

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT, BANK MANAGER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

Bursa Malaysia Securities Berhad ("Bursa Securities") has only perused through this Circular on a limited review basis pursuant to the provisions of Guidance Note 22 of the ACE Market Listing Requirements of Bursa Securities.

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**AIMFLEX BERHAD**

Registration No.: 201801011135 (1273151-K)  
(Incorporated in Malaysia)

## **CIRCULAR TO SHAREHOLDERS**

### **IN RELATION TO THE**

### **PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

The above proposal will be tabled as Special Business at the Fifth (5<sup>th</sup>) Annual General Meeting ("**AGM**") of Aimflex Berhad ("Aimflex" or "the Company") which will be held on a fully virtual basis through live streaming and online remote meeting platform of TIIH Online provided by Tricor Investor & Issuing House Services Sdn Bhd via its website at <https://tiih.online> or <https://tiih.com.my> (Domain Registration number with MYNIC: D1A212781) on Thursday, 22 June 2023 at 10:00 a.m. The Notice of 5<sup>th</sup> AGM together with the Form of Proxy are enclosed in the Company's 2022 Annual Report.

If you are unable to attend and vote at the AGM, you may complete the Form of Proxy and deposit it at the office of our Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, not later than forty-eight (48) hours before the time set for holding the AGM. The lodging of the Form of Proxy does not preclude you from attending and voting at the meeting should you subsequently decide to do so. The Form of Proxy can also be submitted electronically via TIIH Online at <https://tiih.online>. For further information on the electronic submission of Form of Proxy, kindly refer to the Administration Guide for 5<sup>th</sup> AGM.

Last date and time for lodging the Form of Proxy : Tuesday, 20 June 2023 at 10:00 a.m.

Date and time of the AGM : Thursday, 22 June 2023 at 10:00 a.m.

This Circular is dated 28 April 2023

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## DEFINITIONS

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In this Circular and the accompanying appendices, the following abbreviations shall have the following meanings unless otherwise stated:

“Acquisition”	: (a) acquisition by ATSB of 60% equity interest in UTASB which was completed on 31 January 2023; and / or (b) acquisition by ATSB of 60% equity interest in OISB which was completed on 19 January 2023
“Act”	: The Companies Act 2016 and any amendments made thereto from time to time
“AGM”	: Annual General Meeting of the Company
“AESB”	: Aimflex Engineering Sdn. Bhd. [200801013555 (814843-P)]
“Aimflex” or the “Company”	: Aimflex Berhad [201801011135 (1273151-K)]
“Aimflex Group” or the “Group”	: Aimflex and its subsidiaries, collectively
“AMSB”	: Aimflex Metal Sdn. Bhd. [199601020102 (392454-U)]
“APINC”	: Aimflex Philippines Inc [2022120078436-01]
“ARMC”	: Audit and Risk Management Committee of Aimflex
“ASOSB”	: Aimflex Solutions Sdn. Bhd. [201301017114 (1046947-U)]
“ASPL”	: Aimflex Singapore Pte. Ltd. [201305528C]
“ASSB”	: Aimflex Systems Sdn. Bhd. [201501042607 (1167928-K)]
“ATSB”	: Aimflex Technology Sdn. Bhd. [200701002969 (760967-W)]
“Board”	: The Board of Directors of Aimflex
“BSMSB”	: Bizit Systems (M) Sdn. Bhd. [200701012772 (770777-P)]
“BSSPL”	: Bizit Systems And Solutions Pte Ltd [201112841R]
“Bursa Securities”	: Bursa Malaysia Securities Berhad [200301033577 (635998-W)]
“Circular”	: Circular to Shareholders in relation to the Proposed New Shareholders’ Mandate
“Director(s)”	: Shall have the same meaning given in Section 2(1) of the Capital Markets and Services Act, 2007 and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon: (a) a director of the Company, its subsidiary or holding company; or (b) a chief executive of the Company, its subsidiary or holding company
“EPESB”	: Exzone Precision Engineering Sdn. Bhd. [199201012251 (243754-V)]
“ETSB”	: Eumeko Technologies Sdn. Bhd. [201301014913 (1044746-V)]

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**DEFINITIONS (cont'd)**

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- “Listing Requirements” : ACE Market Listing Requirements of Bursa Securities and any amendments made or to be made from time to time
- “LPD” : 31 March 2023, being the latest practicable date for ascertaining certain information contained in this Circular
- “Major Shareholder” : A person who has an interest or interests in one (1) or more voting shares in the Company and the number or aggregate number of those shares, is equal to:
- (a) 10% or more of the total number of voting shares in the Company;
  - or
  - (b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the company.
- For the purpose of this definition, “interest in shares” shall have the meaning given in Section 8 of the Act and “Major Shareholder” includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of the Company, its subsidiary or holding company
- “NA” : Net assets attributable to ordinary equity holders of the Company
- “OISB” : Owin Industrial Sdn. Bhd. [201701045359 (1259532-A)]
- “Person Connected” : In relation to a Director or a Major Shareholder, means such person who falls under any one of the following categories:
- (a) a family member of the Director or Major Shareholder;
  - (b) a trustee of a trust (other than a trustee for an employee share scheme or pension scheme) under which the Director, Major Shareholder or a family member of the Director or Major Shareholder is the sole beneficiary;
  - (c) a partner of the Director, Major Shareholder or a partner of a person connected with that Director or Major Shareholder;
  - (d) a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;
  - (e) a person in accordance with whose directions, instructions or wishes the Director or Major Shareholder is accustomed or is under an obligation, whether formal or informal, to act;
  - (f) a body corporate or its Directors which/who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;
  - (g) a body corporate or its Directors whose directions, instructions or wishes the Director or Major Shareholder is accustomed or under an obligation, whether formal or informal, to act;
  - (h) a body corporate in which the Director, Major Shareholder and/or persons connected with him are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate; or
  - (i) a body corporate which is a related corporation.

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**DEFINITIONS (cont'd)**

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“Proposed New Shareholders’ Mandate”	:	Proposed New Shareholders’ Mandate for Aimflex Group to enter into RRPTs of a revenue or trading nature
“Recurrent Related Party Transactions” or “RRPTs”	:	A transaction entered into by the Company or its subsidiaries which involves the interest, direct or indirect, of a Related Party, which is recurrent, of a revenue or trading nature and which is necessary for day to day operations of the Company or its subsidiaries
“Related Party(ies)”	:	A “Director”, “Major Shareholder” of the Aimflex Group or “Person Connected with such Director or Major Shareholder”
“RM or Sen”	:	Ringgit Malaysia and sen respectively
“Shareholders”	:	Shareholders of Aimflex
“Shareholders’ Mandate”	:	Shareholders’ mandate for the RRPT
“Substantial Shareholder(s)”	:	A person who has interest or interests in one or more voting Shares in the Company and the number of that Share, or aggregate number of those Shares, is not less than 5% of the total number of all the voting Shares in the Company
“TNCTSB”	:	TNC Technology Sdn. Bhd. [201301040147 (1069970-U)]
“UTASB”	:	Union Tech Automation Sdn. Bhd. [200701028342 (786364-P)]
“WPEMSB”	:	Winco Precision Engineering (Melaka) Sdn. Bhd. [199301015050 (269790-D)]
“2022 Annual Report”	:	Annual Report of Aimflex issued for the financial year ended 31 December 2022

All references to "you" in this Circular is to the shareholders of the Company. All references to "we", "us", "our" and "Aimflex" in this Circular is to the Company.

Unless specifically referred to, words denoting incorporating the singular shall, where applicable include the plural and vice versa and words denoting incorporating the masculine gender shall where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day and date in this Circular shall be a reference to Malaysian time and date, respectively, unless otherwise specified. Any discrepancy in the figures included in this Circular between the amounts stated, actual figures and the totals thereof are due to rounding adjustments.

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AIMFLEX BERHAD  
Registration No.: 201801011135 (1273151-K)  
(Incorporated in Malaysia)

**Registered Office:**  
Level 5, Tower 8, Avenue 5,  
Horizon 2, Bangsar South City,  
59200 Kuala Lumpur,

28 April 2023

**Board of Directors:**

*Dato (Dr.) Ts. Awang Daud Bin Awang Putera (Non-Independent Non-Executive Chairman)*

*Chuah Chong Ewe (Group Managing Director)*

*Chuah Chong San (Executive Director)*

*Law Lee Yen (Independent Non-Executive Director)*

*Professor Dr. Ruzairi Bin Hj Abdul Rahim (Independent Non-Executive Director)*

*Siti Zaleha Binti Sulaiman (Independent Non-Executive Director)*

**To: The Shareholders of Aimflex Berhad**

Dear Sir/Madam,

**PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

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**1. INTRODUCTION**

On 15 April 2023, The Board of Aimflex announced that the Company proposes to seek the approval from its shareholders on the Proposed New Shareholders' Mandate for RRPTs of a revenue or trading nature.

Further details of which are set out in Section 2.7 of this Circular.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED NEW SHAREHOLDERS' MANDATE AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED NEW SHAREHOLDERS' MANDATE TO BE TABLED AT THE FORTHCOMING THE AGM. THE NOTICE OF AGM AND THE FORM OF PROXY ARE ENCLOSED IN THE 2022 ANNUAL REPORT OF THE COMPANY.**

**YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED NEW SHAREHOLDERS' MANDATE TO BE TABLED AT THE AGM.**

## **2. DETAILS OF THE PROPOSED NEW SHAREHOLDERS' MANDATE**

### **2.1 Provision under the Listing Requirements**

Pursuant to Rule 10.09(2) of the Listing Requirements, a listed issuer may seek a mandate from its shareholders in respect of RRPTs which are made on an arm's length basis and are necessary for its day-to-day operations subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Parties than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of the transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold below in relation to a listed issuer with an issued share capital of RM60.0 million and above:
  - (i) the consideration, value of the assets, capital outlay or costs of the RRPTs is RM1.0 million or more; or
  - (ii) the percentage ratio of such RRPTs is 1% or more,whichever is the higher.
- (c) the listed issuers' circular to shareholders for the shareholder mandate includes the information as may be prescribed by Bursa Securities. The circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (d) in a meeting to obtain shareholders' mandate, the interested directors, interested major shareholders or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such directors or major shareholder, must not vote on the resolution to approve the RRPTs. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the RRPTs; and
- (e) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT(s) entered into by the listed issuer, exceeds the estimated value of the RRPT(s) disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

Where a listed issuer has procured a shareholder mandate in respect of the transactions, the provisions under Rule 10.08 of the Listing Requirements will not apply to the transactions which are comprised in the said mandate.

**2.2** Aimflex group has, in the ordinary course of its business, entered into RRPTs and is anticipated to continue to enter into such transactions with the Related Parties, the details of which are set out in Section 2.7 herein. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

**2.3** Accordingly, the Board proposes to seek Proposed New Shareholders' Mandate for future RRPTs to be entered into during the Mandate Period.

These RRPTs which are necessary for the day-to-day operations of Aimflex, will be based on normal commercial terms, at arms' length, and have been/will be transacted on terms that are not more favourable to the Related Parties than those generally available to the public.

These RRPTs are subject to review procedures set out in Section 4 of this Circular.

## 2.4 Validity Period of the Proposed New Shareholders' Mandate

The Proposed New Shareholders' Mandate, if approved by the shareholders, shall take effect from passing of the Ordinary Resolution proposed at the forthcoming AGM, and shall continue to be in force until:

1. the conclusion of the next AGM of the Company following this AGM, at which such Proposed New Shareholders' Mandate was passed, at which time it will lapse, unless by a resolution passed at the general meeting, the mandate is renewed;
2. the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
3. revoked or varied by resolution passed by shareholders in a general meeting;

whichever is the earlier.

For information of Shareholders, the approval of the Shareholders of the Company will be sought for renewal of the Proposed New Shareholders' Mandate for the RRPTs, as applicable, at each subsequent AGM.

## 2.5 Principal Activities of Aimflex Group

The Company is principally an investment holding company whilst the principal activities of its subsidiaries as at LPD are as follows:

<b>Aimflex's Subsidiaries</b>	<b>Effective Equity Interest (%)</b>	<b>Principal activities</b>
ATSB	100.00	Investment holding company.
<b>Held through ATSB</b>		
AESB	100.00	Design and fabrication of precision parts.
AMSB	100.00	Design and fabrication of metal panels and frames.
APINC	99.99	Importation, assembly, installation, and commissioning business of specialised automation machines and provision of modifications, maintenance, and technical support of specialised automation machines.
ASOSB	100.00	Design, development, manufacturing and integration of modules and components in relation to Industry 4.0.
ASPL	100.00	Sales of specialised automation machines.
ASSB	100.00	Manufacturing and modification of specialised automation machines, provision of maintenance and technical support services and supply of spare parts.
BSMSB	100.00	Distribution of statistical analysis software, wireless communication devices and robotic arms.
BSSPL	100.00	Retail sale of computer hardware (including handheld computers) and peripheral equipment, and computer software (except games and cybersecurity hardware and software) (software sales, marketing and training) and development of other software and programming activities.



OISB	60.00	Manufacturer of spare parts, accessories and all kind of other general purpose of machinery.
UTASB	60.00	Trading of automation parts, precision tooling and machining.

## 2.6 Classes of Related Parties

The Proposed New Shareholders' Mandate will apply to the following classes of Related Parties:

- (i) Interested Directors;
- (ii) Interested Major Shareholders; and
- (iii) Person Connected with the Directors and/or Major Shareholders

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## 2.7 Nature of RRPTs

The nature and details of the RRPTs entered and/or to be entered into by the Aimflex Group under the Proposed New Shareholders' Mandate are as follows:-

Nature of RRPTs	Transacting Parties within the Group	Transacting related party(ies)	Interested Related Parties (*)	Proposed New Shareholders' Mandate		
				Actual value of RRPTs transacted from the date of the 1 <sup>st</sup> transaction up to LPD (**)	Estimated value of RRPTs to be transacted from LPD up to the forthcoming AGM (**)	Estimated value of RRPTs from the forthcoming AGM up to the next AGM (***)
				RM'000	RM'000	RM'000
Design and fabrication of precision parts	AESB (provider)	EPESB (recipient)	<p><b><u>Interested Directors/ Major Shareholders</u></b></p> <ul style="list-style-type: none"> <li>• Chuah Chong Ewe</li> <li>• Chuah Chong San</li> </ul> <p><b><u>Interested Major Shareholder</u></b></p> <ul style="list-style-type: none"> <li>• Luster Industries Berhad</li> </ul>	-	-	10,000
Design and fabrication of metal panels and frames	AMSB (provider)	EPESB (recipient)	<p><b><u>Interested Directors/ Major Shareholders</u></b></p> <ul style="list-style-type: none"> <li>• Chuah Chong Ewe</li> <li>• Chuah Chong San</li> </ul> <p><b><u>Interested Major Shareholder</u></b></p> <ul style="list-style-type: none"> <li>• Luster Industries Berhad</li> </ul>	-	-	10,000
Sale of specialised automation machines, related modules and maintenance services	ASSB (provider)	EPESB (recipient)	<p><b><u>Interested Directors/ Major Shareholders</u></b></p> <ul style="list-style-type: none"> <li>• Chuah Chong Ewe</li> <li>• Chuah Chong San</li> </ul> <p><b><u>Interested Major Shareholder</u></b></p> <ul style="list-style-type: none"> <li>• Luster Industries Berhad</li> </ul>	26	970	10,000

Nature of RRPTs	Transacting Parties within the Group	Transacting related party(ies)	Interested Related Parties (*)	Proposed New Shareholders' Mandate		
				Actual value of RRPTs transacted from the date of the 1 <sup>st</sup> transaction up to LPD (**)	Estimated value of RRPTs to be transacted from LPD up to the forthcoming AGM (**)	Estimated value of RRPTs from the forthcoming AGM up to the next AGM (***)
				RM'000	RM'000	RM'000
Design and fabrication of precision parts, metal panels and sale of machineries	OISB (provider)	EPESB (recipient)	<u>Interested Directors/ Major Shareholders</u> <ul style="list-style-type: none"> <li>• Chuah Chong Ewe</li> <li>• Chuah Chong San</li> </ul> <u>Interested Major Shareholder</u> Luster Industries Berhad	-	1,000	10,000
Sale of specialised automation machines, related modules and maintenance services	UTASB (provider)	EPESB (recipient)	<u>Interested Directors/ Major Shareholders</u> <ul style="list-style-type: none"> <li>• Chuah Chong Ewe</li> <li>• Chuah Chong San</li> </ul> <u>Interested Major Shareholder</u> <ul style="list-style-type: none"> <li>• Luster Industries Berhad</li> </ul>	-	-	10,000
Design and fabrication of precision parts	AESB (provider)	WPMSB (recipient)	<u>Interested Directors/ Major Shareholders</u> <ul style="list-style-type: none"> <li>• Chuah Chong Ewe</li> <li>• Chuah Chong San</li> </ul> <u>Interested Major Shareholder</u> <ul style="list-style-type: none"> <li>• Luster Industries Berhad</li> </ul>	-	-	10,000

Nature of RRPTs	Transacting Parties within the Group	Transacting related party(ies)	Interested Related Parties (*)	Proposed New Shareholders' Mandate		
				Actual value of RRPTs transacted from the date of the 1 <sup>st</sup> transaction up to LPD (**)	Estimated value of RRPTs to be transacted from LPD up to the forthcoming AGM (**)	Estimated value of RRPTs from the forthcoming AGM up to the next AGM (***)
				RM'000	RM'000	RM'000
Design and fabrication of metal panels and frames	AMSB (provider)	WPEMSB (recipient)	<u><b>Interested Directors/ Major Shareholders</b></u> <ul style="list-style-type: none"> <li>• Chuah Chong Ewe</li> <li>• Chuah Chong San</li> </ul> <u><b>Interested Major Shareholder</b></u> <ul style="list-style-type: none"> <li>• Luster Industries Berhad</li> </ul>	-	-	10,000
Sale of specialised automation machines, related modules and maintenance services	ASSB (provider)	WPEMSB (recipient)	<u><b>Interested Directors/ Major Shareholders</b></u> <ul style="list-style-type: none"> <li>• Chuah Chong Ewe</li> <li>• Chuah Chong San</li> </ul> <u><b>Interested Major Shareholder</b></u> <ul style="list-style-type: none"> <li>• Luster Industries Berhad</li> </ul>	-	-	10,000
Design and fabrication of precision parts, metal panels and sale of machineries	OISB (provider)	WPEMSB (recipient)	<u><b>Interested Directors/ Major Shareholders</b></u> <ul style="list-style-type: none"> <li>• Chuah Chong Ewe</li> <li>• Chuah Chong San</li> </ul> <u><b>Interested Major Shareholder</b></u> <ul style="list-style-type: none"> <li>• Luster Industries Berhad</li> </ul>	-	-	10,000

Nature of RRPTs	Transacting Parties within the Group	Transacting related party(ies)	Interested Related Parties (*)	Proposed New Shareholders' Mandate		
				Actual value of RRPTs transacted from the date of the 1 <sup>st</sup> transaction up to LPD (**)	Estimated value of RRPTs to be transacted from LPD up to the forthcoming AGM (**)	Estimated value of RRPTs from the forthcoming AGM up to the next AGM (***)
				RM'000	RM'000	RM'000
Sale of specialised automation machines, related modules and maintenance services	UTASB (provider)	WPEMSB (recipient)	<u>Interested Directors/ Major Shareholders</u> <ul style="list-style-type: none"> <li>• Chuah Chong Ewe</li> <li>• Chuah Chong San</li> </ul> <u>Interested Major Shareholder</u> <ul style="list-style-type: none"> <li>• Luster Industries Berhad</li> </ul>	-	-	10,000
Sale of specialised automation machines, related modules and maintenance services	UTASB (provider)	ETSB (recipient)	<u>Interested Directors/ Major Shareholders</u> <ul style="list-style-type: none"> <li>• Queh Yong Jin</li> <li>• Chin Yeow Ming</li> </ul>	110	850	10,000
Purchase of specialised automation machines, related modules and maintenance services	UTASB (recipient)	ETSB (provider)	<u>Interested Directors/ Major Shareholders</u> <ul style="list-style-type: none"> <li>• Queh Yong Jin</li> <li>• Chin Yeow Ming</li> </ul>	152	800	10,000

Nature of RRPTs	Transacting Parties within the Group	Transacting related party(ies)	Interested Related Parties (*)	Proposed New Shareholders' Mandate		
				Actual value of RRPTs transacted from the date of the 1 <sup>st</sup> transaction up to LPD (**)	Estimated value of RRPTs to be transacted from LPD up to the forthcoming AGM (**)	Estimated value of RRPTs from the forthcoming AGM up to the next AGM (***)
				RM'000	RM'000	RM'000
Sale of specialised automation machines, related modules and maintenance services	UTASB (provider)	TNCTSB (recipient)	<u>Interested Directors</u> <ul style="list-style-type: none"> <li>• Queh Yong Jin</li> <li>• Chin Yeow Ming</li> </ul> <u>Interested Persons Connected to Directors</u> <ul style="list-style-type: none"> <li>• Kathy Chew Chiu Yi</li> <li>• Thor Ming Hoay</li> </ul>	41	900	10,000
Purchase of industrial use feeders, related modules and maintenance services	UTASB (recipient)	TNCTSB (provider)	<u>Interested Directors</u> <ul style="list-style-type: none"> <li>• Queh Yong Jin</li> <li>• Chin Yeow Ming</li> </ul> <u>Interested Persons Connected to Directors</u> <ul style="list-style-type: none"> <li>• Kathy Chew Chiu Yi</li> <li>• Thor Ming Hoay</li> </ul>	1	900	10,000

Notes:-

(\*) The nature of the relationship and extent of the interest of the Related Parties are as follows:-

1. Luster Industries Berhad (“Luster”) is a Major Shareholder in Aimflex with the shareholdings as follows:-

Related Parties	Shareholding in Aimflex	
	Direct Interest (%)	Indirect Interest (%)
Luster	12.361	-

2. Chuah Chong Ewe is a Director and Shareholder of Aimflex. Chuah Chong Ewe is also a Director and Shareholder of Luster.
3. Chuah Chong San is a Director of Aimflex. Chuah Chong San is also a Director and Shareholder of Luster. He is a person connected i.e brother to Chuah Chong Ewe.
4. The shareholdings of Chuah Chong Ewe and Chuah Chong San in Aimflex and Luster is as follows:-

Related Parties	Shareholding in Aimflex		Shareholding in Luster	
	Direct Interest (%)	Indirect Interest (%)	Direct Interest (%)	Indirect Interest (%)
Chuah Chong Ewe	11.000%	-	6.967%	3.372%
Chuah Chong San	-	-	1.472%	-

5. Chuah Chong Ewe has deemed interest in the AESB, AMSB, ASSB, UTASB and OISB by virtue of his direct interest in Aimflex, as illustrated above.
6. EPESB and WPEMSB are wholly-owned subsidiaries of Luster.
7. Chuah Chong Ewe has deemed interest in EPESB and WPEMSB by virtue of his direct and indirect interest in Luster, as illustrated above.
8. Chuah Chong San has deemed interest in EPESB and WPEMSB as he is a person connected i.e. brother to Chuah Chong Ewe.
9. UTASB and OISB became subsidiaries of Aimflex following the Acquisition by its wholly-owned subsidiary, ATSB of 60% equity interest each which was completed on 31 January 2023 and 19 January 2023 respectively.

10. Queh Yong Jin and Chin Yeow Ming are Common Directors and Major Shareholders of UTASB and ETSB with shareholdings as follows:-

<b>Related Parties</b>	<b>Shareholding in UTASB (%)</b>	<b>Shareholding in ETSB (%)</b>
Queh Yong Jin	20%	17%
Chin Yeow Ming	20%	17%

11. Kathy Chew Chiu Yi, the spouse of Queh Yong Jin, and Thor Ming Hoay, the spouse of Chin Yeow Ming, are Directors and Major Shareholders of TNCTSB with a shareholding of 50% each.

12. Queh Yong Jin and Kathy Chew Chiu Yi are deemed interested by virtue of their family relationship i.e. spouses.

13. Chin Yeow Ming and Thor Ming Hoay are deemed interested by virtue of their family relationship i.e. spouses.

14. TNCTSB is deemed connected to Queh Yong Jin and Chin Yeow Ming by virtue of their spouses' shareholding.

(\*\*) The amount of RRPT transacted from the date of the 1st transaction up to the forthcoming AGM is less than the 5% threshold as stipulated under Rule 10.08(2) of the Listing Requirements and does not require shareholders' ratification.

(\*\*\*) The estimated values are based on the historical data and best estimates by the management. Accordingly, the actual value of the transaction may be varied from the estimated value disclosed above and subject to changes.

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## **2.8 Amount due from and owing by Related Parties**

As at the LPD, there is no amount due from and owing by Related Parties pursuant to the RRPTs which exceeded the credit terms.

## **3. RATIONALE AND BENEFITS OF THE PROPOSED NEW SHAREHOLDERS' MANDATE**

The Proposed Shareholders' Mandate will enable the Aimflex Group to enter into RRPTs that are in the ordinary course of business, revenue or trading in nature and necessary for the Aimflex Group's day-to-day operations. These transactions are likely to occur with some degree of frequency and arise at any time and from time to time and may be constrained by the time-sensitive nature. It may also be impracticable to seek shareholders' approval on a case to case basis before entering into such Recurrent Related Party Transactions. The obtaining of the Proposed New Shareholders' Mandate on an annual basis would eliminate the need to convene separate general meetings from time to time to seek shareholders' approval as and when potential RRPT arise, thereby reducing substantially administrative time and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Aimflex Group or adversely affecting the business opportunities available to the Group.

The Board is of the view that the RRPTs are beneficial to Aimflex Group. The close commercial relationship that had been established between the Aimflex Group and the Related Parties will have mutual benefits, effective network and are expected to contribute to operational efficiency of the business of the Aimflex Group.

The Board is, therefore seeking a mandate pursuant to Rule 10.09(2) of the Listing Requirements for the RRPT described in Section 2.7 above with the class of Related Parties specified in Section 2.6 above to allow the Aimflex Group to enter into such RRPT made on arm's length basis and on normal commercial terms that are not more favourable to the related party than those generally available to the public and which are not detrimental to the interests of the minority shareholders.

## **4. REVIEW PROCEDURES AND GUIDELINES FOR THE RECURRENT RELATED PARTY TRANSACTIONS**

### **4.1 Procedures and Guidelines**

The Aimflex Group has established the following procedures and guidelines to ensure that the RRPT are undertaken on transaction prices and an arm's length basis and on normal commercial terms that are not more favourable to the transacting parties than those generally available to the public and are not to the detriment of the minority shareholders:

- (i) Proper records of RRPTs are maintained by the Company to record all RRPTs entered into to ensure that relevant approvals have been obtained and the procedures in respect of such transactions are complied with;
- (ii) At least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. In the event that quotation or comparative pricing to unrelated third parties cannot be obtained (for instance, if there are no unrelated third party customers of similar products, or if the product is a propriety item), the transaction price will be determined based on the usual business practices of the Group to ensure that the RRPTs are not detrimental to the Group;
- (iii) The ARMC periodically reviews the procedures set by Aimflex to monitor RRPTs to ensure that these transactions are carried out on normal commercial terms not more favourable to the Related Party than those generally available to the public and are not detrimental to the minority shareholders of the Company. All reviews by the ARMC are reported to the Board for further action. In its review and approval of such transactions, the ARMC may, as it deems fit, requests for additional information pertaining to the transactions from independent sources or

professionals;

- (iv) All the Directors are required to declare and disclose any transaction in which they are deemed interested and such transactions must be subject to the scrutiny of the ARMC. In addition, the Directors have given their undertakings that all business transactions entered into between Aimflex Group and themselves and/or Persons Connected with them shall be negotiated on and agreed at arm's length basis on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders; and
- (v) The Board and ARMC have overall responsibility for determining whether the procedures and guidelines on the RRPTs are appropriate and sufficient. An annual review of the RRPT procedures and guidelines will be carried out by the Board. If during the annual review, the Board is of the view that the RRPT procedures and guidelines are no longer valid or inadequate to ensure that the RRPTs are made on an arm's length basis or on terms not more favourable to the Related Parties than those generally available to the public and not to the detriment of our minority shareholders, the Board shall have the discretion to discharge, vary, modify the existing procedures and guidelines or implement new or additional procedures and guidelines, without Management's prior approval, provided that such amended, varied, modified, new or additional procedures and guidelines are no less stringent than the existing ones.

#### **4.2 Threshold of Authority**

There is no specific threshold for the approval of RRPTs within the Aimflex Group as the transaction prices entered with the Related Parties are guided by the prevailing market prices carried out on "arm's length basis", on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority Shareholders. All RRPTs are reviewed and authorised by the entire Board of Directors (not being the Related Parties or a person connected) and tabled for review by the ARMC on a quarterly basis.

#### **4.3 Disclosure in Annual Report**

Disclosure will be made in the annual report of the Company in accordance with Rule 3.1.5 of Guidance Note 8 of the Listing Requirements, which requires a breakdown of the aggregate value of the RRPTs entered into during the financial year based on the following information:

- (a) the type of the RRPTs made; and
- (b) the names of the Related Parties involved in each of the RRPTs made and their relationship with the Company.

### **5. STATEMENT BY AUDIT AND RISK MANAGEMENT COMMITTEE**

The ARMC of the Company has reviewed the procedures set out in Section 4.1 above and is of the view that the said procedures are sufficient to ensure that the RRPTs are conducted at arm's length basis and on normal commercial terms which are consistent with the Aimflex Group's normal business practices and policies and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders. Any member of the ARMC who is interested in any RRPTs shall not be involved in the review of the RRPTs.

The ARMC is also of the view that the Aimflex Group has in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner and these procedures and processes are reviewed on a yearly basis.

### **6. CONDITION FOR THE PROPOSED NEW SHAREHOLDERS' MANDATE**

The Proposed New Shareholders' Mandate are subject to approval being obtained from the shareholders of the Company at the forthcoming AGM.

The Proposed New Shareholders' Mandate will be subject to annual renewal and shall only continue to be in force until each subsequent AGM of the Company at which the Proposed Shareholders' Mandate

will be tabled annually or revoked or varied by resolution passed by the Shareholders of the Company in a general meeting, whichever shall first occur.

## 7. EFFECTS OF THE PROPOSED NEW SHAREHOLDERS' MANDATE

The Proposed New Shareholders' Mandate, if obtained at the forthcoming AGM, will not have any effect on the earnings per share, gearing and net assets per share at the Group level, issued and paid-up share capital and substantial shareholding of the Company.

## 8. INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

Save as disclosed below, none of the other Directors, Major Shareholders and/or persons connected with the Directors and/or Major Shareholders, have any interest, either direct or indirect, in the Proposed New Shareholders' Mandate.

Shareholdings of the interested Directors, interested Major Shareholders and Persons Connected to them in the Shares of the Company, as at LPD, are as follows:-

### Interested Directors

	Direct		Indirect	
	No. of shares	%	No. of shares	%
Chuah Chong Ewe	131,576,707	8.957%	299,095,000	10.339% <sup>(ii)</sup>
Chuah Chong San	-	-	-	-
Queh Yong Jin <sup>(i)</sup>	-	-	-	-
Chin Yeow Ming	-	-	-	-

#### *Note:*

- i. *Queh Yong Jin and Chin Yeow Ming are interested by virtue of them being the directors of UTASB, a subsidiary of Aimflex.*
- ii. *For disclosure purpose, Chuah Chong Ewe has indirect interest of 10.339% in Aimflex by virtue of his direct and indirect interest in Luster Industries Berhad. However, pursuant to Section 8(4) of the Act, Chuah Chong Ewe does not have control over Luster Industries Berhad.*

### Interested Major Shareholder

	Direct		Indirect	
	No. of shares	%	No. of shares	%
Luster Industries Berhad	181,576,707	12.361	-	-

### Interested Persons Connected to Them

	Direct		Indirect	
	No. of shares	%	No. of shares	%
Kathy Chew Chiu Yi	-	-	-	-
Thor Ming Hoay	-	-	-	-

Queh Yong Jin and Chin Yeow Ming will abstain from Board deliberations and voting in relation to the PRPTs at UTASB in which they are interested under the Proposed New Shareholders' Mandate.

Chuah Chong San is an interested Director by virtue of him being a Person Connected to the Interested Director, Chuah Chong Ewe. Both Chuah Chong Ewe and Chuah Chong San have abstained and/or will abstain from Board deliberations and voting in relation to the RRPTs in Aimflex in which they are interested under the Proposed New Shareholders' Mandate.

Luster Industries Berhad as Interested Major Shareholder will abstain from voting in respect of its direct and/or indirect shareholdings in Aimflex, and has undertaken that it will ensure that the Persons Connected with it will abstain from voting in respect of their direct and/or indirect shareholdings in

Aimflex, if any, on the Ordinary Resolution relating to the Proposed New Shareholders' Mandate in which it is interested to be tabled at the forthcoming AGM of Aimflex or at any adjournment thereof.

Kathy Chew Chiu Yi is an interested Person Connected by virtue of her relationship i.e. spouse with the interested Director, Queh Yong Jin, and will abstain from voting in respect of her direct and/or indirect shareholdings in Aimflex, if any, on the Ordinary Resolution relating to the Proposed New Shareholders' Mandate in which she is interested to be tabled at the forthcoming AGM of Aimflex or at any adjournment thereof.

Thor Ming Hoaw is an interested Person Connected by virtue of her relationship i.e. spouse with the interested Director, Chin Yeow Ming, and will abstain from voting in respect of her direct and/or indirect shareholdings in Aimflex, if any, on the Ordinary Resolution relating to the Proposed New Shareholders' Mandate in which she is interested to be tabled at the forthcoming AGM of Aimflex or at any adjournment thereof.

Chuah Chong Ewe, Chuah Chong San, Queh Yong Jin, and Chin Yeow Ming as the Interested Directors will abstain from voting in respect of their direct and/or indirect shareholdings in Aimflex, if any, on the Ordinary Resolution relating to the Proposed New Shareholders' Mandate in which they are interested to be tabled at the forthcoming AGM of Aimflex or at any adjournment thereof. In addition, Chuah Chong Ewe, Chuah Chong San, Queh Yong Jin, and Chin Yeow Ming as the Interested Directors have undertaken that they will ensure Persons Connected with them will abstain from voting in respect of their direct and/or indirect shareholdings in Aimflex, if any, on the Ordinary Resolution relating to the Proposed New Shareholders' Mandate in which they are interested at the said AGM or at any adjournment thereof.

## **9. DIRECTORS' STATEMENT AND RECOMMENDATION**

The Board (except for Chuah Chong Ewe and Chuah Chong San as Interested Directors) having considered all aspects of the Proposed New Shareholders' Mandate, is of the opinion that the Proposed New Shareholders' Mandate are in the best interest of Aimflex. Accordingly, the Board (except for Chuah Chong Ewe and Chuah Chong San as Interested Directors) recommends that you vote in favour of the Ordinary Resolution relating to the Proposed New Shareholders' Mandate to be tabled at the forthcoming AGM.

## **10. AGM**

The 5<sup>th</sup> AGM of the Company, the notice of which is enclosed in the Company's Annual Report 2022, will be held on fully virtual basis through live streaming and online remote platform of TIIH Online provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its website at <https://tiih.online> <https://tiih.com.my> (Domain Registration number with MYNIC: D1A212781) on Thursday, 22 June 2023 at 10:00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the Ordinary Resolution for the Proposed New Shareholders' Mandate as set out in the Notice of 5<sup>th</sup> AGM.

A member who is entitled to participate and vote at the forthcoming AGM is entitled to appoint a proxy or proxies to participate and vote on his/her behalf. The Form of Proxy must be deposited at the office of the Share Registrar, in the following manner:-

- (a) By hand or post to Tricor Investor & Issuing House Services Sdn. Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
- (b) By electronic means via the TIIH Online at <https://tiih.online> not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof. Kindly refer to the Administrative Guide for the 5<sup>th</sup> AGM on the procedures for electronic lodgement of proxy form. The lodging of the Form of Proxy will not preclude you from participating and voting remotely at the forthcoming AGM should you subsequently wish to do so.

## **11. FURTHER INFORMATION**

Shareholders are advised to refer to the attached Appendices which forms an integral part of this Circular, for further information.

Your faithfully,  
For and on behalf of the Board of Directors of  
**AIMFLEX BERHAD**

**CHUAH CHONG EWE**  
Group Managing Director

**FUTHER INFORMATION****1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Directors of Aimflex and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in the circular misleading.

**2. MATERIAL CONTRACTS**

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business) entered into by Aimflex and its subsidiary companies during the two (2) years immediately preceding the date of this Circular:

- (a) Shares Sale Agreement dated 21.12.2022 between OISB, Khoo Chee Seang and Khoo Chee Kuang for acquisition of 261,000 ordinary shares from the Khoo Chee Seang and Khoo Chee Kuang, representing 60% of the paid up capital of OISB for a total cash consideration of RM2,400,000.00, which was completed on the 19.01.2023.
- (b) Shares Sale Agreement dated 21.12.2022 between ATSB, Queh Yong Jin and Chin Yeow Ming for acquisition of 24,001 ordinary shares from the Queh Yong Jin and Chin Yeow Ming, representing 60% of the paid up capital of UTASB for a total cash consideration of RM1,800,000.00, which was completed on the 31.01.2023.

**3. MATERIAL LITIGATION, CLAIMS AND ARBITRATION**

As at the LPD, neither Aimflex nor its subsidiaries are involved in any material litigation or arbitration, either as plaintiff or defendant, which may have a material adverse effect on the business or financial position of the Aimflex Group, and the Directors are not aware of any legal proceeding, pending or threatened, or of any fact likely to give rise to any legal proceeding which may have a material adverse effect on the business or financial position of the Aimflex Group.

**4. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection by the shareholders at the registered office of the Company at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur, Malaysia during normal business hours from Mondays to Fridays (excluding public holidays) for the period commencing from the date of this Circular up to and including the date of the forthcoming 5<sup>th</sup> AGM of the Company:

- (a) the Constitution of the Company;
- (b) the audited consolidated financial statements of Aimflex for the past 2 financial years ended 31 December 2021 and 2022, as well as the unaudited consolidated financial statements of Aimflex for the 3-months financial period ended 31 March 2023; and
- (c) material contracts referred to in Section 2 of Appendix I of this Circular.

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## EXTRACT OF THE NOTICE OF THE 5TH AGM

## ORDINARY RESOLUTION 6

**Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

"THAT approval be and is hereby given to the Company and its subsidiary(ies) ("Group") to enter into and give effect to the Recurrent Related Party Transactions of a revenue or trading nature particulars with the specified classes of related parties as specified in Section 2.7 of the Circular to Shareholders dated 28 April 2023, provided that:

- (a) such arrangements and/or transactions are necessary for the Group's day-to-day operations;
- (b) such arrangements and/or transactions undertaken are in the ordinary course of business, at arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to third party;
- (c) such arrangements and/or transactions are not detrimental to the minority shareholders of the Company; and
- (d) the disclosure is made in the annual report on the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year in relation to:
  - (i) the related transacting parties and their respective relationship with the Company; and
  - (ii) the nature of the recurrent transactions.

THAT such authority shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting ("AGM"), unless the authority is renewed by a resolution passed at the next AGM; or
- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but will not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (c) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting,

whichever is the earlier.

AND THAT the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."