



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE FOURTH (4TH) QUARTER ENDED 31
DECEMBER 2023⁽¹⁾**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 31.12.2023 RM'000	Preceding Year Corresponding Quarter 31.12.2022 RM'000	Current Year-To- Date 31.12.2023 RM'000	Preceding Year Corresponding Period 31.12.2022 RM'000
Revenue	A9	26,141	18,769	85,060	91,737
Cost of sales		(18,319)	(9,446)	(56,248)	(58,344)
Gross profit ("GP")		7,822	9,323	28,812	33,393
Other income		719	161	3,754	1,855
Selling and distribution expenses		(536)	(544)	(2,830)	(2,816)
Administrative expenses		(4,164)	(5,491)	(16,436)	(15,347)
Other expenses		(598)	(121)	(894)	(152)
Profit from Operations		3,243	3,328	12,406	16,933
Finance costs		(46)	(2)	(188)	(7)
Profit before tax ("PBT")	B12	3,197	3,326	12,218	16,926
Taxation	B6	(450)	(315)	(2,868)	(3,707)
Profit after tax ("PAT")		2,747	3,011	9,350	13,219
Other comprehensive income, net of tax					
Foreign currency translation differences for foreign operations		107	88	447	362
Total comprehensive income for the financial period		2,854	3,099	9,797	13,581
Profit for the financial period attributable to:					
• Owners of the Company		2,758	3,011	9,116	13,219
• Non-controlling interests		(11)	-	234	-
		2,747	3,011	9,350	13,219
Total comprehensive income for the financial period attributable to:					
• Owners of the Company		2,865	3,099	9,563	13,581
• Non-controlling interests		(11)	-	234	-
		2,854	3,099	9,797	13,581
Earnings per share attributable to owners of the Company					
• Basic (sen)	B11	0.19	0.20	0.62	1.08
• Diluted (sen)	B11	0.19	0.20	0.62	1.08



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE FOURTH (4TH) QUARTER ENDED 31
DECEMBER 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 31 DECEMBER 2023⁽¹⁾

	UNAUDITED	AUDITED
	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	27,810	22,921
Investment properties	259	265
Goodwill	4,354	856
Deferred tax assets	249	773
Total non-current assets	32,672	24,815
Current Assets		
Inventories	13,031	11,843
Trade receivables	23,918	21,830
Other receivables	1,137	1,332
Current tax assets	1,683	643
Cash and cash equivalents	91,307	77,646
Total current assets	131,076	113,293
TOTAL ASSETS	163,748	138,108
EQUITY AND LIABILITIES		
Equity		
Share capital	87,351	86,365
Retained earnings	59,031	49,832
Reserves	(12,377)	(12,815)
Equity attributable to owners of the Company	134,005	123,382
Non-controlling interest	894	-
Total Equity	134,899	123,382
Liabilities		
Non-current liabilities		
Hire purchases payables	306	-
Loan and borrowings	3,110	-
Lease liabilities	206	24
Deferred tax liabilities	1,082	1,100
Total non-current liabilities	4,704	1,124
Current liabilities		
Trade payables	6,636	4,136
Other payables	16,814	9,374
Hire purchase payables	277	-
Loan and borrowings	137	-
Current tax liabilities	-	-
Lease liabilities	281	92
Total current liabilities	24,145	13,602
TOTAL LIABILITIES	28,849	14,726
TOTAL EQUITY AND LIABILITIES	163,748	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
31 DECEMBER 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 2022 and the accompanying explanatory notes attached to this interim financial report.
- (2) Based on share capital of 1,468,945,200 shares and 1,472,742,200 shares in issuance as at 31 December 2022 and 31 December 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 FOURTH (4TH) QUARTER ENDED 31 DECEMBER 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 period	-	-	-	-	13,219	13,219
- Foreign currency translation differences for foreign operations	-	362	-	-	-	362
	-	362	-	-	13,219	13,581
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	49,832	123,382



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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 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	-	-	-	-	-	-		660	660
Total comprehensive income:									
- Profit for the period	-	-	-	-	9,116		9,116	234	9,350
- Foreign currency translation differences for foreign operations	-	447	-	-	-		447	-	447
	-	447	-	-	9,116		9,563	234	9,797
Total transactions with owners:									
- Share options forfeited	-	-	-	(83)	83		-	-	-
- Share options exercised	986	-	-	(320)	-		666	-	666
- Share options granted under ESOS	-	-	-	394	-		394	-	394
	986	-	-	(9)	83		1,060	-	1,060
As at 31 December 2023	87,351	1,510	(16,628)	2,741	59,031		134,005	894	134,899



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY FOR THE FOURTH (4TH) QUARTER ENDED
31 DECEMBER 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 FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2023⁽¹⁾

	CUMULATIVE QUARTER	
	Current Year- To-Date 31.12.2023 RM'000	Preceding Year Corresponding Period 31.12.2022 RM'000
Cash Flows From Operating Activities		
Profit before tax	12,218	16,926
Adjustments for:		
Bad debts written off	4	-
Depreciation of property, plant and equipment	2,006	1,708
Depreciation of right-of-use asset	450	220
Depreciation of investment properties	6	6
Impairment losses on receivables	1,841	1,665
Interest expense	188	7
Property, plant and equipment written off	42	40
Provision for warranty	15	75
Dividend income	(4)	(93)
Interest income	(1,722)	(483)
Rental income	(28)	(28)
Gain on disposal of property, plant and equipment	(36)	(53)
Share-based payments for ESOS	394	1,132
Unrealised (gain) / loss on foreign exchange	29	111
Operating profit before working capital changes	15,403	21,234
Change in working capital		
Inventories	(1,161)	1,081
Trade and other receivables	(2,141)	12,397
Trade and other payables	7,050	(6,521)
	3,748	6,957
Cash from/(used in) operations	19,151	28,190
Interest paid	(175)	(3)
Interest received	1,640	477
Tax paid	(3,515)	(3,898)
Net cash from/(used in) operating activities	17,101	24,766
Cash Flows From Investing Activities		
Acquisition of subsidiaries, net of cash and cash equivalents	(1,772)	-
Purchase of property, plant and equipment	(3,037)	(970)
Increase in fixed deposits pledged with licensed bank	1,099	(138)
Proceeds from disposal of property, plant and equipment	54	53
Dividend received	4	93
Rental received	28	28
Net cash used in investing activities	(3,624)	(934)



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UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2023⁽¹⁾ (CONT'D)

	CUMULATIVE QUARTER	
	Current Year- To-Date 31.12.2023 RM'000	Preceding Year Corresponding Period 31.12.2022 RM'000
Cash Flows From Financing Activities		
Drawdown of term loans	488	-
Proceed from hire purchase	328	-
Proceeds from issuance of ordinary shares	666	31,019
Repayment of term loans	(113)	-
Repayment of hire purchase payables	(230)	-
Repayment of lease liabilities	(317)	(108)
Net cash from financing activities	822	30,911
Net increase/(decrease) in cash and cash equivalents	14,299	54,743
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	461	371
Cash and cash equivalents at the end of the financial period	91,185	76,425
Cash and cash equivalents at the end of the financial period comprises:		
Cash and bank balances	91,185	52,425
Fixed deposits with licensed banks	122	25,221
	91,307	77,646
Less: Fixed deposits pledged with licensed banks	(122)	(1,221)
	91,185	76,425

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, 240,000 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 31 December 2023 is as follows:

(a) Analysis of revenue by business segments

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current Year Quarter 31.12.2023 RM'000	Preceding Year Corresponding Quarter 31.12.2022 RM'000	Current Year-To- Date 31.12.2023 RM'000	Preceding Year Corresponding Period 31.12.2022 RM'000
Manufacturing	20,108	16,193	73,374	83,623
Distribution	6,033	2,576	11,686	8,114
Total	26,141	18,769	85,060	91,737

(b) Analysis of revenue by geographical location

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current Year Quarter 31.12.2023 RM'000	Preceding Year Corresponding Quarter 31.12.2022 RM'000	Current Year -to- date 31.12.2023 RM'000	Preceding Year Corresponding Period 31.12.2022 RM'000
Manufacturing				
Malaysia	10,935	8,014	36,098	39,260
Philippines	2,359	2,107	20,220	8,206
Singapore	6,748	4,614	16,232	31,798
Others	65	1,458	824	4,359
Sub-total	20,108	16,193	73,374	83,623



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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 31.12.2023 RM'000	Preceding Year Corresponding Quarter 31.12.2022 RM'000	Current Year Quarter 31.12.2023 RM'000	Preceding Year Corresponding Quarter 31.12.2022 RM'000
Distribution				
Malaysia	2,526	1,258	6,055	4,593
Singapore	689	1,074	2,655	2,684
USA	1,663	-	1,663	595
Others	1,155	245	1,313	243
Sub-total	6,033	2,576	11,686	8,114
Total	26,141	18,769	85,060	91,737

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
	31.12.2023
	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>31.12.2023</u> <u>RM'000</u>	<u>3 months ended</u> <u>31.12.2022</u> <u>RM'000</u>	<u>RM'000</u>	<u>%</u>
Revenue	26,141	18,769	7,372	39.3
Profit Before Tax (PBT ^{''})	3,197	3,326	(129)	(3.9)

The Group recorded revenue of RM26.14 million for the current financial quarter ended 31 December 2023 ("Q4 2023"), an increase of 39.3% as compared to the same quarter ended 31 December 2022 ("Q4 2022"). The increase was mainly attributable to the higher revenue recorded from the manufacturing segment by 24.2% and distribution segment by 134.11%.

In Q4 2023, the Group's revenue was principally derived from the manufacturing segment, contributing approximately 76.9% of the Group's total revenue (Q4 2022: 86.3%). On the geographical standpoint, the Malaysian market remains the largest contributor to the Group's revenue of 51.5% in Q4 2023 (Q4 2022: 49.4%).

The Group registered a PBT of RM3.2 million in Q4 2023 as compared to PBT of RM3.3 million in Q4 2022, which represents a slight decrease of RM0.13 million. The lower PBT despite higher revenue by RM7.4 million was mainly due to lower gross profit by approximately RM1.5 million offset by lower administrative expenses of approximately RM1.3 million. Lower gross profit despite higher revenue was mainly due to higher raw material consumed caused by change in sales mix. Lower administrative expenses were mainly attributable to nil impairment loss on trade receivables in Q4 2023 (Q4 2022: RM2.4 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>	
	12 months ended 31.12.2023 RM'000	12 months ended 31.12.2022 RM'000	RM'000	%
Revenue	85,060	91,737	(6,677)	(7.3%)
Profit Before Tax ("PBT")	12,218	16,926	(4,708)	(27.8%)

The Group recorded revenue of RM85.06 million for the 12 months ended 31.12.2023 ("12M 2023"), a decrease of RM6.68 million from RM91.74 million for the 12 months ended 31.12.2022 ("12M 2022"). The decrease was mainly attributable to the lower revenue recorded from the manufacturing segment by 12.3%.

The Group registered a Profit Before Tax of RM12.22 million for 12M 2023 as compared to Profit Before Tax of RM16.93 million for 12M 2022, which represents a decrease of 27.8%. Lower PBT recorded in 12M 2023 was mainly attributable to lower gross profit by RM4.58 million as a result of lower revenue.

B2. Comparison with immediate preceding quarter's results

	<u>INDIVIDUAL QUARTER</u>		<u>VARIANCE</u>	
	3 months ended 31.12.2023 RM'000	3 months ended 30.09.2023 RM'000	RM'000	%
Revenue	26,141	17,950	8,191	45.63%
Profit Before Tax	3,197	3,684	(487)	(13.2%)



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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 RM26.14 million in Q4 2023 as compared to RM17.95 million in the preceding financial quarter ended 30 September 2023 ("Q3 2023"), an increase of RM8.2 million during the current financial quarter. The increase was mainly attributable to the higher revenue recorded from the manufacturing segment by 23.8% and higher revenue recorded from distribution segment by 254.8%.

The Group registered a Profit Before Tax of RM3.20 million in Q4 2023 as compared to RM3.68 million in Q3 2023. The lower PBT by RM0.49 million despite higher revenue was mainly due to slightly higher administrative expenses by approximately RM0.79 million. Higher administrative expenses were due to an accrual of auditor's remuneration (RM0.14 million) and higher administrative staff costs (RM0.42 million).

B3. Prospects and outlook

Malaysia is well-positioned for a better economic growth in 2024 owing to its underlying strength in domestic demand that accounts for the lion share of the economy. Private consumption will continue to be the key growth driver, underpinned by robust labour market conditions with continued expansion in employment and income prospects. Revival in tourism activities in 2024 will likely provide a strong fillip, especially with the introduction of visa-free entry for tourists from China and India, further boosting domestic economy. For 9M23, Malaysia has achieved 3.9% GDP growth despite the external headwinds, and it looks set to improve further in 2024 given the positive economic landscape.

Thanks to the concreted efforts by the federal government to boost economic growth under the Madani Economy Framework, investment-driven spending is set to be a new growth driver for Malaysia in 2024. The implementation of the strategic developments and flagship projects under the 12th Malaysia Plan Mid-Term Review (12MP MTR), New Energy Transition Roadmap (NETR) and New Industrial Master Plan (NIMP) 2030 will accelerate the economic take-off envisaged by the government to be a paradigm shift for Malaysia. In addition, the realisation of record-high approved investments from foreign investors in 2021-2022 will ensure the manufacturing sector remains on a healthy growth trajectory in 2024. The drag from weak external demand in 2023 may reverse in 2024 as global monetary tightening cycle appears to be over. There are early signs of regional exports recovery in line with nascent turnaround in global E&E sector which bodes well for Malaysia's external trade. (Source: <https://www.alliancebank.com.my/alliance-blog/market-research/articles-adbs-mr-2024-outlook-brighter-prospects>)

However, the Group is monitoring closely the impact of the escalating geopolitical conflicts that may cause disruption in the supply chain activities. The continuous efforts by the central banks of the world to counter inflation through stricter monetary policies may also result in economic hard landing. 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.



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

B3. Prospects and outlook (Cont'd)

The Group is also continuously looking for new business opportunities to expand our business while enhancing our R&D strength internally.

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

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 31.12.2023 RM'000	Preceding Year Corresponding Quarter 31.12.2022 RM'000	Current Year-To-Date 31.12.2023 RM'000	Preceding Year Corresponding Period 31.12.2022 RM'000
Income tax expense:				
- Current year	(13)	138	2,070	2,236
- Prior year	2	48	(119)	(3)
Foreign withholding tax	79	5	427	101
	<u>68</u>	<u>190</u>	<u>2,378</u>	<u>2,334</u>
Deferred tax expense				
- Current year	382	114	490	1,362
- Prior year	-	10	-	10
Total tax expense	<u>450</u>	<u>314</u>	<u>2,868</u>	<u>3,706</u>
Effective tax rate (%)	14.08	13.50	23.47	20.67



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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> <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>
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	2,862	2,338	Within 84 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>29,949</u>	<u>9,138</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 (17 July 2019).



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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> <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	3,868	2,132	Within 24 months
Working capital requirements	24,924	20,974	3,950	Within 24 months
Listing expenses	95	95	-	Upon completion
	<u>31,019</u>	<u>24,937</u>	<u>6,082</u>	

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

Listing date: 3 June 2022

B8. Group borrowings and debt securities

The Group's borrowings are as follows:-

	31.12.2023 RM'000	31.12.2022 RM'000
<u>Non-current liabilities</u>		
Loan and borrowings	3,110	-
Hire purchase	306	-
	<u>3,416</u>	<u>-</u>
<u>Current liabilities</u>		
Loan and borrowings	277	-
Hire purchase	137	-
	<u>414</u>	<u>-</u>
Total borrowings	<u>3,830</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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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> <u>31.12.2023</u>	<u>Preceding Year Corresponding Quarter</u> <u>31.12.2022</u>	<u>Current Year-To-Date</u> <u>31.12.2023</u>	<u>Preceding Year Corresponding Period</u> <u>31.12.2022</u>
Profit attributable to ordinary owners of the Company (RM'000)	2,758	3,011	9,116	13,219
Weighted average number of ordinary shares ('000)	1,472,711	1,468,945	1,470,076	1,223,645
Basic EPS (sen)	0.19	0.20	0.62	1.08
Diluted EPS (sen) ⁽¹⁾	0.19	0.20	0.62	1.08

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 31.12.2023 RM'000	Preceding Year Corresponding Quarter 31.12.2022 RM'000	Current Year-To- Date 31.12.2023 RM'000	Preceding Year Corresponding Period 31.12.2022 RM'000
Depreciation of property, plant and equipment	518	440	2,006	1,708
Depreciation of right-of-use asset	135	52	450	220
Depreciation of investment properties	2	2	6	6
Interest expense	46	2	188	7
Property, plant and equipment written off	8	5	42	40
Rental expense	36	16	195	20
Share-based payment	67	183	394	1,132
Subsidies received	-	-	(5)	(93)
Dividend income	(4)	-	(4)	(7)
(Gain)/Loss on foreign exchange				
- Realised	282	117	(393)	(854)
- Unrealised	286	258	29	111
Interest income	(547)	(260)	(1,722)	(483)
Rental income	(7)	(7)	(28)	(28)
Impairment losses on receivables	-	2,440	1,841	2,105
Bad debts written off	4	-	4	-
Gain on disposal of property, plant and equipment	-	-	(36)	(53)

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