



AIMFLEX BERHAD (201801011135 / 1273151-K)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE THIRD (3RD) QUARTER ENDED 30
SEPTEMBER 2022⁽¹⁾**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 30.09.2022 RM'000	Preceding Year Corresponding Quarter 30.09.2021 RM'000	Current Year-To- Date 30.09.2022 RM'000	Preceding Year Corresponding Period 30.09.2021 RM'000
Revenue	A9	25,765	16,800	72,968	50,610
Cost of sales		(17,367)	(11,519)	(48,898)	(39,600)
Gross profit ("GP")		8,398	5,281	24,070	11,010
Other income		971	355	1,694	836
Selling and distribution expenses		(927)	(418)	(2,272)	(627)
Administrative expenses		(3,482)	(3,498)	(9,856)	(9,733)
Other expenses		(6)	(38)	(31)	(133)
Profit from Operations		4,954	1,682	13,605	1,353
Finance costs		(1)	(2)	(5)	2
Profit before tax ("PBT")	B12	4,953	1,680	13,600	1,355
Taxation	B6	(1,125)	(393)	(3,392)	(477)
Profit after tax ("PAT")		3,828	1,287	10,208	878
Other comprehensive income, net of tax					
Foreign currency translation differences for foreign operations		136	(18)	274	50
Total comprehensive income for the financial period		3,964	1,269	10,482	928
Profit for the financial period attributable to:					
• Owners of the Company		3,828	1,287	10,208	878
• Non-controlling interests		-	-	-	-
		3,828	1,287	10,208	878
Total comprehensive income for the financial period attributable to:					
• Owners of the Company		3,964	1,269	10,482	928
• Non-controlling interests		-	-	-	-
		3,964	1,269	10,482	928
Earnings per share attributable to owners of the Company					
• Basic (sen)	B11	0.26	0.11	0.77	0.07
• Diluted (sen)	B11	0.26	0.11	0.77	0.07



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE THIRD (3RD) QUARTER ENDED 30
SEPTEMBER 2022⁽¹⁾ (CONT'D)**

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.

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AIMFLEX BERHAD (201801011135 / 1273151-K)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021⁽¹⁾

	UNAUDITED	AUDITED
	As at 30.09.2022 RM'000	As at 31.12.2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	22,787	23,923
Investment properties	267	271
Goodwill	856	856
Deferred tax assets	733	1,974
Total non-current assets	24,643	27,024
Current Assets		
Inventories	11,648	12,923
Trade receivables	27,876	35,851
Other receivables	644	1,494
Cash and cash equivalents	73,955	22,394
Total current assets	114,123	72,662
TOTAL ASSETS	138,766	99,686
EQUITY AND LIABILITIES		
Equity		
Share capital	86,365	55,346
Retained earnings	46,740	36,248
Reserves	(13,005)	(13,944)
Total Equity	120,100	77,650
Liabilities		
Non-current liabilities		
Lease liabilities	46	113
Deferred tax liabilities	936	928
Total non-current liabilities	982	1,041
Current liabilities		
Trade payables	6,337	5,386
Other payables	9,717	14,587
Current tax liabilities	1,540	911
Lease liabilities	90	111
Total current liabilities	17,684	20,995
TOTAL LIABILITIES	18,666	22,036
TOTAL EQUITY AND LIABILITIES	138,766	99,686
NET ASSETS PER SHARE (RM)⁽²⁾	0.08	0.06



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
30 SEPTEMBER 2022⁽¹⁾ (CONT'D)**

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.
- (2) Based on share capital of 1,224,121,200 shares and 1,468,945,200 shares in issuance as at 31 December 2021 and 30 September 2022 respectively.

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AIMFLEX BERHAD (201801011135 / 1273151-K)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2022⁽¹⁾

	Non-distributable				Distributable	
	Share Capital RM'000	Translation Reserve RM'000	Merger Reserve RM'000	Share Options Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
As at 1 January 2021	54,516	632	(16,628)	1,442	31,324	71,286
Total comprehensive income:						
- Profit for the year	-	-	-	-	4,729	4,729
- Foreign currency translation differences for foreign operations	-	69	-	-	-	69
	-	69	-	-	4,729	4,798
Transactions with owners:						
- Share options forfeited	-	-	-	(195)	195	-
- Exercise of ESOS	830	-	-	(264)	-	566
- Share options granted under ESOS	-	-	-	1,000	-	1,000
	830	-	-	541	195	1,566
As at 31 December 2021	55,346	701	(16,628)	1,983	36,248	77,650



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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2022⁽¹⁾ (CONT'D)

	Non-distributable				Distributable	
	Share Capital RM'000	Translation Reserve RM'000	Merger Reserve RM'000	Share Options Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
As at 1 January 2022	55,346	701	(16,628)	1,983	36,248	77,650
Total comprehensive income:						
- Profit for the year	-	-	-	-	10,208	10,208
- Foreign currency translation differences for foreign operations	-	274	-	-	-	274
	-	274	-	-	10,208	10,482
Transactions with owners:						
- Issue of ordinary shares	31,019	-	-	-	-	31,019
- Share options forfeited	-	-	-	(284)	284	-
- Exercise of ESOS	-	-	-	-	-	-
- Share options granted under ESOS	-	-	-	949	-	949
	31,019	-	-	665	284	31,968
As at 30 June 2022	86,365	975	(16,628)	2,648	46,740	120,100



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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2022⁽¹⁾ (CONT'D)

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.



AIMFLEX BERHAD (201801011135 / 1273151-K)
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UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2022⁽¹⁾

	CUMULATIVE QUARTER	
	Current Year- To-Date 30.09.2022 RM'000	Preceding Year Corresponding Period 30.09.2021 RM'000
Cash Flows From Operating Activities		
Profit before tax	13,600	1,355
Adjustments for:		
Depreciation of property, plant and equipment	1,268	1,220
Depreciation of right-of-use asset	168	82
Depreciation of investment properties	4	5
Impairment losses on receivables	(335)	27
Interest expense	5	(1)
Property, plant and equipment written off	35	26
Provision for warranty	34	13
Dividend income	(93)	(238)
Interest income	(223)	(24)
Rental income	(21)	(20)
Gain on disposal of property, plant and equipment	(53)	(161)
Share-based payments for ESOS	949	686
Unrealised gain on foreign exchange	(147)	(61)
Operating profit before working capital changes	15,191	2,909
Change in working capital		
Inventories	1,275	(8,791)
Trade and other receivables	9,321	(2,489)
Trade and other payables	(3,966)	6,998
	6,630	(4,282)
Cash from/(used in) operations	21,821	(1,373)
Interest paid	(5)	1
Interest received	223	24
Tax paid	(1,522)	(677)
Net cash from/(used in) operating activities	20,517	(2,025)
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(342)	(1,775)
Increase in fixed deposits pledged with a licensed bank	(138)	(19)
Proceeds from disposal of property, plant and equipment	53	267
Dividend received	93	238
Rental received	21	20
Net cash used in investing activities	(313)	(1,269)



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UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2022⁽¹⁾ (CONT'D)

	CUMULATIVE QUARTER	
	Current Year- To-Date 30.09.2022 RM'000	Preceding Year Corresponding Period 30.09.2021 RM'000
Cash Flows From Financing Activities		
Proceeds from issuance of ordinary shares	31,019	566
Repayment of lease liabilities	(80)	(84)
Net cash from financing activities	30,939	482
Net increase /(decrease) in cash and cash equivalents	51,143	(2,812)
Cash and cash equivalents at the beginning of the financial period	21,311	26,064
Effect of exchange translation differences on cash and cash equivalents	280	49
Cash and cash equivalents at the end of the financial period	72,734	23,301
Cash and cash equivalents at the end of the financial period comprises:		
Cash and bank balances	62,695	23,301
Fixed deposits with licensed banks	11,260	1,083
	73,955	24,384
Less: Fixed deposits pledged with licensed banks	(1,221)	(1,083)
	72,734	23,301

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows are disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.

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AIMFLEX BERHAD (201801011135 / 1273151-K)
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A. NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of preparation

The interim financial report of AIMFLEX BERHAD (“AIMFLEX” or “the Company”) and its subsidiaries (“the Group”) are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) No. 134: Interim Financial Reporting and Rule 9.22 of Listing Requirements of Bursa Securities.

This interim financial report should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2021 and the accompanying notes attached to this interim financial report.

A2. Summary of Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2021 except for the adoption of the following new and amended MFRSs with effect from 1 January 2022:

- Amendments to MFRS 3 Business Combinations: Reference to the Conceptual Framework
- Amendments to MFRS 16 Leases: Covid-19 - Related Rent Concessions beyond 30 June 2021
- Amendments to MFRS 116 Property, Plant and Equipment: Proceeds before Intended Use
- Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract

The adoptions of the above standards, amendments and interpretations do not have any material impact to the financial position and performance of the Group.

A3. Auditors’ report on preceding annual financial statements

The audited financial statements of the Company for the financial year ended 31 December 2021 was not subject to any qualification.

A4. Seasonal or cyclical factors

The business operations of the Group were not materially affected by seasonal and cyclical effects.

A5. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter and financial period-to-date.

A6. Material changes in estimates

There were no material changes in the estimates that have a material effect to the Group in the current financial quarter under review.



AIMFLEX BERHAD (201801011135 / 1273151-K)
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A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A7. Debt and equity securities

Save as disclosed below, there was no issuance or repayment of debts and equity securities, share buy-backs and share cancellations during the current financial quarter under review:-

New Issue of Securities Pursuant To The Subscription

During the current financial quarter under review, 244,824,000 new ordinary shares were issued pursuant to the Subscription at the Subscription Price of RM0.1267 per Subscription share.

A8. Dividends paid

There was no dividend paid during the current financial quarter under review.

A9. Segmental information

The Group's segmental information for the current financial period ended 30 June 2021 is as follows:

(a) Analysis of revenue by business segments

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2022 RM'000	Preceding Year Corresponding Quarter 30.09.2021 RM'000	Current Year-To-Date 30.09.2022 RM'000	Preceding Year Corresponding Period 30.09.2021 RM'000
Manufacturing	24,060	14,695	67,430	43,592
Distribution	1,705	2,105	5,538	7,018
Total	25,765	16,800	72,968	50,610

(b) Analysis of revenue by geographical location

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2022 RM'000	Preceding Year Corresponding Quarter 30.09.2021 RM'000	Current Year Quarter 30.09.2022 RM'000	Preceding Year Corresponding Quarter 30.09.2021 RM'000
Manufacturing				
Malaysia	11,680	10,283	31,246	34,180
Philippines	1,208	1,511	6,099	3,282
Singapore	9,501	2,731	27,184	5,903
Others	1,671	170	2,901	227
Sub-total	24,060	14,695	67,430	43,592



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A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A9. Segmental information (Cont'd)

(b) Analysis of revenue by geographical location (Cont'd)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2022 RM'000	Preceding Year Corresponding Quarter 30.09.2021 RM'000	Current Year Quarter 30.09.2022 RM'000	Preceding Year Corresponding Quarter 30.09.2021 RM'000
Distribution				
Malaysia	1,216	1,413	3,335	3,301
Singapore	319	514	1,610	2,787
India	155	-	444	465
Hong Kong	-	157	-	387
Indonesia	15	21	36	78
Others	-	-	113	-
Sub-total	1,705	2,105	5,538	7,018
Total	25,765	16,800	72,968	50,610

A10. Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment in the current financial quarter under review.

A11. Material events subsequent to the end of the current financial quarter

There were no other material events subsequent to the end of the current financial quarter that have not been reflected in this interim financial report.

A12. Changes in the composition of the Group

There were no material changes in the composition of the Group for the current financial quarter under review.

A13. Contingent assets and contingent liabilities

There were no contingent assets and contingent liabilities as at the date of this interim report.



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A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A14. Capital commitments

	UNAUDITED
	As at
	30.09.2022
	RM'000
Property, plant and equipment	
Contracted but not provided for	-
Approved but not contracted for	6,954
	<hr/>
	6,954

A15. Related party transactions

There were no material related party transactions during the current financial quarter under review.

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Performance

(a) Results for current quarter

	<u>INDIVIDUAL QUARTER</u>		<u>VARIANCE</u>	
	<u>3 months ended</u> <u>30.09.2022</u> <u>RM'000</u>	<u>3 months ended</u> <u>30.09.2021</u> <u>RM'000</u>	<u>RM'000</u>	<u>%</u>
Revenue	25,765	16,800	8,965	53.4%
Profit Before Tax ("PBT")	4,953	1,680	3,273	194.8%

The Group recorded revenue of RM25.77 million for the current financial quarter ended 30 September 2022 ("Q3 2022"), an increase of 53.4% as compared to the same quarter ended 30 September 2021 ("Q3 2021"). The increase was mainly attributable to the higher revenue recorded from the manufacturing segment by 63.7%.

In Q3 2022, the Group's revenue was principally derived from the manufacturing segment, contributing approximately 93.4% of the Group's total revenue (Q3 2021: 87.5%). On the geographical standpoint, the Malaysian market remains the largest contributor to the Group's revenue of 50.1% in Q3 2022 (Q3 2021: 69.6%).

The Group registered a PBT of RM4.95 million in Q3 2022 as compared to PBT of RM1.68 million in Q3 2021, which represents an increase of RM3.27 million. Higher PBT recorded in Q3 2022 was mainly attributable to higher revenue which improved the gross profit by RM3.12 million, higher foreign exchange gain by RM0.57 million, higher interest income by RM0.18 million offset by higher export and travelling expenses by RM0.47 million.



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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B1. Review of Performance (Cont'd)

(b) Results for financial year-to-date

	<u>CUMULATIVE QUARTER</u>		<u>VARIANCE</u>	
	<u>9 months ended</u> <u>30.09.2022</u> <u>RM'000</u>	<u>9 months ended</u> <u>30.09.2021</u> <u>RM'000</u>	<u>RM'000</u>	<u>%</u>
Revenue	72,968	50,610	22,358	44.2%
Profit Before Tax ("PBT")	13,600	1,355	12,245	903.7%

The Group recorded revenue of RM72.97 million for the 9 months ended 30.09.2022 ("9M 2022"), an increase of RM22.36 million from RM50.61 million for the 9 months ended 30.09.2021 ("9M 2021"). The increase was mainly attributable to the higher revenue recorded from the manufacturing segment by 54.7%.

The Group registered a Profit Before Tax of RM13.60 million for 9M 2022 as compared to RM1.36 million 9M 2021, which represents an increase of 903.7%. Higher PBT recorded in 9M 2022 was mainly attributable to higher revenue which improved the gross profit by RM13.06 million, higher foreign exchange gain by RM0.94 million, higher interest income by RM0.20 million offset by higher export and travelling expenses by RM1.54 million.

B2. Comparison with immediate preceding quarter's results

	<u>INDIVIDUAL QUARTER</u>		<u>VARIANCE</u>	
	<u>3 months ended</u> <u>30.09.2022</u> <u>RM'000</u>	<u>3 months ended</u> <u>30.06.2022</u> <u>RM'000</u>	<u>RM'000</u>	<u>%</u>
Revenue	25,765	23,247	2,518	10.8%
Profit Before Tax ("PBT")	4,953	3,924	1,029	26.2%



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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B2. Comparison with immediate preceding quarter's results (Cont'd)

The Group recorded a revenue of RM25.77 million in Q3 2022 as compared to RM23.25 million in the preceding financial quarter ended 30 June 2022 ("Q2 2022"), an increase of RM2.52 million during the current financial quarter. The increase was mainly attributable to the higher revenue recorded from the manufacturing segment by 13.2% offset by lower revenue recorded from the distribution segment by 14.5%.

The Group registered a higher Profit Before Tax by RM1.03 million in Q3 2022 as compared Q2 2022, mainly due to higher revenue generated in Q3 2022.

B3. Prospects and outlook

During the financial year under review, Malaysia transitioned into the endemic phase on 1 April 2022, a move most welcomed by the businesses and general public. With effect from 1 May 2022, the minimum wage was increased to RM1,500 per month. Bank Negara Malaysia raised the Overnight Policy Rate ("OPR") as follows (*Source: <https://www.bnm.gov.my/monetary-stability/opr-decisions>*):-

Date	Change in OPR (%)	New OPR Level (%)
11 May 2022	+0.25	2.00
06 Jul 2022	+0.25	2.25
08 Sep 2022	+0.25	2.50
03 Nov 2022	+0.25	2.75

Underlying inflation, as measured by core inflation, is projected to average closer to the upper end of the 2.0% - 3.0% forecast range in 2022, having averaged 2.7% year-to-date, given some demand-driven price pressures amid the high-cost environment. Moving into 2023, headline and core inflation are expected to remain elevated amid both demand and cost pressures, as well as any changes to domestic policy measures. The extent of upward pressures to inflation will remain partly contained by existing price controls, subsidies, and the remaining spare capacity in the economy. The balance of risk to the inflation outlook in 2023 is tilted to the upside and continues to be subject to domestic policy measures on subsidies, as well as global commodity price developments arising mainly from the ongoing military conflict in Ukraine and prolonged supply-related disruptions (*Source: Bank Negara Malaysia Monetary Policy Statement 3 November 2022*).

On a separate note, the outbreak of COVID-19 or the like is an event of force majeure that is beyond the control of our Group. There is no assurance that the such outbreak will not continue to have an adverse impact on the market conditions and/or industry of our Group as well as the progress of our projects and business operations.

Barring any unforeseen circumstances and premised on the above, our Board is optimistic of our Group's prospects. Our Group is focused on expanding the existing business segments by building solutions for the electrical & electronic manufacturing process automation, Industry Revolution 4.0 introduction with data and artificial intelligence driven manufacturing, assembly process automation and digitalization of business.



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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B4. Profit Forecast or Profit Guarantee

The Group did not issue any profit forecast or profit guarantee during the current financial quarter under review.

B5. Status of corporate proposals

Save as disclosed below, there were no other corporate proposals announced but not completed as at the date of this interim report.

On 11 January 2022, the Company announced that it will undertake a proposed subscription exercise of up to 244,824,000 Subscription Shares at the subscription price of RM0.1267 per Subscription Share, representing up to 20% of the enlarged number of issued and paid up shares of the Company. On 15 February 2022, the Company announced that the application pursuant to the Proposed Subscription has been submitted to Bursa Malaysia Securities Berhad. On 28 March 2022, the Company announced that the application pursuant to the Proposed Subscription has been approved by Bursa Malaysia Securities Berhad and the Proposed Subscription is required to be approved by the shareholders in general meeting. On 20 May 2022, the Company announced that it has received shareholders' approval in the Extraordinary General Meeting. On 3 June 2022, the Company announced that 244,824,000 new Aimflex Shares issued pursuant to the Subscription were listed and quoted on the ACE Market of Bursa Securities, which marked the completion of the Subscription.

B6. Income tax expenses

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2022 RM'000	Preceding Year Corresponding Quarter 30.09.2021 RM'000	Current Year-To-Date 30.09.2022 RM'000	Preceding Year Corresponding Period 30.09.2021 RM'000
Income tax expense:				
- Current year	1,031	243	2,098	325
- Prior year	(51)	150	(51)	150
Foreign withholding tax	42	-	97	2
	<u>1,022</u>	<u>393</u>	<u>2,144</u>	<u>477</u>
Deferred tax expense	103	-	1,248	-
Total tax expense	<u>1,125</u>	<u>393</u>	<u>3,392</u>	<u>477</u>
Effective tax rate (%)	23.74	14.46	25.32	24.13

Notes:

- (1) The Group's effective tax rate for the current year-to-date was higher than the statutory income tax mainly due to certain subsidiaries which have generated higher chargeable profit during the financial period offset by certain subsidiaries having business loss.
- (2) Income tax expense is recognised based on management's estimate.



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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B7. Utilisation of proceeds from the IPO

(a) Based on the IPO Price, the gross proceeds arising from the Public issue amounting to RM39.09 million is intended to be utilised in the following manner:-

<u>Details of utilisation</u>	<u>Proposed Utilisation</u> RM'000	<u>Actual Utilisation</u> RM'000	<u>Unutilised Amount</u> RM'000	<u>Estimated timeframe for utilisation upon listing</u>
Process and product development	4,200	4,200	-	Within 48 months ⁽¹⁾
Repayment of borrowings	13,482	13,482	-	Within 12 months
Construction of new D&D centre	6,800	-	6,800	Within 48 months
Capital expenditures	5,200	2,433	2,767	Within 48 months ⁽¹⁾
Working capital requirements	5,905	5,905	-	Within 36 months
Listing expenses	3,500	3,500	-	Within 1 months
	<u>39,087</u>	<u>29,520</u>	<u>9,567</u>	

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 21 June 2019.

⁽¹⁾ The Board of Directors has approved the extension of timeframe for the utilisation of the remaining unutilised IPO Proceeds earmarked for “Process and product development” and “Capital expenditures” for an additional 24 months of up to 48 months from the date of listing.



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B7. Utilisation of proceeds from the IPO and the Subscription (Cont'd)

(b) Based on the Subscription Price, the gross proceeds arising from the Subscription issue amounting to RM31.02 million is intended to be utilised in the following manner:-

<u>Details of utilisation</u>	<u>Proposed Utilisation</u> <u>RM'000</u>	<u>Actual Utilisation</u> <u>RM'000</u>	<u>Unutilised Amount</u> <u>RM'000</u>	<u>Estimated timeframe for utilisation upon listing</u>
Business / Investment opportunities	6,000	-	6,000	Within 24 months
Working capital requirements	24,924	5,825	19,099	Within 24 months
Listing expenses	95	95	-	Upon completion
	<u>31,019</u>	<u>5,920</u>	<u>25,099</u>	

The utilisation of proceeds as disclosed above should be read in conjunction with the Circular of the Company dated 14 April 2022.

B8. Group borrowings and debt securities

The Group has no borrowings and debts securities as at the end of the reporting period.

B9. Material litigation

There were no material litigation involving the Group as at the end of the reporting period.

B10. Dividend proposed

No dividend has been proposed for the current financial quarter under review.



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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B11. Earnings per share

The basic and diluted (loss)/earnings per share (“EPS”) are calculated by dividing the (loss)/profit for the period attributable to owners of the Company by weighted average number of ordinary shares of the Company during the financial period as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2022	Preceding Year Corresponding Quarter 30.09.2021	Current Year-To-Date 30.09.2022	Preceding Year Corresponding Period 30.09.2021
Profit attributable to ordinary owners of the Company (RM'000)	3,828	1,287	10,208	878
Weighted average number of ordinary shares ('000)	1,468,945	1,224,121	1,331,736	1,223,484
Basic EPS (sen)	0.26	0.11	0.77	0.07
Diluted EPS (sen) ⁽¹⁾	0.26	0.11	0.77	0.07

Notes:

- (1) The basic and diluted EPS are the same as the exercise of the Group’s exercisable ESOS will not have material impact to the diluted EPS for the reporting period.

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B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B12. Disclosure on selected expense/income items as required by the Listing Requirements

Profit before tax is arrived after charging/(crediting):

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2022 RM'000	Preceding Year Corresponding Quarter 30.09.2021 RM'000	Current Year-To-Date 30.09.2022 RM'000	Preceding Year Corresponding Period 30.09.2021 RM'000
Depreciation of property, plant and equipment	425	426	1,268	1,220
Depreciation of right-of-use asset	52	28	168	82
Depreciation of investment properties	1	1	4	5
Interest expense	1	2	5	(1)
Property, plant and equipment written off	9	14	35	26
Rental expense	2	1	4	6
Share-based payment	296	239	949	686
Subsidies received	-	(106)	(7)	(195)
Dividend income	(26)	(66)	(93)	(238)
(Gain)/Loss on foreign exchange				
- Realised	(487)	(20)	(971)	(59)
- Unrealised	(104)	17	(147)	(61)
Interest income	(194)	(19)	(223)	(24)
Rental income	(7)	(7)	(21)	(20)
Impairment losses/(Reversal of impairment losses) on receivables	10	23	(335)	27
Gain on disposal of property, plant and equipment	(53)	(129)	(53)	(161)

Other disclosure items pursuant to Appendix 9B, Note 16 of the Listing Requirements of Bursa Securities are not applicable.