



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 2024⁽¹⁾

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 30.09.2024 RM'000	Preceding Year Corresponding Quarter 30.09.2023 RM'000	Current Year-To-Date 30.09.2024 RM'000	Preceding Year Corresponding Period 30.09.2023 RM'000
Revenue	A9	20,946	17,950	59,723	58,919
Cost of sales		(13,695)	(11,194)	(39,067)	(37,929)
Gross profit ("GP")		7,251	6,756	20,656	20,990
Other income		567	889	2,576	3,035
Selling and distribution expenses		(272)	(402)	(1,841)	(2,294)
Administrative expenses		(3,794)	(3,378)	(11,563)	(12,272)
Other expenses		(4,338)	(122)	(4,577)	(296)
Profit from Operations		(586)	3,743	5,251	9,163
Finance costs		(56)	(59)	(158)	(142)
Profit before tax ("PBT")	B12	(642)	3,684	5,093	9,021
Taxation	B6	235	(1,117)	(797)	(2,418)
Profit after tax ("PAT")		(407)	2,567	4,296	6,603
Other comprehensive income, net of tax					
Foreign currency translation differences for foreign operations		(675)	(33)	(693)	340
Total comprehensive income for the financial period		(1,082)	2,534	3,603	6,943
Profit for the financial period attributable to:					
• Owners of the Company		(536)	2,372	4,238	6,358
• Non-controlling interests		129	195	58	245
		(407)	2,567	4,296	6,603
Total comprehensive income for the financial period attributable to:					
• Owners of the Company		(1,211)	2,339	3,544	6,698
• Non-controlling interests		129	195	58	245
		(1,082)	2,534	3,602	6,943
Earnings per share attributable to owners of the Company					
• Basic (sen)	B11	(0.04)	0.16	0.29	0.43
• Diluted (sen)	B11	(0.04)	0.16	0.29	0.42



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE THIRD (3RD) QUARTER ENDED 30
SEPTEMBER 2024⁽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 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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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024⁽¹⁾

	UNAUDITED	AUDITED
	As at 30.09.2024	As at 31.12.2023
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	21,121	27,811
Right of use asset	6,085	-
Investment properties	255	259
Goodwill	4,354	4,354
Deferred tax assets	887	307
Total non-current assets	32,702	32,731
Current Assets		
Inventories	10,739	13,031
Trade receivables	14,823	23,918
Other receivables	1,130	1,137
Current tax assets	1,916	1,961
Cash and cash equivalents	97,499	91,307
Total current assets	126,107	131,354
TOTAL ASSETS	158,809	164,085
EQUITY AND LIABILITIES		
Equity		
Share capital	87,362	87,351
Retained earnings	63,422	59,031
Reserves	(12,679)	(12,377)
Equity attributable to owners of the Company	138,105	134,005
Non-controlling interests	952	894
Total Equity	139,057	134,899
Liabilities		
Non-current liabilities		
Hire purchase payables	283	-
Loan and borrowings	2,995	3,110
Lease liabilities	673	471
Deferred tax liabilities	1,134	1,139
Total non-current liabilities	5,085	4,720
Current liabilities		
Trade payables	4,909	6,636
Other payables	9,052	16,814
Hire purchase payables	264	-
Loan and borrowings	146	137
Current tax liabilities	-	279
Lease liabilities	296	599
Total current liabilities	14,667	24,465
TOTAL LIABILITIES	19,752	29,186
TOTAL EQUITY AND LIABILITIES	158,809	164,085
NET ASSETS PER SHARE (RM) ⁽²⁾	0.09	0.09



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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
30 SEPTEMBER 2024⁽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 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) Based on share capital of 1,472,742,200 shares and 1,472,872,200 shares in issuance as at 31 December 2023 and 30 September 2024 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 2024⁽¹⁾

	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 THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2024⁽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 2024	87,351	1,510	(16,628)	2,741	59,031	134,005	894	134,899
Acquisition of subsidiaries	-	-	-	-	-	-	-	-
Total comprehensive income:								
- Profit for the period	-	-	-	-	4,238	4,238	58	4,296
- Foreign currency translation differences for foreign operations	-	(694)	-	-	-	(694)	-	(694)
	-	(694)	-	-	4,238	3,544	58	3,602
Total transactions with owners:								
- Share options exercised	11	-	-	(11)	-	-	-	-
- Share options forfeited	-	-	-	(153)	153	-	-	-
- Share-based payment transactions	-	-	-	556	-	556	-	556
Total transactions with owners	11	-	-	392	153	556	-	556
As at 30 September 2024	87,362	816	(16,628)	3,133	63,422	138,105	952	139,057



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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2024⁽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 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 THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2024⁽¹⁾

	CUMULATIVE QUARTER	
	Current Year- To-Date 30.09.2024 RM'000	Preceding Year Corresponding Period 30.09.2023 RM'000
Cash Flows From Operating Activities		
Profit before tax	5,094	9,021
Adjustments for:		
Depreciation of property, plant and equipment	1,541	1,491
Depreciation of right-of-use asset	434	315
Depreciation of investment properties	5	4
Impairment losses on receivables	58	1,850
Interest expense	158	142
Property, plant and equipment written off	6	34
Provision for warranty	26	4
Dividend income	(218)	-
Interest income	(1,660)	(1,175)
Rental income	(21)	(21)
Gain on disposal of property, plant and equipment	(22)	(36)
Share-based payments for ESOS	556	327
Unrealised gain on foreign exchange	2,878	(257)
Operating profit before working capital changes	8,835	11,699
Change in working capital		
Inventories	2,292	(3,699)
Trade and other receivables	8,838	3,947
Trade and other payables	(9,458)	3,168
	1,672	3,416
Cash from operations	10,507	15,115
Interest paid	(110)	(134)
Interest received	1,714	1,177
Tax paid	(1,637)	(2,693)
Tax refund	34	
Net cash from operating activities	10,508	13,465
Cash Flows From Investing Activities		
Acquisition of subsidiaries, net of cash and cash equivalents acquired	-	(288)
Purchase of property, plant and equipment	(649)	(2,332)
Decrease/(Increase) in fixed deposits pledged with a licensed bank	(3)	1,099
Proceeds from disposal of property, plant and equipment	22	54
Dividend received	218	-
Rental received	21	21
Net cash used in investing activities	(391)	(1,446)



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UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2024⁽¹⁾ (CONT'D)

	CUMULATIVE QUARTER	
	Current Year- To-Date 30.09.2024 RM'000	Preceding Year Corresponding Period 30.09.2023 RM'000
Cash Flows From Financing Activities		
Drawdown of term loan	-	488
Proceeds from hire purchase	184	328
Proceeds from issuance of ordinary shares	-	624
Repayment of term loan	(106)	(77)
Repayment of hire purchase payables	(246)	(165)
Repayment of lease liabilities	(264)	(177)
Net cash from financing activities	(432)	1,021
Net increase in cash and cash equivalents	9,685	13,040
Cash and cash equivalents at the beginning of the financial period	91,185	76,425
Effect of exchange translation differences	(3,496)	349
Cash and cash equivalents at the end of the financial period	97,374	89,814
Cash and cash equivalents at the end of the financial period comprises:		
Cash and bank balances	64,305	62,695
Fixed deposits with licensed banks	33,194	11,260
	97,499	73,955
Less: Fixed deposits pledged with licensed banks	(125)	(1,221)
	97,374	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 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 (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 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.



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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 30 September 2024 is as follows:

(a) Analysis of revenue by business segments

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2024 RM'000	Preceding Year Corresponding Quarter 30.09.2023 RM'000	Current Year-To-Date 30.09.2024 RM'000	Preceding Year Corresponding Period 30.09.2023 RM'000
Manufacturing	18,384	16,250	53,826	53,266
Distribution	2,562	1,700	5,897	5,653
Total	20,946	17,950	59,723	58,919

(b) Analysis of revenue by geographical location

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2024 RM'000	Preceding Year Corresponding Quarter 30.09.2023 RM'000	Current Year Quarter 30.09.2024 RM'000	Preceding Year Corresponding Quarter 30.09.2023 RM'000
Manufacturing				
Malaysia	6,217	8,880	18,885	25,163
Philippines	1,757	3,429	7,862	17,861
Singapore	8,748	3,461	24,861	9,484
Others	1,662	480	2,218	758
Sub-total	18,384	16,250	53,826	53,266



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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 30.09.2024 RM'000	Preceding Year Corresponding Quarter 30.09.2023 RM'000	Current Year Quarter 30.09.2024 RM'000	Preceding Year Corresponding Quarter 30.09.2023 RM'000
Distribution				
Malaysia	1,663	1,194	4,057	3,529
Singapore	672	453	1,505	1,966
India	-	-	-	83
Indonesia	43	53	90	75
Others	184	-	245	-
Sub-total	2,562	1,700	5,897	5,653
Total	20,946	17,950	59,723	58,919

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
	30.09.2024
	RM'000
Property, plant and equipment	
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

	<u>INDIVIDUAL QUARTER</u>		<u>VARIANCE</u>	
	3 months ended 30.09.2024 RM'000	3 months ended 30.09.2023 RM'000	RM'000	%
Revenue	20,946	17,950	2,996	16.7%
Profit Before Tax ("PBT")	(642)	3,684	(4,326)	(117.4%)

The Group recorded revenue of RM20.95 million for the current financial quarter ended 30 September 2024 ("Q3 2024"), an increase of 16.7% as compared to the same quarter ended 30 September 2023 ("Q3 2023"). The increase was mainly attributable to the higher revenue recorded from the manufacturing segment by 13% and higher revenue recorded from the distribution segment by 51%.

In Q3 2024, the Group's revenue was principally derived from the manufacturing segment, contributing approximately 87.8% of the Group's total revenue (Q3 2023: 90.5%). On the geographical standpoint, the Singapore market become the largest contributor to the Group's revenue of 45% in Q3 2024 (Q3 2023, Malaysia is the largest contributor contributing 56.1%).

The Group registered a LBT of RM0.64 million in Q3 2024 as compared to PBT of RM3.68 million in Q3 2023, which represents a decrease of RM4.33 million. LBT recorded in Q3 2024 was mainly attributable to significant depreciation of the U.S dollar against the Ringgit from 4.721 on 30 June 2024 to 4.107 on 30 September 2024, which has led to an unfavourable foreign exchange loss amounting to RM4.21 million (Realised foreign exchange loss – RM1.20 million / Unrealised foreign exchange loss – RM3.01 million).

Excluding the foreign exchange loss amounting to RM4.21 million (Realised foreign exchange loss – RM1.20 million / Unrealised foreign exchange loss – RM3.01 million), our group profit before tax is RM3.568 million as below:

Q3 - 30 September 2024	RM'000
Revenue	20,946
Profit Before Tax ("PBT")	(642)
Foreign exchange loss	4,210
Profit Before Tax ("PBT") before foreign exchange loss	3,568



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

B1. Review of Performance (Cont'd)

(b) Results for financial year-to-date

	<u>CUMULATIVE QUARTER</u>		<u>VARIANCE</u>	
	<u>9 months ended</u> <u>30.09.2024</u> <u>RM'000</u>	<u>9 months ended</u> <u>30.09.2023</u> <u>RM'000</u>	<u>RM'000</u>	<u>%</u>
Revenue	59,723	58,919	804	1.4%
Profit Before Tax ("PBT")	5,093	9,021	(3,928)	(43.5%)

The Group recorded revenue of RM59.72 million for the 9 months ended 30.09.2024 ("9M 2024"), an increase of RM0.80 million from RM58.92 million for the 9 months ended 30.09.2023 ("9M 2023"). The increase was mainly attributable to the higher revenue recorded from the manufacturing segment by 1% and distribution segment by 4%.

The Group registered a Profit Before Tax of RM5.09 million for 9M 2024 as compared to RM9.02 million 9M 2023, which represents a decrease of 43.5%. Lower PBT recorded in 9M 2024 was mainly attributable to higher foreign exchange loss by RM4.54 million offset by higher interest income by RM0.49 million.

B2. Comparison with immediate preceding quarter's results

	<u>INDIVIDUAL QUARTER</u>		<u>VARIANCE</u>	
	<u>3 months ended</u> <u>30.09.2024</u> <u>RM'000</u>	<u>3 months ended</u> <u>30.06.2024</u> <u>RM'000</u>	<u>RM'000</u>	<u>%</u>
Revenue	20,946	23,042	(2,096)	(9.1%)
Profit Before Tax ("PBT")	(642)	4,119	(4,761)	(115.6%)



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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 RM20.95 million in Q3 2024 as compared to RM23.04 million in the preceding financial quarter ended 30 June 2024 ("Q2 2024"), a decrease of RM2.096 million during the current financial quarter. The decrease was mainly attributable to the lower revenue recorded from the manufacturing segment by 15.3% offset by higher revenue recorded from the distribution segment by 88.4%.

The Group registered a lower Profit Before Tax by RM4.76 million in Q3 2024 as compared Q2 2024, mainly due to lower gross profit by RM1.33 million as a result of lower revenue and higher foreign exchange loss by RM4.21 million (Realised foreign exchange loss – RM1.20 million / Unrealised foreign exchange loss – RM3.01 million), offset by lower travelling expense by RM0.36 million and lower export expense by RM0.21 million.

B3. Prospects and outlook

In Economic Outlook 2025 report, the central bank commented that the Madani Economy framework, which focuses on restructuring and reforming Malaysia's economic agenda, coupled with the implementation of key policy plans such as the National Energy Transition Roadmap and New Industrial Master Plan 2030, have started to yield positive results. For 2025, it is projecting Malaysia's economy to grow between 4.5% and 5.5%, not too different from its upgraded prediction for this year.

The services sector continues to uphold its position as the main driver of growth, contributed by tourism activities, sustained exports and acceleration of information and communication technology (ICT) related activities. Tourism-related industries, particularly food and beverages, accommodation and retail trade segments, are expected to increase further, while the wholesale trade as well as air and water transportations segments will benefit from sustained trade-related activities. Meanwhile, sectors such as the utilities industry and professional services are anticipated to rise in tandem with the acceleration of ICT development, particularly in data centres. The manufacturing sector in particular is projected to expand further, attributed to better performance in export-oriented industries, primarily the electrical and electronic segment, as external demand for semiconductors continues to increase. Private consumption is projected to continue spearheading growth, backed by firm labour market conditions and income growth amid manageable inflation.

(source: <https://www.thestar.com.my/business/business-news/2024/10/18/budget-2025-economy-to-stay-strong-next-year>)

Aimflex Group continue demonstrating resilience and adaptability, seizing every opportunity amidst market volatility and geopolitical tensions. The Group is also actively pursuing suitable business acquisitions, investing in R&D, identifying and commercialising cutting edge technologies and broadening its product range. The Group is beefing up its team to deliver the best-in-class automation solutions and is committed to collaborate with its customers to address their unique needs.



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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

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current Year Quarter 30.09.2024 RM'000	Preceding Year Corresponding Quarter 30.09.2023 RM'000	Current Year-To- Date 30.09.2024 RM'000	Preceding Year Corresponding Period 30.09.2023 RM'000
Income tax expense:				
- Current year	175	935	1,232	2,083
- Prior year	64	(125)	59	(121)
Foreign withholding tax	32	313	91	348
	271	1,123	1,382	2,310
Deferred tax expense	(507)	(6)	(585)	108
Total tax expense	(236)	1,117	797	2,418
Effective tax rate (%)	36.82	33.71	15.65	28.15

Notes:

- (1) The Group's effective tax rates for the current quarter is higher than the statutory income tax rate despite the availability of Pioneer tax incentive in one of the subsidiaries. This was mainly due to an unrealised foreign exchange loss amounting to RM3.01 million being made in the current 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 RM'000</u>	<u>Actual Utilisation RM'000</u>	<u>Unutilised Amount 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	2,869	2,331	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>29,956</u>	<u>9,131</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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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 60 months ⁽¹⁾
Working capital requirements	24,924	24,451	473	Within 60 months ⁽¹⁾
Listing expenses	95	95	-	Upon completion
	<u>31,019</u>	<u>28,414</u>	<u>2,605</u>	

⁽¹⁾ 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:-

	30.09.2024 RM'000	30.09.2023 RM'000
<u>Non-current liabilities</u>		
Loan and borrowings	2,995	3,119
Hire purchase	283	383
	<u>3,278</u>	<u>3,502</u>
<u>Current liabilities</u>		
Loan and borrowings	146	265
Hire purchase	264	164
	<u>410</u>	<u>429</u>
Total borrowings	<u>3,688</u>	<u>3,931</u>



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B9. Material litigation

1. Winding up petition against Andeli Solar Sdn Bhd

Further to the Winding Up petition against Andeli Solar Sdn Bhd (“the Respondent”) by the group wholly owned subsidiary, Aimflex Solutions Sdn Bhd (“the Petitioner”) dated 26 June 2024 which the hearing date was fixed on 10th September 2024. The Petitioner had obtained Court Order dated 10 September 2024 on the following:

1. That the Respondent be wound up under the provisions of the Companies Act 2016;
2. That the Official Receiver be appointed as the liquidator of the Respondent;
3. That RM5,000.00 being the costs of this Petition be paid out of the assets of the Respondent to the Petitioner and
4. That such other order may be made in the premises as shall be just.

2. Writ of Summons and Statement of Claim

Aimflex Solutions Sdn. Bhd. (“the Plaintiff”), a wholly owned subsidiary of the Company had on 4 November 2024 filed a Writ of Summons and Statement of Claim against Kong Yeng Kein (“the Defendant”).

Pursuant to the Writ of Summons and Statement of Claim, the Plaintiff claimed the following from the Defendant:

- The amount outstanding is RM 3,950,000.00;
- Late interest at the rate of 8% per annum until the date of full settlement;
- Costs; and
- Other and/or further reliefs as the Honorable Court deems fit and fair

The details of the default or circumstances leading to the filing of the Writ of Summons and Statement of Claim against Defendant as below:

Vide a Letter of Appointment dated 1 March 2021 (“LOA”), Andeli Solar Sdn. Bhd. [Registration No.: 201701041792 (1255965-A)] (“Andeli Solar”) has awarded a project known as Engineering, Procurement, Construction and Commissioning of the 9.99MW (A.C.) Large Scale Solar Farm in Daerah Manjung, Negeri Perak Darul Ridzuan (“the Project”) to the Plaintiff whereby the agreed and accepted contract sum is RM10,900,000.00.

A. Pursuant to paragraph 2 (c) of the LOA, the payment to the Plaintiff under the Project is due when: -

- i. Back-to-back upon receipt of payment by Andeli Solar from the Main Employer for the Project, i.e. Coral Power Sdn. Bhd. [Registration No.: 201701004571 (1218736-D)] (“Coral Power”); or
- ii. Within six (6) months from the Commercial Operation Date (as defined in the Power Purchase Agreement dated 26 January 2018 entered into between the Main Employer, Coral Power and Tenaga Nasional Berhad) (“Commercial Operation Date”), whichever is earlier.



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- B. In consideration of the Plaintiff in agreeing to enter into the LOA, vide the irrevocable personal guarantee letter dated 1 March 2021 (“the Guarantee”), the Defendant has executed an irrevocable personal guarantee to Plaintiff whereby the Defendant agreed and undertook with Plaintiff to pay to Plaintiff upon demand all monies due to Plaintiff under the LOA by Andeli Solar in the sum of RM10,900,000.00 in the event Andeli Solar fails to pay or settle any amount due in respect of the LOA.
- C. Vide the Audit confirmation dated 10 January 2022, Andeli Solar confirmed that Plaintiff’s scope of work under the Project has completed and the amount owing and due to Plaintiff as of 31 December 2021 is RM7,950,000.00.
- D. Subsequently, Coral Power has paid a total sum of RM 4,000,000.00 for the Project, comprising 4 payments of RM 1,000,000.00 each to Andeli Solar between January 2022 to February 2022 where the details are as follows: -

NIL	NIL	RM 1,000,000
Reference No MYMMRB3D	14/01/2022	RM 1,000,000
Reference No MYMMRB3D	25/01/2022	RM 1,000,000
Reference No MYMMRB3D	03/02/2022	RM 1,000,000
Total		RM 4,000,000

- E. Andeli Solar has in turn paid the sum of RM 4,000,000-00 to Plaintiff where the details are as follows:
-

Particulars	Date	Amount
Cheque No 002287	12/01/2022	RM 1,000,000
Cheque No 002288	19/01/2022	RM 1,000,000
Cheque No 002289	28/01/2022	RM 1,000,000
Cheque No 002290	08/02/2022	RM 1,000,000
Total		RM 4,000,000

- F. Upon receiving the payment of totaling RM4,000,000.00 from Andeli Solar, as at 9 February 2022, the balance sum which remained due and owing by Andeli Solar to Plaintiff under the Project is RM3,950,000.00.
- G. On 10 February 2022, Coral Power remitted a sum of RM 1,000,000.00 for the Project to Andeli Solar for Andeli Solar’s payment to Plaintiff. Accordingly, upon receipt the aforesaid payment from Coral Power by Andeli Solar, the HLBB Cheque No 002291 dated 15.02.2022 for the said sum of RM 1,000,000.00 made payable in Plaintiff’s favour (“the Cheque”) was accordingly deposited into Plaintiff’s bank account for payment.
- H. However, Plaintiff pleads that the Cheque was dishonoured upon presentation of payment and was subsequently returned by the bank on 16 February 2022 with the remarks “payment stopped / payment countermanded”.
- I. On 17 July 2024, the Plaintiff was informed by Coral Power that the Commercial Operation Date had commenced on 29 May 2023.



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- J. As such, pursuant to Clause 2(c) of the LOA, the balance sum of RM 3,950,000.00 shall be paid by Andeli Solar to the Plaintiff within six (6) months from 29 May 2023 i.e. by 29 November 2023.
- K. However, Plaintiff pleads as of the date of filing of this action, more than one (1) years since the Commercial Operation Date, Andeli Solar still failed and/or refused and/or neglected to pay the balance sum of RM 3,950,000.00 to the Plaintiff under the LOA.
- L. By virtue of the above, Andeli Solar is deemed to have defaulted in settling the outstanding sum of RM 3,950,000.00 due to the Plaintiff in respect of the LOA.
- M. On 23 May 2024, Plaintiff issued a winding up notice to Andeli Solar for part of the outstanding sum of RM1,000,000.00.
- N. After 21 days lapsed, as Andeli Solar failed to respond or repay the sum of RM1,000,000.00 to the Plaintiff, Plaintiff had commenced the winding up proceedings vide Kuala Lumpur High Court Winding Up Petition No. WA-28NCC-571-06/2024 against Andeli Solar.
- O. On 10 September 2024, the Kuala Lumpur High Court granted an order to wind up Andeli Solar and appointed the Official Receiver as the liquidator of Andeli Solar.
- P. On 29 October 2024, Plaintiff lodged a proof of debt for the total outstanding sum of RM3,950,000.00 against Andeli Solar.
- Q. In view of the failure by Andeli Solar to pay the sum of RM3,950,000.00, Defendant is liable to pay the sum of RM3,950,000.00 as a surety for Andeli Solar and as a principal debtor, as per the Guarantee.

The Company is seeking to pursue the claim aggressively but is open for any settlement proposal.

Further announcement on the development of the above legal suit will be made to Bursa Malaysia Securities Berhad in due course.

As for now, the solicitors acting for the Company i.e. Messrs Chuah Qian & Partners is in the midst of serving the Writ and Statement of Claim to the Defendant in which the next Case Management is fixed on 4.12.2024 to update the Court on the service of the Writ and Statement of Claim on the Defendant.

B10. Dividend proposed

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



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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>30.09.2024</u>	<u>Preceding Year Corresponding Quarter</u> <u>30.09.2023</u>	<u>Current Year-To-Date</u> <u>30.09.2024</u>	<u>Preceding Year Corresponding Period</u> <u>30.09.2023</u>
Profit attributable to ordinary owners of the Company (RM'000)	<u>(536)</u>	<u>2,372</u>	<u>4,238</u>	<u>6,358</u>
Weighted average number of ordinary shares ('000)	<u>1,472,831</u>	<u>1,469,666</u>	<u>1,472,772</u>	<u>1,469,188</u>
Basic EPS (sen)	<u>(0.04)</u>	<u>0.16</u>	<u>0.29</u>	<u>0.43</u>

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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 30.09.2024	Preceding Year Corresponding Quarter 30.09.2023	Current Year-To-Date 30.09.2024	Preceding Year Corresponding Period 30.09.2023
Profit attributable to ordinary owners of the Company (RM'000)	(536)	2,372	4,238	6,358
Adjusted weighted average number of ordinary shares ('000)				
Weighted average number of ordinary shares	1,472,831	1,469,666	1,472,772	1,469,188
Adjustment for dilutive effect on exercise of ESOS	-	28,246	-	28,246
	<u>1,472,831</u>	<u>1,497,912</u>	<u>1,472,772</u>	<u>1,497,434</u>
Diluted EPS (sen)	<u>(0.04)</u>	<u>0.16</u>	<u>0.29</u>	<u>0.42</u>



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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 30.09.2024 RM'000	Preceding Year Corresponding Quarter 30.09.2023 RM'000	Current Year-To-Date 30.09.2024 RM'000	Preceding Year Corresponding Period 30.09.2023 RM'000
Depreciation of property, plant and equipment	495	493	1,541	1,491
Depreciation of right-of-use asset	157	124	434	315
Depreciation of investment properties	2	1	5	4
Interest expense	55	59	158	142
Property, plant and equipment written off	-	32	6	34
Rental expense	31	41	92	159
Share-based payment	185	81	556	327
Subsidies received	-	-	-	(5)
Dividend income	(218)	-	(218)	-
(Gain)/Loss on foreign exchange				
- Realised	1,199	(219)	728	(674)
- Unrealised	3,014	86	2,879	(257)
Interest income	(577)	(472)	(1,660)	(1,175)
Grant income	(14)		(14)	
Rental income	(7)	(7)	(21)	(21)
Impairment losses/(Reversal of impairment losses) on receivables	-	25	58	1,850
Gain on disposal of property, plant and equipment	(22)	-	(22)	(36)

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