JF TECHNOLOGY BERHAD
("**JF Tech**" or "**Company**")
[Registration No. 200601027925 (747681-H)]
(Incorporated in Malaysia)

Annexure A

The details of the questions raised by the Minority Shareholder Watch Group ("**MSWG**") and the corresponding replies by the Company were as follows:

Operational and Financial Matters

1. On a much brighter note, the utilisation for the Group's manufacturing facility in Kunshan, China, gained further traction in the financial year ("**FY**") 2024. This was also reflected in the revenue contribution from China. JF Tech and its subsidiaries ("**Group**") anticipate the plant utilisation to remain on an uptrend in FY 2025. (Pages 7 and 12 of Annual Report ("**AR**") 2024)

   a) What was the average utilisation rate for the Kunshan facility in FY 2024? What is the targeted average utilisation rate for FY 2025?

   Response:

   The average utilisation rate for the Kunshan facility in FY 2024 is around 60%. Looking ahead, while we are unable to share our internal targeted average utilisation rate, we expect this positive uptrend to sustain in FY 2025.

   b) What were the revenue and profit/loss contributions to the Group in FY 2024?

   Response:

   Our China operations contributed a revenue of RM9.9 million and a profit after non-controlling interest of RM0.5 million.

   c) How is the Group managing the risks and challenges involved in expanding its operations in the highly competitive Chinese market?

   Response:

   Although the Chinese market is highly competitive, our focus on niche, high-performance test sockets allows us to differentiate ourselves. These specialised products, as evidenced by our strong profit margins, command a premium and position us to capitalise on significant market opportunities within China.

2. Higher contributions from the test interface products division and manufacturing facility in Kunshan led to a change in the product mix contribution of the Group as these businesses are still advancing towards their optimal level. As a result, the Group's gross profit margin ("**GPM**") decreased to 62.2% in FY 2024 from 66.2% a year ago. Meanwhile, revenue contribution from Malaysia fell 24% to RM11.4 million in FY 2024. (Page 10 of AR 2024)

   a) Please provide more details on the changes in the product mix that affected the Group's GPM.

Response:

The margin profile of our test interface products division differs from that of our test contacting socket business. As for our manufacturing facility in Kunshan, the utilisation rate is still below optimal. Hence, the profit margin is still picking up.

We are taking a different view for our test engineering solutions business as we will be enhancing our revenue base and able to offer one (1)-stop solution to our customers, which would enhance our value proposition, move us up the semiconductor value chain, and further increase customer stickiness. We are moving in this direction because we see huge potential in this business.

Going forward, we expect our profit margins to remain healthy, especially once our test socket business recovers in tandem with the semiconductor sector.

b) What is the expected timeline for the test interface products division and Kunshan facility to reach their optimal levels?

Response:

We are unable to provide an exact timeline as it would ultimately depend on the order traction of the respective divisions. Nevertheless, the test interface products business has been charting good progress, with the team securing more projects. As for our Kunshan facility, we anticipate the order uptrend to continue and, in turn, would continue to boost our utilisation.

c) What were the key reasons for the 24% decline in revenue from Malaysia in FY 2024?

Response:

This was largely due to softer demand for test contacting sockets.

d) What is the outlook for Malaysia operations in FY 2025?

Response:

We continue to be excited by the Group's long-term outlook underpinned by our six (6) growth drivers and JF 4.0 transformation. More information can be found in our AR 2024 under the Management Discussion and Analysis section.

Apart from those, we have also recently announced two (2) synergistic proposed acquisitions. We see strong synergies from this, which would widen our market reach, strengthen our position in the value chain, and scale the business further. Besides, we anticipate the semiconductor sector charting further recovery, which bodes well for our business, especially for test sockets.

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Corporate Governance Matters

3. Practice 4.4 of the Malaysian Code on Corporate Governance (MCCG) stipulates that performance evaluations of the board and senior management should include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.

   Company's response: Applied. Sustainability-related key performance indicators ("**KPIs**") have been implemented and cascaded down to senior management within the organisation. These KPIs will be monitored at the senior management level to ensure their performance is aligned with sustainability goals.

   MSWG's comments: What are the major KPIs being implemented? Are there any incentives or consequences tied to the performance on these KPIs?

   Response:

   We are unable to divulge too much details on this as some of the KPIs are confidential. What we can share is that the KPIs are aligned with our sustainability goals, and the underlying incentives are competitive enough to retain our senior management while encouraging them to drive the growth of the Group.

Sustainability Matters

4. The Group's total greenhouse gas ("**GHG**") emissions were 1,265 TCO2e in FY 2024. (Page 33 of AR 2024)

   a) JF Tech has provided four (4) years of data for energy and water consumption as well as waste generated. However, there is no corresponding trend data for GHG emissions. Please clarify why this data has not been included.

   Response:

   JF Tech has only started to collect data on GHG emissions during FY ended 30 June 2024. Thus, the comparative data is unavailable.

   b) What specific emissions reduction targets or timelines has the Group set for the coming years?

   Response:

   We are targeting to reduce our total carbon emissions by 5% during FY ending 30 June 2025.

5. In FY 2024, water consumption rose from 6,278 m^3 to 6,495 m^3 due to higher production in China. To support sustainable water management, the Group's new facility will include a modern rainwater harvesting system. This system will collect and use rainwater for factory operations, helping reduce the need for treated water. (Page 34 of AR 2024)

   a) What specific measures are being implemented to reduce overall water consumption besides the rainwater harvesting system?

Response:

We have been continuously reminding our employees to reduce water usage through notices and slogans in our office areas. We also monitor our water usage on a monthly basis and identify the root cause for abnormal water usage for corrective action, if any.

b) What is the expected reduction in treated water consumption as a result of the rainwater harvesting system?

Response:

The expected reduction in treated water consumption might not be material to the Group as it is used mainly for watering the surrounding plants in our office areas. It is the awareness created and little more thing we can do for our environment.