

AIMFLEX BERHAD (FORMERLY KNOWN AS I-STONE GROUP BERHAD) (1273151-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2021⁽¹⁾

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 30.06.2021 RM'000	Preceding Year Corresponding Quarter 30.06.2020 RM'000	Current Year-To-Date 30.06.2021 RM'000	Preceding Year Corresponding Period 30.06.2020 RM'000
Revenue	A9	10,591	13,850	33,810	29,792
Cost of sales		(7,976)	(10,034)	(28,081)	(21,073)
Gross profit ("GP")		2,615	3,816	5,729	8,719
Other income		165	470	481	1,051
Selling and distribution expenses		(117)	(109)	(209)	(375)
Administrative expenses		(3,082)	(2,108)	(6,235)	(4,174)
Other expenses		(86)	(124)	(95)	(190)
(Loss)/Profit from Operations		(505)	1,945	(329)	5,031
Finance costs		5	(22)	4	(49)
(Loss)/Profit before tax	B12	(500)	1,923	(325)	4,982
Taxation	B6	73	(382)	(84)	(617)
(Loss)/Profit after tax		(427)	1,541	(409)	4,365
Other comprehensive income, net of tax					
Foreign currency translation differences for foreign operations		4	54	68	35
Total comprehensive (loss)/income for the financial period		(423)	1,595	(341)	4,400
(Loss)/Profit for the financial period attributable to:					
• Owners of the Company		(427)	1,541	(409)	4,365
• Non-controlling interests		-	-	-	-
		(427)	1,541	(409)	4,365
Total comprehensive (loss)/income for the financial period attributable to:					
• Owners of the Company		(423)	1,595	(341)	4,400
• Non-controlling interests		-	-	-	-
		(423)	1,595	(341)	4,400
(Loss)/Earnings per share attributable to owners of the Company					
• Basic (sen)	B11	(0.03)	0.13	(0.03)	0.36
• Diluted (sen)	B11	(0.03)	0.13	(0.03)	0.36

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2021⁽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 2020 and the accompanying explanatory notes attached to this interim financial report.

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AIMFLEX BERHAD (FORMERLY KNOWN AS I-STONE GROUP BERHAD) (1273151-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021⁽¹⁾

	UNAUDITED	AUDITED
	As at 30.06.2021 RM'000	As at 31.12.2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	23,460	22,831
Investment properties	274	278
Goodwill	856	856
Total non-current assets	24,590	23,965
Current Assets		
Inventories	9,296	6,041
Trade receivables	23,005	25,516
Other receivables	857	1,211
Cash and cash equivalents	26,576	27,128
Total current assets	59,734	59,896
TOTAL ASSETS	84,324	83,861
EQUITY AND LIABILITIES		
Equity		
Share capital	55,346	54,516
Retained earnings	31,060	31,324
Reserves	(14,448)	(14,554)
Total Equity	71,958	71,286
Liabilities		
Non-current liabilities		
Lease liabilities	169	22
Deferred tax liabilities	699	699
Total non-current liabilities	868	721
Current liabilities		
Trade payables	5,208	5,004
Other payables	5,738	6,046
Current tax liabilities	443	720
Lease liabilities	109	84
Total current liabilities	11,498	11,854
TOTAL LIABILITIES	12,366	12,575
TOTAL EQUITY AND LIABILITIES	84,324	83,861
NET ASSETS PER SHARE (RM) ⁽²⁾	0.06	0.06

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
30 JUNE 2021⁽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 2020 and the accompanying explanatory notes attached to this interim financial report.
- (2) Based on share capital of 1,224,121,200 shares and 1,221,477,200 shares in issuance as at 30 June 2021 and 31 December 2020 respectively.

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AIMFLEX BERHAD (FORMERLY KNOWN AS I-STONE GROUP BERHAD) (1273151-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2021⁽¹⁾

	Non-distributable				Distributable	
	Share Capital RM'000	Translation Reserve RM'000	Merger Reserve RM'000	Share Options Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
As at 1 January 2020	54,516	635	(16,628)	-	26,760	65,283
Total comprehensive income:						
- Profit for the year	-	-	-	-	7,618	7,618
- Foreign currency translation differences for foreign operations	-	(3)	-	-	-	(3)
	-	(3)	-	-	7,618	7,615
Transactions with owners:						
- Dividends paid	-	-	-	-	(3,054)	(3,054)
- Share options granted under ESOS	-	-	-	1,442	-	1,422
	-	-	-	1,442	(3,054)	(1,612)
As at 31 December 2020	54,516	632	(16,628)	1,442	31,324	71,286

AIMFLEX BERHAD (FORMERLY KNOWN AS I-STONE GROUP BERHAD) (1273151-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2021⁽¹⁾ (CONT'D)

	Non-distributable			Distributable		
	Share Capital RM'000	Translation reserve RM'000	Merger Reserve RM'000	Share Options Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
As at 1 January 2021	54,516	632	(16,628)	1,442	31,324	71,286
Total comprehensive income:						
- (Loss) for the period	-	-	-	-	(409)	(409)
- Foreign currency translation differences for foreign operations	-	68	-	-	-	68
	-	68	-	-	(409)	(341)
Total transactions with owners:						
- Transfer from Share Options Reserve	-	-	-	(145)	145	-
- Share options granted under ESOS	-	-	-	447	-	447
- Exercise of ESOS	830	-	-	(264)	-	566
	830	-	-	38	145	1,013
As at 30 June 2021	55,346	700	(16,628)	1,480	31,060	71,958

AIMFLEX BERHAD (FORMERLY KNOWN AS I-STONE GROUP BERHAD) (1273151-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2021⁽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 2020 and the accompanying explanatory notes attached to this interim financial report.

AIMFLEX BERHAD (FORMERLY KNOWN AS I-STONE GROUP BERHAD) (1273151-K)

**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2021⁽¹⁾**

	CUMULATIVE QUARTER	
	Current Year- To-Date 30.06.2021 RM'000	Preceding Year Corresponding Period 30.06.2020 RM'000
Cash Flows From Operating Activities		
(Loss)/Profit before tax	(325)	4,982
Adjustments for:		
Depreciation of property, plant and equipment	794	705
Depreciation of right-of-use asset	54	41
Depreciation of investment properties	4	3
Impairment losses on receivables	4	-
Interest expense	(3)	43
Property, plant and equipment written off	12	-
Provision for warranty	(1)	32
Dividend income	(172)	(304)
Interest income	(5)	(41)
Rental income	(13)	(14)
Lease rental waived	-	(3)
Gain on disposal of property, plant and equipment	(32)	-
Share-based payments for ESOS	447	-
Unrealised gain on foreign exchange	(78)	(55)
Operating profit before working capital changes	<u>686</u>	<u>5,389</u>
Change in working capital		
Inventories	(3,255)	(5,011)
Trade and other receivables	2,958	7,292
Trade and other payables	(122)	420
	<u>(419)</u>	<u>2,701</u>
Cash from operations	267	8,090
Interest paid	3	(43)
Interest received	5	41
Tax paid	(362)	(691)
Net cash (used in)/from operating activities	<u>(87)</u>	<u>7,397</u>
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(1,270)	(368)
Proceeds from disposal of property, plant and equipment	43	-
Dividend received	172	304
Rental received	13	14
Net cash used in investing activities	<u>(1,042)</u>	<u>(50)</u>

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2021⁽¹⁾ (CONT'D)

	CUMULATIVE QUARTER	
	Current Year- To-Date 30.06.2021 RM'000	Preceding Year Corresponding Period 30.06.2020 RM'000
Cash Flows From Financing Activities		
Repayment of hire purchase payables	-	(212)
Proceeds from issuance of ordinary shares	566	-
Repayment of lease liabilities	(57)	(37)
Net cash from/(used in) financing activities	509	(249)
Net (decrease)/increase in cash and cash equivalents	(620)	7,098
Cash and cash equivalents at the beginning of the financial period	26,064	23,140
Effect of exchange translation differences on cash and cash equivalents	68	35
Cash and cash equivalents at the end of the financial period	25,512	30,273
Cash and cash equivalents at the end of the financial period comprises:		
Cash and bank balances	25,512	30,239
Fixed deposits with licensed banks	1,064	1,034
	26,576	31,273
Less: Fixed deposits pledged with licensed banks	(1,064)	(1,000)
	25,512	30,273

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 2020 and the accompanying explanatory notes attached to this interim financial report.

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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 2020 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 2020 except for the adoption of the following new and amended MFRSs with effect from 1 January 2021:

- Amendments to MFRS 2 Share-based Payment
- Amendments to MFRS3 Business Combinations
- Amendments to MFRS 4 Insurance Contracts,
- Amendments to MFRS 7 Financial Instruments: Disclosures,
- Amendments to MFRS 9 Financial Instruments,
- Amendments to MFRS 16 Leases,
- Amendments to MFRS 139 Financial Instruments: Recognition and Measurement,

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 2020 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.

A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A7. Debt and equity securities

Save as disclosed below, there was no issuance or repayment of debts and equity securities, share buy-backs and share cancellations during the current financial quarter under review:-

Employees' Share Option Scheme ("ESOS")

During the current financial quarter under review, 556,000 ordinary shares were issued under the Company's ESOS at the exercise price of RM0.2139 per ordinary share.

A8. Dividends paid

There was no dividend paid during the current financial quarter under review.

A9. Segmental information

The Group's segmental information for the current financial period ended 30 June 2021 is as follows:

(a) Analysis of revenue by business segments

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.06.2021 RM'000	Preceding Year Corresponding Quarter 30.06.2020 RM'000	Current Year-To-Date 30.06.2021 RM'000	Preceding Year Corresponding Period 30.06.2020 dRM'000
Manufacturing	9,076	12,007	28,897	24,814
Distribution	1,515	1,843	4,913	4,978
Total	10,591	13,850	33,810	29,792

(b) Analysis of revenue by geographical location

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.06.2021 RM'000	Preceding Year Corresponding Quarter 30.06.2020 RM'000	Current Year Quarter 30.06.2021 RM'000	Preceding Year Corresponding Quarter 30.06.2020 RM'000
Manufacturing				
Malaysia	6,095	8,776	23,897	18,931
Philippines	782	2,111	1,771	4,141
Singapore	2,189	1,003	3,172	1,625
Others	10	117	57	117
Sub-total	9,076	12,007	28,897	24,814

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 30.06.2021 RM'000	Preceding Year Corresponding Quarter 30.06.2020 RM'000	Current Year Quarter 30.06.2021 RM'000	Preceding Year Corresponding Quarter 30.06.2020 RM'000
Distribution				
Malaysia	856	919	1,888	3,008
Singapore	508	810	2,273	1,816
India	-	72	465	99
Hong Kong	103	-	230	-
Indonesia	48	-	57	13
Others	-	42	-	42
Sub-total	1,515	1,843	4,913	4,978
Total	10,591	13,850	33,810	29,792

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.

A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A14. Capital commitments

	UNAUDITED
	As at
	30.06.2021
	RM'000
Property, plant and equipment	
Contracted but not provided for	759
Approved but not contracted for	7,400
	<u>8,159</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

	INDIVIDUAL QUARTER		VARIANCE	
	3 months ended 30.06.2021 RM'000	3 months ended 30.06.2020 RM'000	RM'000	%
Revenue	10,591	13,850	(3,259)	(23.5%)
(Loss)/Profit Before Tax	(500)	1,923	(2,423)	(126.0%)

The Group recorded revenue of RM10.59 million for the current financial quarter ended 30 June 2021 (“Q2 2021”), a decrease of 23.5% as compared to the same quarter ended 30 June 2020 (“Q2 2020”). The decrease was mainly attributable to the lower revenue recorded from the manufacturing segment by 24.4%.

In Q2 2021, the Group’s revenue was principally derived from the manufacturing segment, contributing approximately 85.7% of the Group’s total revenue (Q2 2020: 86.7%). On the geographical standpoint, the Malaysian market remains the largest contributor to the Group’s revenue of 65.6% in Q2 2021 (Q2 2020: 70.0%).

The Group registered a Loss Before Tax of RM0.50 million in Q2 2021 as compared to Profit Before Tax of RM1.92 million in Q2 2020, which represents a decrease of RM2.42 million. Lower PBT recorded in Q2 2021 was mainly attributable to lower gross profit by RM1.20 million as the manufacturing segment recorded a lower revenue of 24.4%. The decrease in revenue was partly due to the 60% workforce capacity effective from 24 May 2021 that the Group’s operation must comply with. Furthermore, Q2 2021 incurred non-cash employee benefits arising from share option granted under ESOS of RM0.21 million (Q2 2020: Nil).

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>6 months ended</u> <u>30.06.2021</u> <u>RM'000</u>	<u>6 months ended</u> <u>30.06.2020</u> <u>RM'000</u>	<u>RM'000</u>	<u>%</u>
Revenue	33,810	29,792	4,018	13.5%
(Loss)/Profit Before Tax	(325)	4,982	(5,307)	(106.5%)

The Group recorded revenue of RM33.81 million for the six months ended 30.06.2021 (“6M 2021”), an increase of RM4.02 million from RM29.79 million for the six months ended 30.06.2020 (“6M 2020”). The increase was mainly attributable to the higher revenue recorded from the manufacturing segment by 16.5%.

The Group registered a Loss Before Tax of RM0.32 million for 6M 2021 as compared to Profit Before Tax of RM4.98 million for 6M 2020, which represents a decrease of 106.5%. Lower PBT recorded for 6M 2021 was mainly attributable to lower gross profit by RM2.99 million. Lower gross profit was mainly due to additional outsourcing and overtime costs incurred to meet the sales orders following two subsidiaries halting production activities in January 2021 as a precautionary and preventive measures to the spreading of Covid-19 as well as changes in sales mix. Furthermore, 6M 2021 incurred non-cash employee benefits arising from share option granted under ESOS of RM0.45 million (6M 2020: Nil).

B2. Comparison with immediate preceding quarter's results

	<u>INDIVIDUAL QUARTER</u>		<u>VARIANCE</u>	
	<u>3 months ended</u> <u>30.06.2021</u> <u>RM'000</u>	<u>3 months ended</u> <u>31.03.2021</u> <u>RM'000</u>	<u>RM'000</u>	<u>%</u>
Revenue	10,591	23,219	(12,628)	(54.4%)
(Loss)/Profit Before Tax	(500)	175	(675)	(385.7%)

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 RM10.59 million in Q2 2021 as compared to RM23.22 million in the preceding financial quarter ended 31 March 2021 ("Q1 2021"), a decrease of RM12.63 million during the current financial quarter.

Lower revenue derived from both manufacturing and distribution segments have contributed to the decrease in the Group's revenue. The revenue derived from manufacturing segment has decreased by 54.2% from RM19.82 million in Q1 2021 to RM9.08 million in Q2 2021 while for distribution segment, the revenue has decreased by 55.4% from RM3.40 million in Q1 2021 to RM1.52 million in Q2 2021.

The Group registered a Loss Before Tax of RM0.50 million in Q2 2021 as compared to Profit Before Tax of RM0.18 million in Q1 2021, mainly due to lower revenue generated in Q2 2021.

B3. Prospects and outlook

The Group holds a cautiously optimistic view on the prospect of 2021 as uncertain economic times lie ahead with the emergence of a riskier COVID-19 pandemic variant with ultrafast transmission rates globally. The rising infection rates and movement control extension have faltered the overall economic recovery, business activities resumption, and consumer market sentiment. Following the reinforcement of nationwide lockdown in Malaysia since 24 May 2021, our operations are affected by the workforce limitations capped at 60% capacity.

Nonetheless, consumer electrical and electronics market is projected to increase at a CAGR of 5% worldwide from 2020 to 2027, with continuous design advancement of products and the convergence of electronic devices into our lifestyles (*Source: fortunebusinessinsights.com*). In tandem with Industrial Revolution 4.0, domestic demands on machine automation are on uptrend as business owners realise the potentials and benefits of automating their production processes especially during this pandemic outbreak. With years of experience and expertise in machine automation related field, the Group is ready to capture the opportunities available in the local manufacturing landscape and broaden our customer base in Malaysia.

On top of that, the Group remains committed to extend our industry exposure to automotive, medical, semiconductor, and energy related fields. As part of our strategy, the Group is currently collaborating with a partner to further explore the oil and gas automation solutions. Aiming for sustainable growth, the Group will continue creating value for our business partners through product development and technology adoption to enhance the cost and time efficiency, leveraging on our specialisation in automation, data management, system development and application solutions. Hence, the Group believes that we are well-poised to tap on the progressive business revival in future.

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

Save as disclosed below, there were no other corporate proposals announced but not completed as at the date of this interim report.

On 14 January 2021, the Company proposed to change the Company's name from i-Stone Group Berhad to AIMFLEX Berhad ("Proposed change of Name"). The proposed change of name is to have a new corporate identity to better reflect the Group's core business and its future undertakings. On 16 February 2021, the Proposed change of Name has been approved by shareholders at the Extraordinary General Meeting. The Company had on 19 February 2021 announced that the above mentioned Proposed change of Name was completed. On 23 February 2021, the Company further announced the Stock Code change from ISTONE to AIMFLEX effect from 9.00 a.m., 25 February 2021 and Stock Code remain unchanged as 0209.

B6. Income tax expenses

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.06.2021 RM'000	Preceding Year Corresponding Quarter 30.06.2020 RM'000	Current Year-To-Date 30.06.2021 RM'000	Preceding Year Corresponding Period 30.06.2020 RM'000
Income tax expense:				
- Current year	(74)	333	82	524
Foreign withholding tax	1	49	2	93
Total tax expense	(73)	382	84	617

Notes:

- (1) The Group's cumulative effective tax rate was higher than the statutory income tax mainly due to subsidiaries which have generated higher chargeable profit during the financial period.
- (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

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:-

Details of utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Unutilised Amount RM'000	Estimated timeframe for utilisation upon listing
Process and product development	4,200	3,045	1,155	Within 48 months ⁽¹⁾
Repayment of borrowings	13,482	13,482	-	Within 12 months
Construction of new D&D centre	6,800	-	6,800	Within 48 months
Capital expenditures	5,200	1,131	4,069	Within 48 months ⁽¹⁾
Working capital requirements	5,905	5,905	-	Within 36 months
Estimated listing expenses	3,500	3,500	-	Within 1 months
	39,087	27,063	12,024	

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 “Process and product development” and “Capital expenditures” for an additional 24 months of up to 48 months from the date of listing.

B8. Group borrowings and debt securities

The Group has no borrowings and debts securities as at the end of the reporting period.

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

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. (Loss)/Earnings per share

The basic and diluted (loss)/earnings per share (“EPS”) are calculated by dividing the (loss)/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 30.06.2021</u>	<u>Preceding Year Corresponding Quarter 30.06.2020</u>	<u>Current Year-To-Date 30.06.2021</u>	<u>Preceding Year Corresponding Period 30.06.2020</u>
(Loss)/Profit attributable to ordinary owners of the Company (RM'000)	<u>(427)</u>	<u>1,541</u>	<u>(409)</u>	<u>4,365</u>
Weighted average number of ordinary shares ('000)	<u>1,224,081</u>	<u>1,221,477</u>	<u>1,223,161</u>	<u>1,221,477</u>
Basic EPS (sen)	<u>(0.03)</u>	<u>0.13</u>	<u>(0.03)</u>	<u>0.36</u>
Diluted EPS (sen) ⁽¹⁾	<u>(0.03)</u>	<u>0.13</u>	<u>(0.03)</u>	<u>0.36</u>

Notes:

- (1) The basic and diluted EPS are the same as the Group’s convertible options are anti-dilutive for the reporting period.

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

B12. Disclosure on selected expense/income items as required by the Listing Requirements

Profit before tax is arrived after charging/(crediting):

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.06.2021 RM'000	Preceding Year Corresponding Quarter 30.06.2020 RM'000	Current Year-To-Date 30.06.2021 RM'000	Preceding Year Corresponding Period 30.06.2020 RM'000
Depreciation of property, plant and equipment	412	349	794	705
Depreciation of right-of-use asset	31	21	54	41
Depreciation of investment properties	2	1	4	3
Interest expense	(4)	20	(3)	43
Property, plant and equipment written off	6	-	12	-
Rental expense	2	3	5	5
Share-based payment	211	-	447	-
Subsidies received	(19)	(279)	(89)	(279)
Dividend income	(85)	(152)	(172)	(304)
Gain on foreign exchange				
- Realised	(15)	(24)	(39)	(163)
- Unrealised	46	126	(78)	(55)
Interest income	(2)	(3)	(5)	(41)
Rental income	(6)	(7)	(13)	(14)
Impairment losses on receivables	(2)	-	4	-
Gain on disposal of property, plant and equipment	(32)	-	(32)	-

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