

AIMFLEX BERHAD (FORMERLY KNOWN AS I-STONE GROUP BERHAD) (1273151-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2022⁽¹⁾

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 31.12.2022 RM'000	Preceding Year Corresponding Quarter 31.12.2021 RM'000	Current Year-To- Date 31.12.2022 RM'000	Preceding Year Corresponding Period 31.12.2021 RM'000
Revenue	A9	18,769	25,137	91,737	75,747
Cost of sales		(9,446)	(16,697)	(58,344)	(56,297)
Gross profit ("GP")		9,323	8,440	33,393	19,450
Other income		50	113	1,744	949
Selling and distribution expenses		(544)	(914)	(2,816)	(1,541)
Administrative expenses		(4,491)	(4,174)	(14,347)	(13,907)
Other expenses		(10)	27	(41)	(106)
Profit from Operations		4,328	3,492	17,933	4,845
Finance costs		(2)	(2)	(7)	-
Profit before tax ("PBT")	B12	4,326	3,490	17,926	4,845
Taxation	B6	(315)	361	(3,707)	(116)
Profit after tax ("PAT")		4,011	3,851	14,219	4,729
Other comprehensive income, net of tax					
Foreign currency translation differences for foreign operations		88	19	362	69
Total comprehensive income for the financial period		4,099	3,870	14,581	4,798
Profit for the financial period attributable to:					
• Owners of the Company		4,011	3,851	14,219	4,729
• Non-controlling interests		-	-	-	-
		4,011	3,851	14,219	4,729
Total comprehensive income for the financial period attributable to:					
• Owners of the Company		4,099	3,870	14,581	4,798
• Non-controlling interests		-	-	-	-
		4,099	3,870	14,581	4,798
Earnings per share attributable to owners of the Company					
• Basic (sen)	B11	0.27	0.31	1.04	0.39
• Diluted (sen)	B11	0.27	0.31	1.04	0.39

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 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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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022⁽¹⁾

	UNAUDITED	AUDITED
	As at 31.12.2022 RM'000	As at 31.12.2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	22,921	23,923
Investment properties	265	271
Goodwill	856	856
Deferred tax assets	773	1,974
Total non-current assets	24,815	27,024
Current Assets		
Inventories	11,842	12,923
Trade receivables	22,830	35,851
Other receivables	1,332	1,495
Current tax assets	643	-
Cash and cash equivalents	77,646	22,394
Total current assets	114,293	72,663
TOTAL ASSETS	139,108	99,687
EQUITY AND LIABILITIES		
Equity		
Share capital	86,365	55,346
Retained earnings	50,832	36,248
Reserves	(12,815)	(13,944)
Total Equity	124,382	77,650
Liabilities		
Non-current liabilities		
Lease liabilities	24	113
Deferred tax liabilities	1,100	929
Total non-current liabilities	1,124	1,042
Current liabilities		
Trade payables	4,136	5,386
Other payables	9,374	14,587
Current tax liabilities	-	911
Lease liabilities	92	111
Total current liabilities	13,602	20,995
TOTAL LIABILITIES	14,726	22,037
TOTAL EQUITY AND LIABILITIES	139,108	99,687
NET ASSETS PER SHARE (RM) ⁽²⁾	0.08	0.06

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 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 31 December 2022 respectively.

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AIMFLEX BERHAD (FORMERLY KNOWN AS I-STONE GROUP BERHAD) (1273151-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 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

AIMFLEX BERHAD (FORMERLY KNOWN AS I-STONE GROUP BERHAD) (1273151-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 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 period	-	-	-	-	14,219	14,219
- Foreign currency translation differences for foreign operations	-	362	-	-	-	362
	-	362	-	-	14,219	14,581
Total transactions with owners:						
- Issue of ordinary shares	31,019	-	-	-	-	31,019
- Share options forfeited	-	-	-	(365)	365	-
- Share options granted under ESOS	-	-	-	1,132	-	1,132
	31,019	-	-	767	365	32,151
As at 31 December 2022	86,365	1,063	(16,628)	2,750	50,832	124,382

AIMFLEX BERHAD (FORMERLY KNOWN AS I-STONE GROUP BERHAD) (1273151-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 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.

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2022⁽¹⁾

	CUMULATIVE QUARTER	
	Current Year- To-Date 31.12.2022 RM'000	Preceding Year Corresponding Period 31.12.2021 RM'000
Cash Flows From Operating Activities		
Profit before tax	17,926	4,845
Adjustments for:		
Depreciation of property, plant and equipment	1,708	1,547
Depreciation of right-of-use asset	220	228
Depreciation of investment properties	6	6
Impairment losses on receivables	665	457
Interest expense	7	1
Property, plant and equipment written off	40	26
Provision for warranty	75	11
Dividend income	(93)	(297)
Interest income	(483)	(26)
Rental income	(28)	(27)
Lease rental waived		-
Gain on disposal of property, plant and equipment	(53)	(161)
Share-based payments for ESOS	1,132	1,000
Unrealised gain on foreign exchange	111	(65)
Operating profit before working capital changes	<u>21,233</u>	<u>7,545</u>
Change in working capital		
Inventories	1,081	(6,882)
Trade and other receivables	12,397	(10,995)
Trade and other payables	(6,521)	8,897
	<u>6,957</u>	<u>(8,980)</u>
Cash from/(used in) operations	28,190	(1,435)
Interest paid	(7)	(1)
Interest received	477	26
Tax paid	(3,898)	(1,670)
Net cash from/(used in) operating activities	<u>24,762</u>	<u>(3,080)</u>
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(970)	(2,769)
Increase in fixed deposits pledged with a licensed bank	(138)	(19)
Proceeds from disposal of property, plant and equipment	53	267
Dividend received	93	297
Rental received	28	27
Net cash used in investing activities	<u>(934)</u>	<u>(2,197)</u>

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2022⁽¹⁾ (CONT'D)

	CUMULATIVE QUARTER	
	Current Year- To-Date 31.12.2022 RM'000	Preceding Year Corresponding Period 31.12.2021 RM'000
Cash Flows From Financing Activities		
Proceeds from issuance of ordinary shares	31,019	566
Repayment of lease liabilities	(104)	(111)
Net cash from financing activities	30,915	455
Net increase/(decrease) in cash and cash equivalents	54,743	(4,822)
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	371	69
Cash and cash equivalents at the end of the financial period	76,425	21,311
Cash and cash equivalents at the end of the financial period comprises:		
Cash and bank balances	52,425	21,311
Fixed deposits with licensed banks	25,221	1,083
	77,646	22,394
Less: Fixed deposits pledged with licensed banks	(1,221)	(1,083)
	76,425	21,311

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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A. NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of preparation

The interim financial report of AIMFLEX BERHAD (Formerly known as I-STONE GROUP 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.

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 year 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 is as follows:

(a) Analysis of revenue by business segments

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2022 RM'000	Preceding Year Corresponding Quarter 31.12.2021 RM'000	Current Year-To-Date 31.12.2022 RM'000	Preceding Year Corresponding Period 31.12.2021 RM'000
Manufacturing	16,193	20,572	83,623	64,164
Distribution	2,576	4,565	8,114	11,583
Total	18,769	25,137	91,737	75,747

(b) Analysis of revenue by geographical location

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2022 RM'000	Preceding Year Corresponding Quarter 31.12.2021 RM'000	Current Year Quarter 31.12.2022 RM'000	Preceding Year Corresponding Quarter 31.12.2021 RM'000
Manufacturing				
Malaysia	8,014	13,628	39,260	47,808
Philippines	2,107	4,048	8,206	7,330
Singapore	4,614	2,505	31,798	8,408
Others	1,458	391	4,359	618
Sub-total	16,193	20,572	83,623	64,164

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 31.12.2022 RM'000	Preceding Year Corresponding Quarter 31.12.2021 RM'000	Current Year Quarter 31.12.2022 RM'000	Preceding Year Corresponding Quarter 31.12.2021 RM'000
Distribution				
Malaysia	1,258	3,489	4,593	6,790
Singapore	1,074	916	2,684	3,703
India	150	-	594	465
Hong Kong	-	34	-	421
Indonesia	58	83	94	161
Others	36	43	149	43
Sub-total	2,576	4,565	8,114	11,583
Total	18,769	25,137	91,737	75,747

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.

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

A14. Capital commitments

	UNAUDITED
	As at
	31.12.2022
	RM'000
Property, plant and equipment	
Contracted but not provided for	3,647
Approved but not contracted for	6,800
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	10,447
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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

	INDIVIDUAL QUARTER		VARIANCE	
	3 months ended 31.12.2022 RM'000	3 months ended 31.12.2021 RM'000	RM'000	%
Revenue	18,769	25,137	(6,368)	(25.3%)
Profit Before Tax (PBT")	4,326	3,490	836	24.0%

The Group recorded revenue of RM18.77 million for the current financial quarter ended 31 December 2022 ("Q4 2022"), a decrease of 25.3% as compared to the same quarter ended 31 December 2021 ("Q4 2021"). The decrease was mainly attributable to the lower revenue recorded from the manufacturing segment by 21.3%.

In Q4 2022, the Group's revenue was principally derived from the manufacturing segment, contributing approximately 86.3% of the Group's total revenue (Q4 2021: 81.8%). On the geographical standpoint, the Malaysian market remains the largest contributor to the Group's revenue of 49.4% in Q4 2021 (Q4 2021: 68.1%).

The Group registered a PBT of RM4.33 million in Q4 2022 as compared to PBT of RM3.49 million in Q4 2021, which represents an increase of RM0.84 million. The improvement in PBT despite lower revenue by RM6.4 million was mainly due to lower raw material consumed by RM5.1m and lower direct labour cost by RM2.1 million.

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

	CUMULATIVE QUARTER		VARIANCE	
	12 months ended 31.12.2022 RM'000	12 months ended 31.12.2021 RM'000	RM'000	%
Revenue	91,737	75,747	15,990	21.1%
Profit Before Tax ("PBT")	17,926	4,845	13,081	270.0%

The Group recorded revenue of RM91.74 million for the 12 months ended 31.12.2022 ("12M 2022"), an increase of RM15.99 million from RM75.75 million for the 12 months ended 31.12.2021 ("12M 2021"). The increase was mainly attributable to the higher revenue recorded from the manufacturing segment by 30.3%.

The Group registered a Profit Before Tax of RM17.93 million for 12M 2022 as compared to Profit Before Tax of RM4.8 million for 12M 2021, which represents an increase of 270.0%. Higher PBT recorded for 12M 2022 was mainly attributable to higher gross profit by RM13.94 million which was in line with higher revenue, offset by higher travelling expenses by RM0.66 million and higher carriage outward and export expenses by RM0.49 million.

B2. Comparison with immediate preceding quarter's results

	INDIVIDUAL QUARTER		VARIANCE	
	3 months ended 31.12.2022 RM'000	3 months ended 30.09.2022 RM'000	RM'000	%
Revenue	18,769	25,765	(6,996)	(27.2%)
Profit Before Tax	4,326	4,953	(627)	(12.7%)

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 RM18.77 million in Q4 2022 as compared to RM25.77 million in the preceding financial quarter ended 30 September 2022 (“Q3 2022”), a decrease of RM7.00 million during the current financial quarter. The decrease was mainly attributable to the lower revenue recorded from the manufacturing segment by 32.7%.

The Group registered a Profit Before Tax of RM4.33 million in Q4 2022 as compared to RM4.95 million in Q3 2022, mainly due to lower revenue generated in Q4 2022 albeit lower extent as the Group achieved better gross profit margin.

B3. Prospects and outlook

The global economy continues to be weighed down by elevated cost pressures, higher interest rates, and COVID-19-related disruptions in China. These factors more than offset the support from positive labour market conditions, and the full reopening of economies and international borders. Headline inflation moderated slightly from high levels in recent months. However, core inflation remains above historical averages. Central banks are expected to continue raising interest rates, albeit at a slower pace, to manage inflationary pressures. This will continue to pose headwinds to the global growth outlook. On the other hand, growth in China is expected to improve once the current COVID-19 wave subsides. The growth outlook remains subject to downside risks, including an escalation of geopolitical tensions, weaker-than-expected growth outturns in major economies, and a sharp tightening in financial market conditions (*Source: Bank Negara Malaysia Monetary Policy Statement 19 January 2023*).

On the brighter note, the Group has also seized the opportunities in this time of economic uncertainty. Tapping on our strong cash reserve, the Group has acquired a controlling stake of 60% each in two subsidiaries situated at the Northern Peninsula in January 2023. The first subsidiary is involved in the manufacturing of automation machines while the second subsidiary is involved in the design and fabrication of precision parts. The investment in these new subsidiaries allows the Group to penetrate into northern corridor's vibrant electrical and electronics ecosystem where many multinational corporations are situated and supported by thousands of small and medium industries. By acquiring the new subsidiaries, the Group can broaden our customer portfolio to sectors such as healthcare and automotive.

The Group will continue to look for strategic acquisitions to grow our business. The Group will also beef up our internal strength in product development and embark on rigorous cost controls to counter the effects of inflation.

Barring any unforeseen circumstances and premised on the above, our Board is optimistic of our Group's prospects.

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 31.12.2022 RM'000	Preceding Year Corresponding Quarter 31.12.2021 RM'000	Current Year-To-Date 31.12.2022 RM'000	Preceding Year Corresponding Period 31.12.2021 RM'000
Income tax expense:				
- Current year	138	1,364	2,236	1,689
- Prior year	48	4	(3)	154
Foreign withholding tax	4	16	101	18
	190	1,384	2,334	1,861
Deferred tax expense				
- Current year	114	(1,745)	1,362	(1,745)
- Prior year	10	-	10	-
Total tax expense	314	(361)	3,706	116
Effective tax rate (%)	5.83	(10.91)	20.07	(1.16)

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

B6. Income tax expenses (Cont'd)

Notes:

- (1) The Group's current quarter and year-to-date effective tax rate was lower than the statutory income tax mainly due to one of the subsidiaries, Aimflex Systems Sdn Bhd, has been granted the Pioneer Status incentives by the Malaysian Investment Development Authority under the provisions of the Promotion of Investment Act 1986 for a period of 10 years commencing on 7 February 2022.
- (2) Income tax expense is recognised based on management's estimate.

B7. Utilisation of proceeds from the IPO and Placement

- (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
Estimated 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.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (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> RM'000	<u>Actual Utilisation</u> RM'000	<u>Unutilised Amount</u> RM'000	<u>Estimated timeframe for utilisation upon listing</u>
Business / Investment opportunities	6,000	715	5,285	Within 24 months
Working capital requirements	24,924	8,881	16,043	Within 24 months
Listing expenses	95	95	-	Upon completion
	<u>31,019</u>	<u>9,691</u>	<u>21,328</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.

B11. Earnings per share

The basic and diluted earnings per share (“EPS”) are calculated by dividing the 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:

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>Current Year Quarter</u> 31.12.2022	<u>Preceding Year Corresponding Quarter</u> 31.12.2021	<u>Current Year-To- Date</u> 31.12.2022	<u>Preceding Year Corresponding Period</u> 31.12.2021
Profit attributable to ordinary owners of the Company (RM'000)	4,011	3,851	14,219	4,729
Weighted average number of ordinary shares ('000)	1,468,945	1,224,121	1,366,320	1,223,645

AIMFLEX BERHAD (FORMERLY KNOWN AS I-STONE GROUP BERHAD) (1273151-K)

Basic EPS (sen)	<u>0.27</u>	<u>0.31</u>	<u>1.04</u>	<u>0.39</u>
Diluted EPS (sen) ⁽¹⁾	<u>0.27</u>	<u>0.31</u>	<u>1.04</u>	<u>0.39</u>

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 31.12.2022 RM'000	Preceding Year Corresponding Quarter 31.12.2021 RM'000	Current Year-To-Date 31.12.2022 RM'000	Preceding Year Corresponding Period 31.12.2021 RM'000
Depreciation of property, plant and equipment	440	279	1,708	1,547
Depreciation of right-of-use asset	52	60	220	228
Depreciation of investment properties	2	1	6	6
Interest expense	2	2	7	1
Property, plant and equipment written off	5	-	40	26
Rental expense	16	1	20	7
Share-based payment	183	314	1,132	1,000
Subsidies received	-	(118)	(7)	(313)
Dividend income	-	(59)	(93)	(297)
(Gain)/Loss on foreign exchange				
- Realised	117	10	(854)	(49)
- Unrealised	258	(4)	111	(65)
Interest income	(260)	(2)	(483)	(26)
Rental income	(7)	(7)	(28)	(27)
Impairment losses on receivables	1,000	430	665	457
Gain on disposal of property, plant and equipment	-	-	(53)	(161)

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