



FLEXIDYNAMIC HOLDINGS BERHAD

Registration No: 201901010656 (1319984-V)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2020**

FLEXIDYNAMIC HOLDINGS BERHAD

Registration No: 20190101656 (1319984-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2020⁽¹⁾

	Individual Quarter		Cumulative Quarter	
	Unaudited Current Quarter 31/12/2020 RM'000	Unaudited Preceding Quarter 31/12/2019 ⁽²⁾ RM'000	Unaudited Current Year-to-Date 31/12/2020 RM'000	Unaudited Preceding Year-to-Date 31/12/2019 RM'000
Revenue	21,879	N/A	56,886	49,839
Cost of sales	(17,007)	N/A	(44,313)	(35,883)
Gross profit	4,872	N/A	12,573	13,956
Other income	62	N/A	1,252	366
Selling and distribution expenses	(482)	N/A	(867)	(848)
Administrative expenses	(1,684)	N/A	(5,695)	(4,957)
Other expenses	(340)	N/A	(969)	(2,083)
Profit from operations	2,428	N/A	6,294	6,434
Finance costs	(12)	N/A	(73)	(127)
Profit before tax	2,416	N/A	6,221	6,307
Tax expense	(478)	N/A	(1,618)	(1,712)
Profit after tax	1,938	N/A	4,603	4,595
Foreign currency translations differences	11	N/A	(11)	81
Total comprehensive income for the period/year	1,949	N/A	4,592	4,676
Profit attributable to:-				
Owners of the Company	1,823	N/A	4,527	4,605
Non-controlling interest	115	N/A	76	(10)
	1,938	N/A	4,603	4,595
Total comprehensive income attributable to:-				
Owners of the Company	1,829	N/A	4,522	4,645
Non-controlling interest	120	N/A	70	31
Total comprehensive income for the period/year	1,949	N/A	4,592	4,676
Earnings per share (sen):-				
Basic	3.49	N/A	34.52	888.45
Diluted	3.49	N/A	34.52	888.45

NOTES:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus dated 9 March 2021 ("Prospectus") and the accompanying explanatory notes attached to this interim report. The consolidated statement of profit or loss and other comprehensive income for financial year ended 31 December 2019 are based on the Accountants' Report set out in the Prospectus.
- (2) This is the first interim financial report on the Group's unaudited condensed consolidated financial results for the fourth (4th) quarter ended 31 December 2020 announced in compliance with the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and as such, there are no comparative figures for the preceding year's corresponding quarter.

N/A – Not applicable

FLEXIDYNAMIC HOLDINGS BERHAD

Registration No: 20190101656 (1319984-V)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020⁽¹⁾**

	Unaudited As At 31/12/2020 RM'000	As At 31/12/2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	16,400	12,402
Investment in equity instruments	-	2,823
Deferred tax assets	2,164	122
Other receivables	181	291
	<u>18,745</u>	<u>15,638</u>
Current assets		
Inventories	6,117	4,195
Trade receivables	13,793	11,757
Other receivables	4,747	1,311
Tax recoverable	-	26
Fixed deposits with a licensed financial institution	3,000	-
Cash and bank balances	15,344	3,930
	<u>43,001</u>	<u>21,219</u>
TOTAL ASSETS	<u>61,746</u>	<u>36,857</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	20,866	734
Merge deficit	(20,431)	-
Capital reserve	631	631
Foreign exchange reserve	13	57
Retained earnings	23,307	19,771
Equity attributable to owners of the Company	<u>24,386</u>	<u>21,193</u>
Non-controlling interest	358	288
TOTAL EQUITY	<u>24,744</u>	<u>21,481</u>
LIABILITIES		
Non-current liabilities		
Bank borrowings	9,218	6,177
Lease liabilities	1,081	494
	<u>10,299</u>	<u>6,671</u>
Current Liabilities		
Trade payables	12,771	6,515
Other payables and accruals	1,342	386
Contract liabilities	10,087	692
Bank borrowings	918	893
Lease liabilities	370	219
Tax payable	1,215	-
	<u>26,703</u>	<u>8,705</u>
TOTAL LIABILITIES	<u>37,002</u>	<u>15,376</u>
TOTAL EQUITY AND LIABILITIES	<u>61,746</u>	<u>36,857</u>
Net assets per ordinary share (sen) ⁽²⁾	0.12	41.33

NOTES:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Financial Position are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim report. The consolidated statement of financial position as at 31 December 2019 are based on the Accountants' Report set out in the Prospectus.

(2) Net assets per ordinary share is calculated based on the number of ordinary shares in issue of 208,660,200 shares (2019: 519,800 shares).

FLEXIDYNAMIC HOLDINGS BERHAD

Registration No: 20190101656 (1319984-V)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2020⁽¹⁾**

	← Non Distributable →			Distributable		Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Merger Deficit RM'000	Capital Reserve RM'000	Foreign Exchange Reserve RM'000	Retained Earnings RM'000			
Balance as at 1 January 2019	617	-	631	17	16,126	17,391	367	17,758
Transaction with owners:								
Dividends paid	-	-	-	-	(960)	(960)	(232)	(1,192)
Issuance of ordinary shares	117	-	-	-	-	117	122	239
	117	-	-	-	(960)	(843)	(110)	(953)
Profit after tax	-	-	-	-	4,605	4,605	(10)	4,595
Foreign currency translations differences	-	-	-	40	-	40	41	81
Total comprehensive income for the year	-	-	-	40	4,605	4,645	31	4,676
Balance as at 31 December 2019	734	-	631	57	19,771	21,193	288	21,481
Transaction with owners:								
Dividends paid	-	-	-	-	(1,000)	(1,000)	-	(1,000)
Acquisition of subsidiary	(734)	(20,431)	-	(39)	9	(21,195)	-	(21,195)
Issuance of shares pursuant to acquisition of subsidiary	20,866	-	-	-	-	20,866	-	20,866
	20,132	(20,431)	-	(39)	(991)	(1,329)	-	(1,329)
Profit after tax	-	-	-	-	4,527	4,527	76	4,603
Foreign currency translations differences	-	-	-	(5)	-	(5)	(6)	(11)
Total comprehensive (loss)/ income for the year	-	-	-	(5)	4,527	4,522	70	4,592
Balance as at 31 December 2020 (Unaudited)	20,866	(20,431)	631	13	23,307	24,386	358	24,744

NOTE:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim report. The consolidated statement of changes in equity for financial year ended 31 December 2019 are based on the Accountants' Report set out in the Prospectus.

FLEXIDYNAMIC HOLDINGS BERHAD
Registration No: 20190101656 (1319984-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2020⁽¹⁾

	Unaudited Current Year-to-Date 31/12/2020 RM'000	Preceding Year-to-Date 31/12/2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	6,221	6,307
Adjustments for:-		
Depreciation of property, plant and equipment	763	633
Dividend income	-	(56)
Fair value loss on investment in equity instruments	-	535
Gain on disposal of investment in equity instruments	(305)	(34)
Gain on disposal of property, plant and equipment	-	(84)
Interest expenses	73	127
Interest income	(35)	(60)
Property, plant and equipment written off	-	1
(Reversal)/Allowance for expected credit losses on trade receivables	(559)	559
Unrealised gain on foreign exchange	(181)	(131)
Operating profit before working capital changes	5,977	7,797
Increase in inventories	(1,922)	(1,377)
(Increase)/Decrease in receivables	(4,808)	1,976
Increase/(Decrease) in payables	15,976	(5,937)
Cash generated from operations	15,223	2,459
Tax paid	(2,460)	(2,021)
Tax refunded	42	-
Net cash from operating activities	12,805	438
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(664)	(1,596)
Dividend received	-	56
Proceeds from subscription of additional shares in an existing subsidiary	-	117
Proceeds from subscription of additional shares in an existing subsidiary by non-controlling interest	-	122
Proceeds from disposal of investment in equity instruments	3,128	949
Purchase of investment in equity instruments, net	-	(1,613)
Interests received	22	47
Proceeds from disposal of property, plant and equipment	-	109
Net cash from/(used in) investing activities	2,486	(1,809)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2020⁽¹⁾ (Cont'd)**

	Unaudited Current Year-to-Date 31/12/2020 RM'000	Preceding Year-to-Date 31/12/2019 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(700)	(960)
Dividend of subsidiary paid to non-controlling interest	-	(232)
Interests paid	(73)	(127)
Uplift of fixed deposit pledged with a licensed financial institution	-	1,160
Drawdown of bank borrowings	1,918	2,307
Repayments of bank borrowings	(2,041)	(2,476)
Repayments of lease liabilities	(175)	(188)
Repayment from a Director	-	180
Repayment from a shareholder	-	215
Net cash used in financing activities	<u>(1,071)</u>	<u>(121)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	14,220	(1,492)
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	3,930	5,164
EFFECT OF EXCHANGE RATES CHANGES	194	258
CASH & CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	<u>18,344</u>	<u>3,930</u>
Represented by:-		
CASH AND CASH EQUIVALENTS		
Cash and bank balances	15,344	3,930
Fixed deposits with a licensed bank	3,000	-
	<u>18,344</u>	<u>3,930</u>

NOTES:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim report. The consolidated statement of cash flows for financial year ended 31 December 2019 are based on the Accountants' Report set out in the Prospectus.

FLEXIDYNAMIC HOLDINGS BERHAD

Registration No: 20190101656 (1319984-V)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2020

PART A – EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134, INTERIM FINANCIAL REPORTING

A1. BASIS OF PREPARATION

The interim financial report of Flexidynamic Holdings Berhad (“Flexidynamic” or “the Company”) and its subsidiaries (“the Group”) are unaudited and have been prepared in accordance with MFRS 134: “Interim Financial Reporting” issued by the Malaysian Accounting Standards Boards and Paragraph 9:22 of the Listing Requirements.

This is the first interim financial report on the Group’s unaudited condensed consolidated financial results for the fourth (4th) quarter ended 31 December 2020 announced in compliance with the Listing Requirements of Bursa Securities and as such, there are no comparative figures for the preceding year’s corresponding quarter.

The interim financial report should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.

A2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and presentation adopted for the interim financial statements are consistent with those adopted as disclosed in the Accountants’ Report in the Prospectus.

The new and amended standards and interpretations that are issued, but not yet effective for 31 December 2020 reporting periods are as below and have not been early adopted by the Group.

Standards	Effective for financial year beginning on or after
MFRS 17: Insurance Contracts*	1 January 2021
MFRS 3: Business Combinations – Reference to the Conceptual Framework	1 January 2022
MFRS 101: Presentation of Financial Statement – Classification of Liabilities as Current or Non-current	1 January 2022
MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
MFRS 137: Provision, Contingent Liabilities and Contingent Assets – Onerous Contract – Cost of Fulfilling a Contract	1 January 2022
Amendment to MFRS 10 and MFRS128: Sales or Contribution of Assets between an Investor and its Associate or Joint Venture*	Yet to be confirmed

* Not applicable to the Group’s operation

The Group will apply the above new and amended standards interpretation, improvements and revised framework when they become effective. The Directors of the Company is in the process assessing the financial impact of the other new and amended standards, interpretation, improvements and revised framework but is not yet in a position as state whether they would have significant impacts on its results of operations and financial position.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2020

A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report for the preceding financial year ended 31 December 2019 was issued without any qualification.

A4. SEASONAL OR CYCLICAL FACTORS

The nature of the Group's business was not subject to any significant seasonal and cyclical factors.

A5. MATERIAL AND UNSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOW

There were no material and unusual items affecting assets, liabilities, equity, net income or cashflows during the financial year.

A6. MATERIAL SUBSEQUENT EVENT

In conjunction with the Company's listing on the ACE Market of Bursa Securities, the Company had on 9 March 2021 issued its Prospectus for its Initial Public Offering ("IPO") entailing the following: -

- (1) Public issue of 75,231,000 new ordinary shares ("Issued Shares") in the following manner:
 - (a) 14,195,000 new ordinary shares available for application by the Malaysian public;
 - (b) 4,258,000 new ordinary shares available for application by our eligible employees and persons who have contributed to the success of the Group; and
 - (c) 56,778,000 new ordinary shares by way of private placement to selected investors

at an IPO price of RM0.20 per share.

Upon completion of the IPO, the Company is expected to be admitted to the Official List of Bursa Securities and the Company's entire enlarged issued share capital of 283,891,200 shares shall be listed and quoted on the ACE Market of Bursa Securities.

Save as disclosed above, there were no other material events subsequent to the end of the current financial year that have not been reflected in the interim financial reports for the said period as at the date of this report.

A7. DEBT AND EQUITY SECURITIES

On 9 December 2020, the Company issued a total of 208,660,000 new ordinary shares pursuant to the acquisition of the entire equity interest in Flexidynamic Engineering Sdn Bhd ("FDE").

Save as disclosed above, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter under review.

A8. DIVIDEND PAID

No dividends were paid during the current financial quarter under review.

FLEXIDYNAMIC HOLDINGS BERHAD

Registration No: 20190101656 (1319984-V)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2020

A9. SEGMENTAL INFORMATION

The Group is principally engaged in the business of design, engineering, installation and commissioning of glove chlorination systems, as well as design and installation of storage tanks and process tanks for glove manufacturing industry.

For management purposes, majority of the Group's operations involves in a single operating segment, i.e. the glove manufacturing industry. Accordingly, the information by business segment is not presented.

The following table provides an analysis of the Group's revenue by geographical segment:-

	Individual Quarter		Cumulative Quarter	
	31/12/2020 RM'000	31/12/2019 ⁽¹⁾ RM'000	31/12/2020 RM'000	31/12/2019 RM'000
Local	12,541	N/A	42,744	33,983
Overseas ⁽²⁾	9,338	N/A	14,142	15,856
	<u>21,879</u>	<u>N/A</u>	<u>56,886</u>	<u>49,839</u>

Notes:

(1) This is the first interim financial report on the Group's unaudited condensed consolidated financial results for the fourth (4th) quarter ended 31 December 2020 announced in compliance with the Listing Requirements of Bursa Securities and as such, there are no comparative figures for the preceding year's corresponding quarter.

(2) Includes Vietnam, Thailand, Sri Lanka and Indonesia.

N/A – Not applicable

A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There has been no valuation made on any property, plant and equipment during the current financial year under review.

A11. CHANGES IN THE COMPOSITION OF THE GROUP

On 9 December 2020, Flexidynamic had completed the acquisition of the entire equity interest in FDE at a purchase consideration of RM20,866,000, which was fully satisfied by the issuance of 208,660,000 new ordinary shares at an issue price of RM0.10 per share.

Save as disclosed above, there were no other material changes in the composition of the Group for the current financial quarter under review.

A12. CAPITAL COMMITMENTS

The capital commitment of the Group as at 31 December 2020 is as follow:-

	Unaudited	
	As At 31/12/2020 RM'000	As At 31/12/2019 RM'000
Authorised and contracted for: - New factories	<u>911</u>	<u>4,101</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2020

A13. SIGNIFICANT RELATED PARTY TRANSACTIONS

There were no significant related party transactions during the current financial quarter under review.

A14. INVESTMENT IN EQUITY INSTRUMENTS

	Unaudited	
	As At	As At
	31/12/2020	31/12/2019
	RM'000	RM'000
At beginning of the financial year	2,823	2,660
Additions from purchases	-	1,613
Fair value loss for the financial year	-	(535)
Disposals	(2,823)	(915)
	<hr/>	<hr/>
At end of the financial year	-	2,823
	<hr/>	<hr/>

FLEXIDYNAMIC HOLDINGS BERHAD

Registration No: 20190101656 (1319984-V)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2020

PART B – EXPLANATORY NOTES PURSUANT TO CHARTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. PERFORMANCE REVIEW

(a) *Results for current quarter*

The Group recorded a revenue of RM 21.88 million and profit before tax of RM 2.42 million for the current financial quarter ended 31 December 2020.

The Group's revenue is mainly derived from the design, engineering, installation, and commissioning of glove chlorination system. Majority of the Group's revenue for the current quarter was derived locally, where it contributed to 57.32% of the Group's revenue in the current quarter.

(b) *Results for financial year-to-date*

The Group recorded a revenue of RM56.89 million and profit before tax of RM6.22 million for the current financial year ended 31 December 2020.

The Group recorded an increase in revenue by RM7.05 million or 14.15% from RM49.84 million recorded in the previous financial year. This was attributable to the increase in sales of on-line glove chlorination system.

Notwithstanding the increase in revenue, the Group's gross profit was lower at RM12.57 million due to higher subcontractor cost as a result of increase in overtime charges to meet the delivery timeline and complete projects delayed by the movement control order implemented during 2020.

The Group recorded a profit after tax of RM4.60 million for the current financial year.

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER RESULTS

	Individual Quarter		Change	
	Unaudited			
	Current Quarter 31/12/2020 RM'000	Preceding Quarter ⁽¹⁾ 30/9/2020 RM'000	RM'000	%
Revenue	21,879	N/A	N/A	N/A
Profit from operations	2,428	N/A	N/A	N/A
Profit after tax	1,938	N/A	N/A	N/A
Profit attributable to:- Owner of the Company	1,823	N/A	N/A	N/A

Note:

(1) This is the first interim financial report on the Group's unaudited condensed consolidated financial results for the fourth (4th) quarter ended 31 December 2020 announced in compliance with the Listing Requirements of Bursa Securities and as such, there are no comparative figures for the immediate preceding quarter.

N/A – Not applicable

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2020

B3. PROSPECT AND OUTLOOK FOR THE CURRENT FINANCIAL YEAR

With the availability of vaccines for the Covid-19 virus, the usage of rubber gloves among healthcare professionals may gradually decrease from levels recorded in 2020 and 2021 at the peak of the pandemic. Nevertheless, the demand for rubber gloves are expected to remain high which is premised on the continuous usage of medical gloves among healthcare professionals worldwide during mass vaccination, especially in the near term as countries have made arrangements to procure Covid-19 vaccines; and in the longer term, it will be continuously driven by heightened awareness of the usage of rubber gloves as a protection against virus and diseases due to the Covid-19 pandemic as well as the increase in demand for healthcare services due to various factors including growing accessibility to healthcare services, rising population and growing ageing population, and rising prevalence of chronic and other contagious diseases. With this anticipated growth in global demand, there will be continuous establishment of new and/or expansion and/or upgrading of glove manufacturing facilities, which creates demand for glove chlorination systems.

As such, the prospects for glove chlorination manufacturers, including our Group, remain positive in tandem with the growth in the glove manufacturing industry as a result of continuous growth in global demand for rubber gloves.

As disclosed in the Company's Prospectus, our Group has put in place a series of future plans as follows:-

- (i) We are in the process of acquiring 2 new factories and we intend to purchase additional machinery to enhance our manufacturing capability by undertaking the manufacturing of long and cylindrical products in house.
- (ii) In line with our business expansion plan, we had in September 2020 hired 2 sales engineers to carry out sales and marketing activities to continue expanding our customer base within the glove manufacturing and glove related industries.

B4. VARIANCE FROM PROFIT FORECAST

The Group did not publish any profit forecast for the current quarter under review in any public documents.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2020

B5. TAX EXPENSE

	Individual Quarter		Cumulative Quarter	
	Unaudited 31/12/2020 RM'000	Unaudited 31/12/2019 ⁽¹⁾ RM'000	Unaudited 31/12/2020 RM'000	31/12/2019 RM'000
Income tax	(246)	N/A	3,659	1,134
Deferred tax	724	N/A	(2,041)	578
	478	N/A	1,618	1,712
Effective tax rate ⁽²⁾	19.78%	N/A	26.01%	27.14%

Notes:

- (1) This is the first interim financial report on the Group's unaudited condensed consolidated financial results for the fourth (4th) quarter ended 31 December 2020 announced in compliance with the Listing Requirements of Bursa Securities and as such, there are no comparative figures for the preceding year's corresponding quarter.
- (2) The effective tax rate for the current year-to-date is higher than the statutory tax rate to the incurrence of certain expenses that are not deductible for tax purposes.

N/A – Not applicable

B6. STATUS OF CORPORATE PROPOSAL

Save for the IPO as disclosed in Note A6, there were no other corporate proposals announced but not implemented as at the date of this report.

B7. UTILISATION OF PROCEEDS RAISED FROM THE IPO

The gross proceeds from the IPO amounting to RM15.05 million is intended to be utilised in the following manner:

Detail of Utilisation of Proceeds	Proposed Utilisation RM'000	Actual Utilisation RM'000	Estimate Timeframe for Utilisation Upon Listing ⁽¹⁾
(1) Capital expenditure			
(a) Construction of factory	6,380	-	Within 12 months
(b) Renovation of new factories	420	-	Within 12 months
(c) Acquisition of machinery and equipment	1,630	-	Within 3 months
(2) Working capital	3,616	-	Within 24 months
(3) Estimated listing expenses	3,000	-	Within 1 month
	15,046	-	

Note:

- (1) From the date of listing of the Company on the ACE Market of Bursa Securities. The utilisation of proceeds disclosed above should be read in conjunction with the Company's Prospectus. As at the date of this report, the IPO is pending completion and hence there was no utilisation of IPO proceeds.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2020

B8. BORROWINGS

	Unaudited As At 31/12/2020 RM'000	As At 31/12/2019 RM'000
Current:		
Bank borrowings	918	893
Lease liabilities	370	219
	1,288	1,112
Non-current:		
Bank borrowings	9,218	6,177
Lease liabilities	1,081	494
	10,299	6,671
Total borrowings	11,587	7,783

B9. MATERIAL LITIGATION

The Group is not engaged in any material litigation either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened against the Group as at the date of this report.

B10. PROPOSED DIVIDEND

No dividend has been declared or proposed during the current financial quarter under review and for the current financial year-to-date.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2020

B11. EARNINGS PER SHARE

The basic and diluted earnings per share for the current financial quarter and financial year to-date are computed as follows:-

	Individual Quarter		Cumulative Quarter	
	Unaudited 31/12/2020	Unaudited 31/12/2019 ⁽¹⁾	Unaudited 31/12/2020	31/12/2019
Profit attributable to equity holders of the Company (RM'000)	1,823	N/A	4,527	4,605
Weighted average number of ordinary shares in issue ('000)	52,165	N/A	13,113	518
Basic earnings per share (sen)	3.49	N/A	34.52	888.45
Diluted earnings per share (sen) ⁽²⁾	3.49	N/A	34.52	888.45

Notes:

(1) This is the first interim financial report on the Group's unaudited condensed consolidated financial results for the fourth (4th) quarter ended 31 December 2020 announced in compliance with the Listing Requirements of Bursa Securities and as such, there are no comparative figures for the preceding year's corresponding quarter.

(2) The diluted earnings per share of the Company is equivalent to the basic earnings per share as the Company does not have convertible options at the end of the reporting period.

N/A- Not applicable

B12. PROFIT BEFORE TAX

	Unaudited Current Quarter 31/12/2020 RM'000	Unaudited Current Year-to-Date 31/12/2020 RM'000
Profit before tax is arrived at after charging/(crediting):-		
Depreciation of property, plant and equipment	210	763
Interest expenses	12	73
Reversal for expected credit losses in trade receivables	-	(559)
Realised loss on foreign exchange	212	369
Unrealised gain on foreign exchange	(35)	(181)
Gain on disposal of investment in equity instruments	-	(305)
Interest income	(16)	(35)

By Order of the Board

Flexidynamic Holdings Berhad
Dated : 26 March 2021