

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 THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2021⁽¹⁾

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 30.09.2021 RM'000	Preceding Year Corresponding Quarter 30.09.2020 RM'000	Current Year-To-Date 30.09.2021 RM'000	Preceding Year Corresponding Period 30.09.2020 RM'000
Revenue	A9	16,800	9,993	50,610	39,785
Cost of sales		(11,519)	(6,747)	(39,600)	(27,820)
Gross profit ("GP")		5,281	3,246	11,010	11,965
Other income		355	393	836	1,444
Selling and distribution expenses		(418)	(159)	(627)	(534)
Administrative expenses		(3,498)	(2,389)	(9,733)	(6,563)
Other expenses		(38)	(138)	(133)	(328)
Profit from Operations		1,682	953	1,353	5,984
Finance costs		(2)	(17)	2	(66)
Profit before tax ("PBT")	B12	1,680	936	1,355	5,918
Taxation	B6	(393)	(248)	(477)	(865)
Profit after tax ("PAT")		1,287	688	878	5,053
Other comprehensive income, net of tax					
Foreign currency translation differences for foreign operations		(18)	(39)	50	(4)
Total comprehensive income for the financial period		1,269	649	928	5,049
Profit for the financial period attributable to:					
• Owners of the Company		1,287	688	878	5,053
• Non-controlling interests		-	-	-	-
		1,287	688	878	5,053
Total comprehensive income for the financial period attributable to:					
• Owners of the Company		1,269	649	928	5,049
• Non-controlling interests		-	-	-	-
		1,269	649	928	5,049
Earnings per share attributable to owners of the Company					
• Basic (sen)	B11	0.11	0.06	0.07	0.41
• Diluted (sen)	B11	0.11	0.06	0.07	0.41

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 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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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021⁽¹⁾

	UNAUDITED	AUDITED
	As at 30.09.2021 RM'000	As at 31.12.2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	23,401	22,831
Investment properties	273	278
Goodwill	856	856
Total non-current assets	24,530	23,965
Current Assets		
Inventories	14,832	6,041
Trade receivables	28,175	25,516
Other receivables	1,090	1,211
Cash and cash equivalents	24,384	27,128
Total current assets	68,481	59,896
TOTAL ASSETS	93,011	83,861
EQUITY AND LIABILITIES		
Equity		
Share capital	55,346	54,516
Retained earnings	32,370	31,324
Reserves	(14,250)	(14,554)
Total Equity	73,466	71,286
Liabilities		
Non-current liabilities		
Lease liabilities	141	22
Deferred tax liabilities	699	699
Total non-current liabilities	840	721
Current liabilities		
Trade payables	9,835	5,004
Other payables	8,240	6,046
Current tax liabilities	520	720
Lease liabilities	110	84
Total current liabilities	18,705	11,854
TOTAL LIABILITIES	19,545	12,575
TOTAL EQUITY AND LIABILITIES	93,011	83,861
NET ASSETS PER SHARE (RM) ⁽²⁾	0.06	0.06

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 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 September 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 THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 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 THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 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:						
- Profit for the period	-	-	-	-	878	878
- Foreign currency translation differences for foreign operations	-	50	-	-	-	50
	-	50	-	-	878	928
Total transactions with owners:						
- Transfer from Share Options Reserve	-	-	-	(168)	168	-
- Share options granted under ESOS	-	-	-	686	-	686
- Exercise of ESOS	830	-	-	(264)	-	566
	830	-	-	254	168	1,252
As at 30 September 2021	55,346	682	(16,628)	1,696	32,370	73,466

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 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 THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2021⁽¹⁾**

	CUMULATIVE QUARTER	
	Current Year- To-Date 30.09.2021 RM'000	Preceding Year Corresponding Period 30.09.2020 RM'000
Cash Flows From Operating Activities		
Profit before tax	1,355	5,918
Adjustments for:		
Depreciation of property, plant and equipment	1,220	1,063
Depreciation of right-of-use asset	82	61
Depreciation of investment properties	5	5
Impairment losses on receivables	27	201
Interest expense	(1)	61
Property, plant and equipment written off	26	-
Provision for warranty	13	33
Dividend income	(238)	(428)
Interest income	(24)	(73)
Rental income	(20)	(21)
Lease rental waived	-	(10)
Gain on disposal of property, plant and equipment	(161)	(28)
Share-based payments for ESOS	686	-
Unrealised gain on foreign exchange	(61)	(98)
Operating profit before working capital changes	<u>2,909</u>	<u>6,684</u>
Change in working capital		
Inventories	(8,791)	(7,479)
Trade and other receivables	(2,489)	12,550
Trade and other payables	6,998	(62)
	<u>(4,282)</u>	<u>5,009</u>
Cash (used in)/from operations	(1,373)	11,693
Interest paid	1	(61)
Interest received	24	9
Tax paid	(677)	(795)
Tax refund	-	45
Net cash (used in)/from operating activities	<u>(2,025)</u>	<u>10,891</u>
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(1,775)	(419)
Increase in fixed deposits pledged with a licensed bank	(19)	-
Proceeds from disposal of property, plant and equipment	267	28
Dividend received	238	428
Rental received	20	21
Net cash (used in)/from investing activities	<u>(1,269)</u>	<u>58</u>

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2021⁽¹⁾ (CONT'D)

	CUMULATIVE QUARTER	
	Current Year- To-Date 30.09.2021 RM'000	Preceding Year Corresponding Period 30.09.2020 RM'000
Cash Flows From Financing Activities		
Repayment of hire purchase payables	-	(312)
Proceeds from issuance of ordinary shares	566	-
Repayment of lease liabilities	(84)	(50)
Net cash from/(used in) financing activities	482	(362)
Net (decrease)/increase in cash and cash equivalents	(2,812)	10,587
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	49	(4)
Cash and cash equivalents at the end of the financial period	23,301	33,723
Cash and cash equivalents at the end of the financial period comprises:		
Cash and bank balances	23,301	33,723
Fixed deposits with licensed banks	1,083	1,064
	24,384	34,787
Less: Fixed deposits pledged with licensed banks	(1,083)	(1,064)
	23,301	33,723

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 30.09.2021 RM'000	Preceding Year Corresponding Quarter 30.09.2020 RM'000	Current Year-To-Date 30.09.2021 RM'000	Preceding Year Corresponding Period 30.09.2020 dRM'000
Manufacturing	14,695	8,056	43,592	32,870
Distribution	2,105	1,937	7,018	6,915
Total	16,800	9,993	50,610	39,785

(b) Analysis of revenue by geographical location

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2021 RM'000	Preceding Year Corresponding Quarter 30.09.2020 RM'000	Current Year Quarter 30.09.2021 RM'000	Preceding Year Corresponding Quarter 30.09.2020 RM'000
Manufacturing				
Malaysia	10,283	5,318	34,180	24,249
Philippines	1,511	797	3,282	4,938
Singapore	2,731	1,928	5,903	3,553
Others	170	13	227	130
Sub-total	14,695	8,056	43,592	32,870

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 30.09.2021 RM'000	Preceding Year Corresponding Quarter 30.09.2020 RM'000	Current Year Quarter 30.09.2021 RM'000	Preceding Year Corresponding Quarter 30.09.2020 RM'000
Distribution				
Malaysia	1,413	1,272	3,301	4,280
Singapore	514	591	2,787	2,407
India	-	10	465	109
Hong Kong	157	-	387	-
Indonesia	21	36	78	49
Others	-	28	-	70
Sub-total	2,105	1,937	7,018	6,915
Total	16,800	9,993	50,610	39,785

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
	30.09.2021
	RM'000
Property, plant and equipment	
Contracted but not provided for	763
Approved but not contracted for	7,400
	<u>8,163</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 30.09.2021 RM'000	3 months ended 30.09.2020 RM'000	RM'000	%
Revenue	16,800	9,993	6,807	68.1%
Profit Before Tax (PBT")	1,680	936	744	79.5%

The Group recorded revenue of RM16.80 million for the current financial quarter ended 30 September 2021 ("Q3 2021"), an increase of 68.1% as compared to the same quarter ended 30 September 2020 ("Q3 2020"). The increase was mainly attributable to the higher revenue recorded from the manufacturing segment by 82.4%.

In Q3 2021, the Group's revenue was principally derived from the manufacturing segment, contributing approximately 87.5% of the Group's total revenue (Q3 2020: 80.6%). On the geographical standpoint, the Malaysian market remains the largest contributor to the Group's revenue of 69.6% in Q3 2021 (Q3 2020: 65.9%).

The Group registered a PBT of RM1.68 million in Q3 2021 as compared to PBT of RM0.94 million in Q3 2020, which represents an increase of RM0.74 million. The improvement in PBT was mainly due to higher revenue generated in Q3 2021.

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 30.09.2021 RM'000</u>	<u>9 months ended 30.09.2020 RM'000</u>	<u>RM'000</u>	<u>%</u>
Revenue	50,610	39,785	10,825	27.21%
Profit Before Tax ("PBT")	1,355	5,918	(4,563)	(77.1%)

The Group recorded revenue of RM50.61 million for the 9 months ended 30.09.2021 ("9M 2021"), an increase of RM10.83 million from RM39.79 million for the 9 months ended 30.09.2020 ("9M 2020"). The increase was mainly attributable to the higher revenue recorded from the manufacturing segment by 32.6%.

The Group registered a Profit Before Tax of RM1.36 million for 9M 2021 as compared to Profit Before Tax of RM5.92 million for 9M 2020, which represents a decrease of 77.1%. Lower PBT recorded for 9M 2021 was mainly attributable to lower gross profit by RM0.96 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, 9M 2021 incurred non-cash employee benefits arising from share option granted under ESOS of RM0.69 million (9M 2020: Nil), additional staff cost of RM0.68 million for the business development team set up in Q3 2020, higher professional fee by RM0.39 million (mainly arising from services in relation to dividend payment, EGM for change of company name, corporate advisory fee and investor relations/public relations fees), lower interest and dividend income by RM0.24 million and additional Covid-related employee welfare expenses of RM0.30 million.

B2. Comparison with immediate preceding quarter's results

	<u>INDIVIDUAL QUARTER</u>		<u>VARIANCE</u>	
	<u>3 months ended 30.09.2021 RM'000</u>	<u>3 months ended 30.06.2021 RM'000</u>	<u>RM'000</u>	<u>%</u>
Revenue	16,800	10,591	6,209	58.6%
Profit/(Loss) Before Tax	1,680	(500)	2,180	436.0%

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 RM16.80 million in Q3 2021 as compared to RM10.59 million in the preceding financial quarter ended 30 June 2021 ("Q2 2021"), an increase of RM6.21 million during the current financial quarter.

Higher revenue derived from both manufacturing and distribution segments have contributed to the increase in the Group's revenue. The revenue derived from manufacturing segment has increased by 61.9% from RM9.08 million in Q2 2021 to RM14.70 million in Q3 2021 while for distribution segment, the revenue has increased by 38.9% from RM1.52 million in Q2 2021 to RM2.11 million in Q3 2021.

The Group registered a Profit Before Tax of RM1.68 million in Q3 2021 as compared to Loss Before Tax of RM0.50 million in Q2 2021, mainly due to higher revenue generated in Q3 2021.

B3. Prospects and outlook

Barring unforeseen circumstances, the Group holds a cautiously optimistic view on the prospect of 2021 with the nation progressing to Phase 4 of the National Recovery Plan ("NRP") in the beginning of October 2021. Pursuant to Phase 4, domestic traveling is eased while international travel remains restricted. Economic activities are anticipated to gain momentum in the Phase 4 of NRP.

In the Malaysia Budget 2022, RM100 million is proposed to be allocated for Smart Automation Matching Grants for companies in the manufacturing and service sectors to automate their business processes. In addition, RM45 million is proposed to be set aside as Technology Transformation Incentive for SMEs in the manufacturing and service sectors, in line with Industry4WRD. These proposals bode well for the growth of our business. The Group will leverage on these proposals to explore automation solutions with our existing as well as prospective customers.

On top of that, the Group remains committed to extend our industry exposure to automotive, medical, semiconductor, and energy related fields and to extend our reach to new geographical territories. Internally, the Group is gearing up to enhance our product features to meet the more sophisticated demands from our customers. This is made possible through our continuous investment in the R&D activities.

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 30.09.2021 RM'000	Preceding Year Corresponding Quarter 30.09.2020 RM'000	Current Year-To-Date 30.09.2021 RM'000	Preceding Year Corresponding Period 30.09.2020 RM'000
Income tax expense:				
- Current year	243	182	325	706
- Prior year	150	4	150	4
Foreign withholding tax	-	62	2	155
Total tax expense	393	248	477	865
Effective tax rate (%)	14.46	26.50	24.00	14.62

Notes:

- (1) The Group's current quarter effective tax rate was lower than the statutory income tax mainly due to one of the subsidiaries, Aimflex Systems Sdn Bhd, has been granted the Pioneer Status incentives by the Malaysian Investment Development Authority under the provisions of the Promotion of Investment Act 1986.
- (2) Income tax expense is recognised based on management's estimate.
- (3) Income tax expense – Prior year is in respect of under provision of income tax of certain subsidiaries for FY2020 upon finalisation of tax computation in the current financial quarter.

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	3,377	823	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	1,465	3,735	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	27,729	11,358	

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. 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:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2021	Preceding Year Corresponding Quarter 30.09.2020	Current Year-To-Date 30.09.2021	Preceding Year Corresponding Period 30.09.2020
Profit attributable to ordinary owners of the Company (RM'000)	1,287	688	878	5,053
Weighted average number of ordinary shares ('000)	1,224,121	1,221,477	1,223,484	1,221,477
Basic EPS (sen)	0.11	0.06	0.07	0.41
Diluted EPS (sen) ⁽¹⁾	0.11	0.06	0.07	0.41

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 30.09.2021 RM'000	Preceding Year Corresponding Quarter 30.09.2020 RM'000	Current Year-To-Date 30.09.2021 RM'000	Preceding Year Corresponding Period 30.09.2020 RM'000
Depreciation of property, plant and equipment	426	358	1,220	1,063
Depreciation of right-of-use asset	28	20	82	61
Depreciation of investment properties	1	2	5	5
Interest expense	2	18	(1)	61
Property, plant and equipment written off	14	-	26	-
Rental expense	1	3	6	8
Share-based payment	239	-	686	-
Subsidies received	(106)	(148)	(195)	(427)
Dividend income	(66)	(124)	(238)	(428)
(Gain)/Loss on foreign exchange				
- Realised	(20)	139	(59)	(24)
- Unrealised	17	(43)	(61)	(98)
Interest income	(19)	(32)	(24)	(73)
Rental income	(7)	(7)	(20)	(21)
Impairment losses on receivables	23	201	27	201
Gain on disposal of property, plant and equipment	(129)	(28)	(161)	(28)

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