also empowered to obtain the approval for the listing of and

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quotation for the additional shares so issued on Bursa Securities; AND FURTHER THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.

CLOSURE

Dato' Chairman concluded the Meeting and thanked all present for their participation in the Fourth AGM of the Company. Dato' Chairman declared the meeting closed at 11:00 a.m..

SIGNED AND CONFIRMED BY



Dato' (Dr.) Ts. Awang Daud Bin Awang Putera
Chairman

Date: 18.7.2022

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

1) Kindly update on the status of its MOUs or new proposals in evaluation stage that could be a game changer to the Group. What are the low hanging fruits for Aimflex now in terms of business transformation, building its internal capabilities and subsequently creating value to its shareholders? At least to be well-positioned at the baseline in the automation and specialised equipment markets.

- The MOU has expired on 7 April 2022 and we did not intend to extend it. It is our intention now to undertake the following for Aimflex:-
 - (i) Organic expansion of the Group's automation business;
 - (ii) Cost-cutting measures;
 - (iii) Increase our presence in the Central and Northern Peninsular Malaysia;
 - (iv) Seek for potential suitable M&A opportunities to expand our Group's business; and
- (i) to (iii) are our focus in the short term while (iv) is medium to long term.

2) What is the order book secured for FY2021 and as at to date?

- Our current orderbook is approximately RM37 million.

3) Will the Company continue to issue share-based payments for ESOS to the staff and management team? Could it be deferred till there is a turnaround of the business of the Group? Priority now is to get the business at the baseline without diluting the shareholders' equity stakes.

- We will continue to issue ESOS as a tool to retain talents. We understand your concern and we will be careful in ESOS granting. As you should be aware, the southern region is bound to have high attrition rate due to its proximity with Singapore. Therefore, ESOS is one of the good strategies to retain talents.

4) Could the Company list down its competitive advantages in specialised automation equipment industry? What is its plan to expand into other verticals other than relying too much on early stages of products of its customers?

- Being a one-stop automation solution provider, we have the capability of machine designing, metal fabrication, precision machining, software development and system integration.
- After the sales are completed, we are able to provide maintenance and technical support services and machine modification services.
- We also have in-house R&D team which is actively involved in new technology development.

5) The RM6.8 million earmarked is for the construction of a new design and development factory building as per the IPO utilisation plan. What is the status of the construction? Would it be better to use it for expansion of new lines and building of internal capabilities?

- Yes, we are currently considering various options before constructing the new building.

6) ESOS were granted to directors and staff who newly joined the Group. ESOS should be issued to retain the right talents and maintain the good performance of the Group. Could the Company clarify on this and undertake to promote merit-based incentives and pay in future?

- Our ESOS is guided by the ESOS By-Laws and only granted to executive directors and employees who have been employed for at least one year. The quantum granted is dependent on individual performance appraisal.
- Similarly, our remuneration system is also performance based.

7) Is there a material adverse information affecting the Company recently which results in the drop in share price?

- No.

8) The pioneer status incentive obtained by Aimflex Systems Sdn Bhd expired on 31 December 2021. Have the Company sought an extension of pioneer status incentive from MIDA? What is the status of the application of extension of pioneer status incentive?

- We have received new pioneer for Factory Automation System in April this year for a 10-year income tax exemption. Next step is to determine the effective date with MIDA.

9) Is the Company pursuing for transfer listing to Main Market?

- We are open for every possible way to expand our Group and we shall make the requisite announcements and shall seek shareholders' approval in accordance with the Listing Requirements as and when required.

10) Kindly provide the strategy of the Company to build a long-term contract with its customers.

- We thank you for your valued suggestion. Long term contract may be a way to sustain a business, but it also means that the pricing and capacity will be locked in for the long term.
- For us, we will maintain closed business relationship with our existing customers while working hard to broaden our customer base.

11) Can the Company elaborate on its plan for operational efficiency and cost rationalization to improve its tight margins of its manufacturing automation business?

- We seek to be more efficient and cost-rationalized in improving our project management, resource allocation, bulk purchase, and so on.

-END-