



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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH  
2024<sup>(1)</sup>

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 31.03.2024 RM'000	Preceding Year Corresponding Quarter 31.03.2023 RM'000	Current Year-To-Date 31.03.2024 RM'000	Preceding Year Corresponding Period 31.03.2023 RM'000
Revenue	A9	15,735	17,212	15,735	17,212
Cost of sales		(10,910)	(12,536)	(10,910)	(12,536)
<b>Gross profit ("GP")</b>		<b>4,825</b>	<b>4,676</b>	<b>4,825</b>	<b>4,676</b>
Other income		1,411	721	1,411	721
Selling and distribution expenses		(677)	(580)	(677)	(580)
Administrative expenses		(3,885)	(3,193)	(3,885)	(3,193)
Other expenses		(6)	(172)	(6)	(172)
<b>Profit from Operations</b>		<b>1,668</b>	<b>1,452</b>	<b>1,668</b>	<b>1,452</b>
Finance costs		(53)	(29)	(53)	(29)
<b>Profit before tax ("PBT")</b>	B12	<b>1,615</b>	<b>1,423</b>	<b>1,615</b>	<b>1,423</b>
Taxation	B6	(538)	(285)	(538)	(285)
<b>Profit after tax ("PAT")</b>		<b>1,077</b>	<b>1,138</b>	<b>1,077</b>	<b>1,138</b>
<b>Other comprehensive income, net of tax</b>					
Foreign currency translation differences for foreign operations		49	88	49	88
<b>Total comprehensive income for the financial period</b>		<b>1,126</b>	<b>1,226</b>	<b>1,126</b>	<b>1,226</b>
<b>Profit for the financial period attributable to:</b>					
• Owners of the Company		1,112	1,017	1,112	1,017
• Non-controlling interests		(35)	121	(35)	121
		<u>1,077</u>	<u>1,138</u>	<u>1,077</u>	<u>1,138</u>
<b>Total comprehensive income for the financial period attributable to:</b>					
• Owners of the Company		1,161	1,105	1,161	1,105
• Non-controlling interests		(35)	121	(35)	121
		<u>1,126</u>	<u>1,226</u>	<u>1,126</u>	<u>1,226</u>
<b>Earnings per share attributable to owners of the Company</b>					
• Basic (sen)	B11	0.08	0.07	0.08	0.07
• Diluted (sen)	B11	0.08	0.07	0.08	0.07



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH  
2024<sup>(1)</sup> (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 2023 and the accompanying explanatory notes attached to this interim financial report.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024<sup>(1)</sup>**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	As at 31.03.2024 RM'000	As at 31.12.2023 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	27,294	27,811
Investment properties	258	259
Goodwill	4,354	4,354
Deferred tax assets	47	307
<b>Total non-current assets</b>	<b>31,953</b>	<b>32,731</b>
<b>Current Assets</b>		
Inventories	13,951	13,031
Trade receivables	14,055	23,918
Other receivables	1,273	1,137
Current tax assets	1,867	1,961
Cash and cash equivalents	98,334	91,307
<b>Total current assets</b>	<b>129,480</b>	<b>131,354</b>
<b>TOTAL ASSETS</b>	<b>161,433</b>	<b>164,085</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	87,351	87,351
Retained earnings	60,190	59,031
Reserves	(12,183)	(12,377)
<b>Equity attributable to owners of the Company</b>	<b>135,358</b>	<b>134,005</b>
Non-controlling interests	859	894
<b>Total Equity</b>	<b>136,217</b>	<b>134,899</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Hire purchase payables	258	-
Loan and borrowings	3,105	3,110
Lease liabilities	136	471
Deferred tax liabilities	1,140	1,139
<b>Total non-current liabilities</b>	<b>4,639</b>	<b>4,720</b>
<b>Current liabilities</b>		
Trade payables	6,771	6,636
Other payables	13,166	16,814
Hire purchase payables	258	-
Loan and borrowings	107	137
Current tax liabilities	-	279
Lease liabilities	275	599
<b>Total current liabilities</b>	<b>20,577</b>	<b>24,465</b>
<b>TOTAL LIABILITIES</b>	<b>25,216</b>	<b>29,186</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>161,433</b>	<b>164,085</b>
<b>NET ASSETS PER SHARE (RM)<sup>(2)</sup></b>	<b>0.09</b>	<b>0.09</b>



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT  
31 MARCH 2023<sup>(1)</sup> (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 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) Based on share capital of 1,472,742,200 shares in issuance as at 31 December 2023 and 31 March 2024.

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**AIMFLEX BERHAD (201801011135 / 1273151-K)**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2024<sup>(1)</sup>**

	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			
<b>As at 1 January 2023</b>	86,365	1,063	(16,628)	2,750	49,832	<b>123,382</b>	-	<b>123,382</b>
Acquisition of subsidiaries	-	-	-	-	-	-	660	660
Total comprehensive income:								
- Profit for the period	-	-	-	-	9,116	<b>9,116</b>	234	<b>9,350</b>
- Foreign currency translation differences for foreign operations	-	447	-	-	-	<b>447</b>	-	<b>447</b>
	-	447	-	-	9,116	<b>9,563</b>	234	<b>9,797</b>
Total transactions with owners:								
- Share options forfeited	-	-	-	(83)	83	-	-	-
- Share options exercised	986	-	-	(320)	-	<b>666</b>	-	<b>666</b>
- Share options granted under ESOS	-	-	-	394	-	<b>394</b>	-	<b>394</b>
	986	-	-	(9)	83	<b>1,060</b>	-	<b>1,060</b>
<b>As at 31 December 2023</b>	<b>87,351</b>	<b>1,510</b>	<b>(16,628)</b>	<b>2,741</b>	<b>59,031</b>	<b>134,005</b>	<b>894</b>	<b>134,899</b>



**AIMFLEX BERHAD (201801011135 / 1273151-K)**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2024<sup>(1)</sup> (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				
<b>As at 1 January 2024</b>	87,351	1,510	(16,628)	2,741	59,031	<b>134,005</b>	894	<b>134,899</b>	
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	
Total comprehensive income:									
- Profit for the period	-	-	-	-	1,112	<b>1,112</b>	(35)	<b>1,077</b>	
- Foreign currency translation differences for foreign operations	-	49	-	-	-	<b>49</b>	-	<b>49</b>	
	-	49	-	-	1,112	<b>1,161</b>	(35)	<b>1,126</b>	
Total transactions with owners:									
- Share options forfeited	-	-	-	(47)	47	-	-	-	
- Share-based payment transactions	-	-	-	192	-	<b>192</b>	-	<b>192</b>	
	-	-	-	145	47	<b>192</b>	-	<b>192</b>	
<b>As at 31 March 2024</b>	<b>87,351</b>	<b>1,559</b>	<b>(16,628)</b>	<b>2,886</b>	<b>60,190</b>	<b>135,358</b>	<b>859</b>	<b>136,217</b>	



**AIMFLEX BERHAD (201801011135 / 1273151-K)**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED  
31 MARCH 2024<sup>(1)</sup> (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 2023 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 FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2023<sup>(1)</sup>**

	<b>CUMULATIVE QUARTER</b>	
	<b>Current Year- To-Date 31.03.2024 RM'000</b>	<b>Preceding Year Corresponding Period 31.03.2023 RM'000</b>
<b>Cash Flows From Operating Activities</b>		
<b>Profit before tax</b>	<b>1,615</b>	<b>1,423</b>
Adjustments for:		
Depreciation of property, plant and equipment	510	490
Depreciation of right-of-use asset	139	70
Depreciation of investment properties	1	2
(Reversal of)/Impairment losses on receivables	9	(69)
Interest expense	53	29
Property, plant and equipment written off	4	-
Provision for warranty	15	(2)
Dividend income	(3)	-
Interest income	(531)	(336)
Gain on disposal of property, plant and equipment	-	(36)
Rental income	(7)	(7)
Share-based payments for ESOS	193	125
Unrealised gain on foreign exchange	(169)	(134)
Operating profit before working capital changes	1,829	1,555
<b>Change in working capital</b>		
Inventories	(920)	(1,776)
Trade and other receivables	9,897	7,271
Trade and other payables	(3,627)	(627)
	5,350	4,868
Cash from operations	7,179	6,423
Interest paid	(37)	(34)
Interest received	620	90
Tax refund	(474)	
Tax paid	10	(1,385)
Net cash from operating activities	<b>7,298</b>	<b>5,094</b>
<b>Cash Flows From Investing Activities</b>		
(Decrease) in fixed deposits pledged with licensed banks	(3)	-
Acquisition of subsidiaries, net of cash and cash equivalents acquired	-	(288)
Purchase of property, plant and equipment	(131)	(459)
Proceeds from disposal of property, plant and equipment	-	54
Dividend received	3	-
Rental received	7	7
Net cash used in investing activities	<b>(124)</b>	<b>(686)</b>





**AIMFLEX BERHAD (201801011135 / 1273151-K)**  
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**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2023<sup>(1)</sup> (CONT'D)**

	<b>CUMULATIVE QUARTER</b>	
	<b>Current Year- To-Date 31.03.2024 RM'000</b>	<b>Preceding Year Corresponding Period 31.03.2023 RM'000</b>
<b>Cash Flows From Financing Activities</b>		
Proceeds from issuance of ordinary shares	-	-
Drawdown of term loan	-	163
Repayment of term loan	(35)	(15)
Repayment of hire purchase payables	(77)	(46)
Repayment of lease liabilities	(86)	(28)
Net cash from/(used in) financing activities	<b>(198)</b>	<b>74</b>
<b>Net increase in cash and cash equivalents</b>	6,976	4,482
<b>Cash and cash equivalents at the beginning of the financial period</b>	91,185	76,425
<b>Effect of exchange translation differences on cash and cash equivalents</b>	48	90
<b>Cash and cash equivalents at the end of the financial period</b>	<b>98,209</b>	<b>80,997</b>
 <b>Cash and cash equivalents at the end of the financial period comprises:</b>		
Cash and bank balances	98,140	56,997
Fixed deposits with licensed banks	194	25,221
	98,334	82,218
Less: Fixed deposits pledged with licensed banks	(125)	(1,221)
	<b>98,209</b>	<b>80,997</b>

**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 2023 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 2023 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 2023 except for the adoption of the following new and amended MFRSs with effect from 1 January 2024:

- Amendments to MFRS 16 Leases: Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
- Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosure – Supplier Finance Arrangements

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 2023 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**

There was no issuance or repayment of debts and equity securities, share buy-backs and share cancellations during the current financial quarter under review.

**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 March 2024 is as follows:

(a) Analysis of revenue by business segments

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Current Year Quarter 31.03.2024 RM'000</b>	<b>Preceding Year Corresponding Quarter 31.03.2023 RM'000</b>	<b>Current Year-To-Date 31.03.2024 RM'000</b>	<b>Preceding Year Corresponding Period 31.03.2023 RM'000</b>
Manufacturing	13,759	14,822	13,759	14,822
Distribution	1,976	2,390	1,976	2,390
<b>Total</b>	<b>15,735</b>	<b>17,212</b>	<b>15,735</b>	<b>17,212</b>

(b) Analysis of revenue by geographical location

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Current Year Quarter 31.03.2024 RM'000</b>	<b>Preceding Year Corresponding Quarter 31.03.2023 RM'000</b>	<b>Current Year Quarter 31.03.2024 RM'000</b>	<b>Preceding Year Corresponding Quarter 31.03.2023 RM'000</b>
<b>Manufacturing</b>				
Malaysia	5,328	9,670	5,328	9,670
Philippines	1,467	1,627	1,467	1,627
Singapore	6,666	3,419	6,666	3,419
Others	298	106	298	106
<b>Sub-total</b>	<b>13,759</b>	<b>14,822</b>	<b>13,759</b>	<b>14,822</b>



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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)

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Current Year Quarter 31.03.2024 RM'000</b>	<b>Preceding Year Corresponding Quarter 31.03.2023 RM'000</b>	<b>Current Year Quarter 31.03.2024 RM'000</b>	<b>Preceding Year Corresponding Quarter 31.03.2023 RM'000</b>
<b>Distribution</b>				
Malaysia	1,502	1,350	1,502	1,350
Singapore	366	1,026	366	1,026
China	61	-	61	-
Hong Kong	-	-	-	-
Indonesia	47	14	47	14
Others	-	-	-	-
<b>Sub-total</b>	<b>1,976</b>	<b>2,390</b>	<b>1,976</b>	<b>2,390</b>
<b>Total</b>	<b>15,735</b>	<b>17,212</b>	<b>15,735</b>	<b>17,212</b>

**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**

	<u>UNAUDITED</u>
	As at
	31.03.2024
	RM'000
<b>Property, plant and equipment</b>	
Contracted but not provided for	-
Approved but not contracted for	6,800
	<u>6,800</u>

**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 and current financial year-to-date**

	<b>INDIVIDUAL QUARTER/ CUMULATIVE QUARTER</b>		<b>VARIANCE</b>	
	<b>3 months ended 31.03.2024 RM'000</b>	<b>3 months ended 31.03.2023 RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	15,735	17,212	(1,477)	(8.6%)
PBT	1,615	1,423	192	13.5%

The Group recorded revenue of RM15.74 million for the current financial quarter ended 31 March 2024 (“Q1 2024”), a decrease of 8.6% as compared to the same quarter ended 31 March 2023 (“Q1 2023”). The decrease was mainly due to lower revenue recorded from the manufacturing segment by 7.4% and lower revenue recorded from distribution segment by 17.3%.

In Q1 2024, the Group’s revenue was principally derived from the manufacturing segment, contributing approximately 87.4% of the Group’s total revenue (Q1 2023: 86.1%). On the geographical standpoint, Singapore is the largest contributor to the Group’s revenue of 44.7% in Q1 2024 (Q1 2023: Malaysia was the largest contributor, contributing 64%).

The Group registered a PBT of RM1.62 million in Q1 2024 as compared to RM1.42 million in Q1 2023, which represents a increase of 13.5%. Higher PBT recorded in Q1 2024 despite a lower revenue was mainly due to better product mix which resulted in better gross profit margin of 31% (Q1 2023: 27%). The improvement in PBT is also due to higher interest income by RM0.20 million, higher realised gain on foreign exchange by RM0.50 million and lower subcon fee of RM0.30 million and offset by higher travelling expense of RM0.25million and higher staff salaries / allowance and bonus of RM0.60million from newly acquired subsidiaries.



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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**

Please refer to B1(a) above.

**B2. Comparison with immediate preceding quarter's results**

	<u>INDIVIDUAL QUARTER</u>		<u>VARIANCE</u>	
	<u>3 months ended</u> <u>31.03.2024</u> <u>RM'000</u>	<u>3 months ended</u> <u>31.12.2023</u> <u>RM'000</u>	<u>RM'000</u>	<u>%</u>
Revenue	15,735	26,141	(10,406)	(39.8%)
PBT	1,615	3,197	(1,582)	(49.5%)

The Group recorded a revenue of RM15.74 million in Q1 2024 as compared to RM26.14 million in the preceding financial quarter ended 31 December 2023 ("Q4 2023"), a decrease of RM10.41 million during current financial quarter. The decrease was mainly attributable to the lower revenue recorded from the manufacturing segment by 31.6% or RM6.35 million.

The Group registered a PBT of RM1.62 million in Q1 2024 as compared to PBT of RM3.20 million in Q4 2023, which represents a decrease of 49.5%. Lower PBT recorded in Q1 2024 was mainly due to lower gross profit by approximate RM3 million (mainly caused by lower revenue of RM10.41 million).



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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**

The global economy continues to expand amid resilient labour markets in some countries and continued recovery in global trade. Looking ahead, global growth is expected to be sustained, as headwinds from tight monetary policy and reduced fiscal support will be cushioned by positive labour market conditions and moderating inflation. Global trade is expected to strengthen further as the global tech upcycle gains momentum. For the Malaysian economy, the latest indicators point towards higher economic activity in the first quarter of 2024, driven by resilient domestic expenditure and a positive turnaround in exports. Going forward, the recovery in exports is expected to gather momentum supported by the global tech upcycle and continued strength in non-electrical and electronics goods. Tourist arrivals and spending are also poised to rise further. Continued employment and wage growth remain supportive of household spending. Investment activity would be supported by the ongoing progress of multi-year projects in both the private and public sectors, the implementation of catalytic initiatives under the national master plans, as well as the higher realisation of approved investments. The growth outlook is subject to downside risks from weaker-than-expected external demand, and larger declines in commodity production. Meanwhile, upside risks to growth mainly emanate from greater spillover from the tech upcycle, more robust tourism activity, and faster implementation of existing and new projects. (Source: Bank Negara Malaysia Monetary Policy Statement 9 May 2024).

Malaysia is expected to see a "potential upswing" in external demand, particularly from China, while also benefitting from the imposition of US tariffs on Chinese goods. While the escalation of trade tensions between the US and China might initially seem detrimental to Malaysia due to its close economic ties with China, there are potential avenues through which Malaysia could benefit from this situation. The rebound in demand from China suggest that Malaysia could benefit by increasing its trade volume with the country which will increase the country export. The increase in tariffs on Chinese products represent an opportunity for Malaysia to step in and fill the gap left by Chinese manufacturers. Malaysian companies could benefit from this as it could also find an increase in demand from US manufacturer for alternative suppliers outside of China. (Source: The Edge: Malaysia to benefit from China demand & US tariffs 20 May 2024)

The Group continues to exercise prudence in carrying out our business and strive to promote rapid growth in revenue. Efforts will be directed towards strengthening internal product development capabilities, enhancing research and development and implementing stringent cost control. We recognise the importance of optimising our operations to enhance productivity and efficiency, and also taking proactive steps to streamline our processes accordingly. In pursuing expansion, the Group actively continues to seek opportunities to acquire companies or businesses that align with our core business.





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**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 corporate proposal announced but not completed as at the date of this interim report.

**B6. Income tax expenses**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.03.2024 RM'000	Preceding Year Corresponding Quarter 31.03.2023 RM'000	Current Year-To- Date 31.03.2024 RM'000	Preceding Year Corresponding Period 31.03.2023 RM'000
Income tax expense:				
- Current year	275	192	275	192
- Prior year	(5)	-	(5)	-
Foreign withholding tax	9	3	9	3
	<u>279</u>	<u>195</u>	<u>279</u>	<u>195</u>
Deferred tax expense				
- origination and reversal of temporary differences	259	80	259	80
- prior year	-	10	-	10
	<u>259</u>	<u>90</u>	<u>259</u>	<u>90</u>
<b>Total tax expense</b>	<b><u>538</u></b>	<b><u>285</u></b>	<b><u>538</u></b>	<b><u>285</u></b>
Effective tax rate (%)	33.3	19.1	33.3	19.1

**Notes:**

(1) 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> <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 <sup>(1)</sup>
Capital expenditures	5,200	2,862	2,338	Within 84 months <sup>(1)</sup>
Working capital requirements	5,905	5,905	-	Within 36 months
Estimated listing expenses	3,500	3,500	-	Within 1 month
	<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.

<sup>(1)</sup> 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> 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 60 months <sup>(1)</sup>
Working capital requirements	24,924	22,157	2,767	Within 60 months <sup>(1)</sup>
Listing expenses	95	95	-	Upon completion
	<b><u>31,019</u></b>	<b><u>26,120</u></b>	<b><u>4,899</u></b>	

<sup>(1)</sup> The Board of Directors has approved the extension of timeframe for the utilisation of the remaining unutilised proceeds raised from Subscriptions Placements earmarked for “Business / Investment opportunities” and “Working capital requirement” for up to 60 months from the date of listing (3 June 2022).

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:-

	<b>31.03.2024</b> RM'000	<b>31.03.2023</b> RM'000
<u>Non-current liabilities</u>		
Loan and borrowings	3,105	2,823
Hire purchase	258	228
	<u>3,363</u>	<u>3,051</u>
<u>Current liabilities</u>		
Loan and borrowings	107	197
Hire purchase	258	211
	<u>365</u>	<u>408</u>
<b>Total borrowings</b>	<b><u>3,728</u></b>	<b><u>3,459</u></b>



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**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> <u>31.03.2024</u>	<u>Preceding Year Corresponding Quarter</u> <u>31.03.2023</u>	<u>Current Year-To-Date</u> <u>31.03.2024</u>	<u>Preceding Year Corresponding Period</u> <u>31.03.2023</u>
Profit attributable to ordinary owners of the Company (RM'000)	1,112	1,017	1,112	1,017
Weighted average number of ordinary shares ('000)	1,472,742	1,468,945	1,472,742	1,468,945
Basic EPS (sen)	0.08	0.07	0.08	0.07
Diluted EPS (sen) <sup>(1)</sup>	0.08	0.07	0.08	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):

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Current Year Quarter 31.03.2024 RM'000</b>	<b>Preceding Year Corresponding Quarter 31.03.2023 RM'000</b>	<b>Current Year-To-Date 31.03.2024 RM'000</b>	<b>Preceding Year Corresponding Period 31.03.2023 RM'000</b>
Depreciation of property, plant and equipment	510	490	510	490
Depreciation of right-of-use asset	139	70	139	70
Depreciation of investment properties	2	2	2	2
Property, plant and equipment written off	4	-	4	-
Interest expense	53	29	53	29
Rental expense	30	61	30	61
Share-based payment	193	125	193	125
Dividend income	-	-	-	-
Loss/(Gain) on foreign exchange				
- Realised	(538)	172	(538)	172
- Unrealised	(169)	(134)	(169)	(134)
Gain on disposal of property, plant and equipment	-	(36)	-	(36)
Interest income	(531)	(336)	(531)	(336)
Rental income	(7)	(7)	(7)	(7)
(Reversal of)/Impairment losses on receivables	(9)	(69)	(9)	(69)

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