



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 2023⁽¹⁾**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 30.09.2023 RM'000	Preceding Year Corresponding Quarter 30.09.2022 RM'000	Current Year-To- Date 30.09.2023 RM'000	Preceding Year Corresponding Period 30.09.2022 RM'000
Revenue	A9	17,950	25,765	58,919	72,968
Cost of sales		(11,194)	(17,367)	(37,929)	(48,898)
Gross profit ("GP")		6,756	8,398	20,990	24,070
Other income		889	971	3,035	1,694
Selling and distribution expenses		(402)	(927)	(2,294)	(2,272)
Administrative expenses		(3,378)	(3,482)	(12,272)	(9,856)
Other expenses		(122)	(6)	(296)	(31)
Profit from Operations		3,743	4,954	9,163	13,605
Finance costs		(59)	(1)	(142)	(5)
Profit before tax ("PBT")	B12	3,684	4,953	9,021	13,600
Taxation	B6	(1,117)	(1,125)	(2,418)	(3,392)
Profit after tax ("PAT")		2,567	3,828	6,603	10,208
Other comprehensive income, net of tax					
Foreign currency translation differences for foreign operations		(33)	136	340	274
Total comprehensive income for the financial period		2,534	3,964	6,943	10,482
Profit for the financial period attributable to:					
• Owners of the Company		2,372	3,828	6,358	10,208
• Non-controlling interests		195	-	245	-
		2,567	3,828	6,603	10,208
Total comprehensive income for the financial period attributable to:					
• Owners of the Company		2,339	3,964	6,698	10,482
• Non-controlling interests		195	-	245	-
		2,534	3,964	6,943	10,482
Earnings per share attributable to owners of the Company					
• Basic (sen)	B11	0.16	0.26	0.43	0.77
• Diluted (sen)	B11	0.16	0.26	0.42	0.77



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE THIRD (3RD) QUARTER ENDED 30
SEPTEMBER 2023⁽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 2022 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 2023⁽¹⁾

	UNAUDITED	AUDITED
	As at 30.09.2023 RM'000	As at 31.12.2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	27,546	22,921
Investment properties	261	265
Goodwill	2,785	856
Deferred tax assets	665	773
Total non-current assets	31,257	24,815
Current Assets		
Inventories	15,569	11,842
Trade receivables	15,924	21,830
Other receivables	3,173	1,332
Current tax assets	1,007	643
Cash and cash equivalents	89,936	77,646
Total current assets	125,609	113,293
TOTAL ASSETS	156,866	138,108
EQUITY AND LIABILITIES		
Equity		
Share capital	87,289	86,365
Retained earnings	56,273	49,832
Reserves	(12,530)	(12,815)
Equity attributable to owners of the Company	131,032	123,382
Non-controlling interests	865	-
Total Equity	131,897	123,382
Liabilities		
Non-current liabilities		
Hire purchase payables	383	-
Loan and borrowings	3,119	-
Lease liabilities	140	24
Deferred tax liabilities	1,113	1,100
Total non-current liabilities	4,755	1,124
Current liabilities		
Trade payables	6,837	4,136
Other payables	12,666	9,374
Hire purchase payables	164	-
Loan and borrowings	265	-
Lease liabilities	282	92
Total current liabilities	20,214	13,602
TOTAL LIABILITIES	24,969	14,726
TOTAL EQUITY AND LIABILITIES	156,866	138,108
NET ASSETS PER SHARE (RM) ⁽²⁾	0.09	0.08



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
30 SEPTEMBER 2023⁽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 1,468,945,200 shares and 1,472,502,200 shares in issuance as at 31 December 2022 and 30 September 2023 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 2023⁽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 2022	55,346	701	(16,628)	1,983	36,248	77,650
Total comprehensive income:						
- Profit for the year	-	-	-	-	13,219	13,219
- Foreign currency translation differences for foreign operations	-	362	-	-	-	362
	-	362	-	-	13,219	13,581
Transactions with owners:						
- Share options forfeited	-	-	-	(365)	365	-
- Issuance of shares	31,019	-	-	-	-	31,019
- 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	49,832	123,382



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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2023⁽¹⁾ (CONT'D)

	Non-distributable				Distributable		Total attributable to owners of the Company RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Translation reserve RM'000	Merger Reserve RM'000	Share Options Reserve RM'000	Retained Earnings RM'000				
As at 1 January 2023	86,365	1,063	(16,628)	2,750	49,832		123,382	-	123,382
Acquisition of subsidiaries	-	-	-	-	-	-		620	620
Total comprehensive income:									
- Profit for the period	-	-	-	-	6,358		6,358	245	6,603
- Foreign currency translation differences for foreign operations	-	340	-	-	-		340	-	340
	-	340	-	-	6,358		6,698	245	6,943
Total transactions with owners:									
- Share options forfeited	-	-	-	(83)	83		-	-	-
- Share options exercised	924	-	-	(299)	-		625	-	625
- Share options granted under ESOS	-	-	-	327	-		327	-	327
	924	-	-	(55)	83		952	-	952
As at 30 September 2023	87,289	1,403	(16,628)	2,695	56,273		131,032	865	131,897



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY FOR THE THIRD (3RD) QUARTER ENDED
30 SEPTEMBER 2023⁽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 2022 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 2023⁽¹⁾

	CUMULATIVE QUARTER	
	Current Year- To-Date 30.09.2023 RM'000	Preceding Year Corresponding Period 30.09.2022 RM'000
Cash Flows From Operating Activities		
Profit before tax	9,021	13,600
Adjustments for:		
Depreciation of property, plant and equipment	1,491	1,268
Depreciation of right-of-use asset	315	168
Depreciation of investment properties	4	4
Impairment losses on receivables	1,850	(335)
Interest expense	142	5
Property, plant and equipment written off	34	35
Provision for warranty	4	34
Dividend income	-	(93)
Interest income	(1,175)	(223)
Rental income	(21)	(21)
Gain on disposal of property, plant and equipment	(36)	(53)
Share-based payments for ESOS	327	949
Unrealised gain on foreign exchange	(257)	(147)
Operating profit before working capital changes	11,699	15,191
Change in working capital		
Inventories	(3,699)	1,275
Trade and other receivables	3,947	9,321
Trade and other payables	3,168	(3,966)
	3,416	6,630
Cash from operations	15,115	21,821
Interest paid	(134)	(5)
Interest received	1,177	223
Tax paid	(2,693)	(1,522)
Net cash from operating activities	13,465	20,517
Cash Flows From Investing Activities		
Acquisition of subsidiaries, net of cash and cash equivalents acquired	(288)	-
Purchase of property, plant and equipment	(2,332)	(342)
Decrease/(Increase) in fixed deposits pledged with a licensed bank	1,099	(138)
Proceeds from disposal of property, plant and equipment	54	53
Dividend received	-	93
Rental received	21	21
Net cash used in investing activities	(1,446)	(313)



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UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2023⁽¹⁾ (CONT'D)

	CUMULATIVE QUARTER	
	Current Year- To-Date 30.09.2023 RM'000	Preceding Year Corresponding Period 30.09.2022 RM'000
Cash Flows From Financing Activities		
Drawdown of term loan	488	-
Proceeds from hire purchase	328	-
Proceeds from issuance of ordinary shares	624	31,019
Repayment of term loan	(77)	-
Repayment of hire purchase payables	(165)	-
Repayment of lease liabilities	(177)	(80)
Net cash from financing activities	1,021	30,939
Net increase in cash and cash equivalents	13,040	51,143
Cash and cash equivalents at the beginning of the financial period	76,425	21,311
Effect of exchange translation differences on cash and cash equivalents	349	280
Cash and cash equivalents at the end of the financial period	89,814	72,734
Cash and cash equivalents at the end of the financial period comprises:		
Cash and bank balances	89,814	62,695
Fixed deposits with licensed banks	122	11,260
	89,936	73,955
Less: Fixed deposits pledged with licensed banks	(122)	(1,221)
	89,814	72,734

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 2022 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 2022 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 2022 except for the adoption of the following new and amended MFRSs with effect from 1 January 2023:

- Amendment to MFRS 17 Initial Application of MFRS 17 and MFRS 9 - Comparative Information
- Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to MFRS 108 Definition of Accounting Estimates
- Amendments to MFRS 101 and MFRS Practice Statement 2 Disclosure of Accounting Policies

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 2022 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.



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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:-

Employees' Share Option Scheme ("ESOS")

During the current financial quarter under review, 3,557,000 ordinary shares were issued under the Company's ESOS at the exercise price of RM0.1755 per ordinary 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 September 2023 is as follows:

(a) Analysis of revenue by business segments

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current Year Quarter 30.09.2023 RM'000	Preceding Year Corresponding Quarter 30.09.2022 RM'000	Current Year-To- Date 30.09.2023 RM'000	Preceding Year Corresponding Period 30.09.2022 RM'000
Manufacturing	16,250	24,060	53,266	67,430
Distribution	1,700	1,705	5,653	5,538
Total	17,950	25,765	58,919	72,968

(b) Analysis of revenue by geographical location

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current Year Quarter 30.09.2023 RM'000	Preceding Year Corresponding Quarter 30.09.2022 RM'000	Current Year Quarter 30.09.2023 RM'000	Preceding Year Corresponding Quarter 30.09.2022 RM'000
Manufacturing				
Malaysia	8,880	11,680	25,163	31,246
Philippines	3,429	1,208	17,861	6,099
Singapore	3,461	9,501	9,484	27,184
Others	480	1,671	758	2,901
Sub-total	16,250	24,060	53,266	67,430



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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 30.09.2023 RM'000	Preceding Year Corresponding Quarter 30.09.2022 RM'000	Current Year Quarter 30.09.2023 RM'000	Preceding Year Corresponding Quarter 30.09.2022 RM'000
Distribution				
Malaysia	1,194	1,216	3,529	3,335
Singapore	453	319	1,966	1,610
India	-	155	83	444
Indonesia	53	15	75	36
Others	-	-	-	113
Sub-total	1,700	1,705	5,653	5,538
Total	17,950	25,765	58,919	72,968

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

Saved as disclosed below, 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:-

The Group acquired a 80% stake in Esontech Sdn Bhd for a cash consideration of RM1.73 million on 11 October 2023.

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
	30.09.2023
	RM'000
Property, plant and equipment	
Contracted but not provided for	-
Approved but not contracted for	6,800
	<hr/>
	6,800 <hr/>

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>30.09.2023</u> <u>RM'000</u>	<u>3 months ended</u> <u>30.09.2022</u> <u>RM'000</u>	<u>RM'000</u>	<u>%</u>
Revenue	17,950	25,765	(7,815)	(30.3%)
Profit Before Tax ("PBT")	3,684	4,953	(1,269)	(25.6%)

The Group recorded revenue of RM17.95 million for the current financial quarter ended 30 September 2023 ("Q3 2023"), a decrease of 30.3% as compared to the same quarter ended 30 September 2022 ("Q3 2022"). The decrease was mainly attributable to the lower revenue recorded from the manufacturing segment by 32.5%.

In Q3 2023, the Group's revenue was principally derived from the manufacturing segment, contributing approximately 90.5% of the Group's total revenue (Q3 2022: 93.4%). On the geographical standpoint, the Malaysian market remains the largest contributor to the Group's revenue of 56.1% in Q3 2023 (Q3 2022: 50.1%).

The Group registered a PBT of RM3.68 million in Q3 2023 as compared to PBT of RM4.95 million in Q3 2022, which represents a decrease of RM1.27 million. Lower PBT recorded in Q3 2023 was mainly attributable to lower gross profit by RM1.64 million as a result of lower revenue.



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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

	CUMULATIVE QUARTER		VARIANCE	
	9 months ended 30.09.2023 RM'000	9 months ended 30.09.2022 RM'000	RM'000	%
Revenue	58,919	72,968	(14,049)	(19.3%)
Profit Before Tax ("PBT")	9,021	13,600	(4,579)	(33.7%)

The Group recorded revenue of RM58.92 million for the 9 months ended 30.09.2023 ("9M 2023"), a decrease of RM14.05 million from RM72.97 million for the 9 months ended 30.09.2022 ("9M 2022"). The decrease was mainly attributable to the lower revenue recorded from the manufacturing segment by 21.0%.

The Group registered a Profit Before Tax of RM9.02 million for 9M 2023 as compared to RM13.6 million 9M 2022, which represents a decrease of 33.7%. Lower PBT recorded in 9M 2023 was mainly attributable to lower gross profit by RM3.08 million as a result of lower revenue, higher impairment loss on trade receivables by RM2.19 million, offset by higher interest income by RM0.95 million.

B2. Comparison with immediate preceding quarter's results

	INDIVIDUAL QUARTER		VARIANCE	
	3 months ended 30.09.2023 RM'000	3 months ended 30.06.2023 RM'000	RM'000	%
Revenue	17,950	23,757	(5,807)	(24.4%)
Profit Before Tax ("PBT")	3,684	3,914	(230)	(5.9%)



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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 RM17.95 million in Q3 2023 as compared to RM23.76 million in the preceding financial quarter ended 30 June 2023 ("Q2 2023"), a decrease of RM5.81 million during the current financial quarter. The decrease was mainly attributable to the lower revenue recorded from the manufacturing segment by 26.8% offset by higher revenue recorded from the distribution segment by 8.8%.

The Group registered a lower Profit Before Tax by RM0.23 million in Q3 2023 as compared Q2 2023, mainly due to lower gross profit by RM2.80 million as a result of lower revenue, offset by lower impairment loss on trade receivables by RM1.87 million and lower carriage outwards & export expense by RM0.76 million.

B3. Prospects and outlook

Outlined in its Economic Outlook 2024 report, the Finance Ministry of Malaysia anticipates a positive upturn in worldwide trade activities, a trend likely to be mirrored in Malaysia's economy, which heavily relies on international trade. The Malaysian economy is projected to gain momentum in 2024, with an expected growth ranging between 4% and 5%, amid expansion across all sectors and improved prospects in global trade. The export-oriented industries are expected to benefit from the recovery of external demand with the electrical and electronics segment projected to surge.

Besides, all economic sectors are expected to benefit from the recent policies such as the National Energy Transition Roadmap, the New Industrial Master Plan 2030 and the Medium-Term Review of the 12th Malaysia Plan, which are in tandem with the Ekonomi Madani framework (Source: <https://www.thestar.com.my/business/business-news/2023/10/13/economy-to-improve-in-2024>).

However, the Group does not discount the impact of the escalating geopolitical conflicts and continuous efforts to counter inflation through stricter monetary policies to the Group's business. The Group is amplifying its effort to grow its business as evident by its recent acquisition of Esontech Sdn Bhd ("Esontech"). The core operations of Esontech encompass, without restriction, the design, production, and promotion of automated equipment, testers, systems, and software solutions tailored to cater to the needs of the silicon photonics industries. As part of its long-term business growth initiatives, this acquisition offers the Group the chance to venture into a new and rapidly growing field of silicon photonics industries, starting with Silicon Photonics Optical Alignment Solutions.

Premised on the above, barring any unforeseen circumstances, we are optimistic of our prospect.



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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

There is no other corporate proposals announced but not completed as at the date of this interim report.

B6. Income tax expenses

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2023 RM'000	Preceding Year Corresponding Quarter 30.09.2022 RM'000	Current Year-To- Date 30.09.2023 RM'000	Preceding Year Corresponding Period 30.09.2022 RM'000
Income tax expense:				
- Current year	935	1,031	2,083	2,098
- Prior year	(125)	(51)	(121)	(51)
Foreign withholding tax	313	42	348	97
	1,123	1,022	2,310	2,144
Deferred tax expense	(6)	103	108	1,248
Total tax expense	1,117	1,125	2,418	3,392
Effective tax rate (%)	33.71	23.74	28.15	25.32

Notes:

- (1) The Group's effective tax rates for the current quarter and year-to-date were higher than the statutory income tax rate despite the availability of Pioneer tax incentive in one of the subsidiaries. This was mainly due to part of the Group's revenue being subjected to foreign withholding tax in the current quarter which was higher than the statutory income tax rate and an impairment loss on trade receivable amounting to RM1.85 million being made in the previous quarter which is not tax deductible in nature.
- (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
Repayment of borrowings	13,482	13,482	-	Within 12 months
Construction of new D&D centre	6,800	-	6,800	Within 84 months ⁽¹⁾
Capital expenditures	5,200	2,472	2,728	Within 84 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>29,559</u>	<u>9,528</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 “Construction of new D&D centre” and “Capital expenditures” for up to 84 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> 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	3,868	2,132	Within 24 months
Working capital requirements	24,924	19,061	5,863	Within 24 months
Listing expenses	95	95	-	Upon completion
	<u>31,019</u>	<u>23,024</u>	<u>7,995</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's borrowings are as follows:-

	<u>30.09.2023</u> RM'000	<u>31.12.2022</u> RM'000
<u>Non-current liabilities</u>		
Loan and borrowings	3,119	-
Hire purchase	383	-
	<u>3,502</u>	<u>-</u>
<u>Current liabilities</u>		
Loan and borrowings	265	-
Hire purchase	164	-
	<u>429</u>	<u>-</u>
Total borrowings	<u>3,931</u>	<u>-</u>

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 (“EPS”)

(a) Basic EPS

Basic EPS is calculated by dividing profit for the period attributable to ordinary owners of the Company by weighted average number of ordinary shares in issue during the period:-

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>Current Year Quarter</u> <u>30.09.2023</u>	<u>Preceding Year Corresponding Quarter</u> <u>30.09.2022</u>	<u>Current Year-To-Date</u> <u>30.09.2023</u>	<u>Preceding Year Corresponding Period</u> <u>30.09.2022</u>
Profit attributable to ordinary owners of the Company (RM'000)	2,372	3,828	6,358	10,208
Weighted average number of ordinary shares ('000)	1,469,666	1,468,945	1,469,188	1,331,736
Basic EPS (sen)	0.16	0.26	0.43	0.77

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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 (“EPS”) (Cont’d)

(b) Diluted EPS

Diluted EPS is calculated by dividing profit for the period attributable to ordinary owners of the Company by weighted average number of ordinary shares in issue during the period which has been adjusted for the dilutive effect of ordinary shares that would be issued upon conversion of ESOS.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2023	Preceding Year Corresponding Quarter 30.09.2022	Current Year-To- Date 30.09.2023	Preceding Year Corresponding Period 30.09.2022
Profit attributable to ordinary owners of the Company (RM'000)	2,372	3,828	6,358	10,208
Adjusted weighted average number of ordinary shares ('000)				
Weighted average number of ordinary shares	1,469,666	1,468,945	1,469,188	1,331,736
Adjustment for dilutive effect on exercise of ESOS	28,246	-	28,246	-
	1,497,912	1,468,945	1,497,434	1,331,736
Diluted EPS (sen)	0.16	0.26	0.42	0.77



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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 30.09.2023 RM'000	Preceding Year Corresponding Quarter 30.09.2022 RM'000	Current Year-To-Date 30.09.2023 RM'000	Preceding Year Corresponding Period 30.09.2022 RM'000
Depreciation of property, plant and equipment	493	425	1,491	1,268
Depreciation of right-of-use asset	124	52	315	168
Depreciation of investment properties	1	1	4	4
Interest expense	59	1	142	5
Property, plant and equipment written off	32	9	34	35
Rental expense	41	2	159	4
Share-based payment	81	296	327	949
Subsidies received	-	-	(5)	(7)
Dividend income	-	(26)	-	(93)
(Gain)/Loss on foreign exchange				
- Realised	(219)	(487)	(674)	(971)
- Unrealised	86	(104)	(257)	(147)
Interest income	(472)	(194)	(1,175)	(223)
Rental income	(7)	(7)	(21)	(21)
Impairment losses/(Reversal of impairment losses) on receivables	25	10	1,850	(335)
Gain on disposal of property, plant and equipment	-	(53)	(36)	(53)

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