



FLEXIDYNAMIC HOLDINGS BERHAD

Registration No: 201901010656 (1319984-V)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2021**

FLEXIDYNAMIC HOLDINGS BERHAD

Registration No: 201901010656 (1319984-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2021⁽¹⁾

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	Unaudited 31/03/2021 RM'000	Unaudited 31/03/2020 ⁽²⁾ RM'000	Unaudited 31/03/2021 RM'000	Unaudited 31/03/2020 ⁽²⁾ RM'000
Revenue	24,818	N/A	24,818	N/A
Cost of sales	(19,837)	N/A	(19,837)	N/A
Gross profit	4,981	N/A	4,981	N/A
Other income	312	N/A	312	N/A
Selling and distribution expenses	(305)	N/A	(305)	N/A
Administrative expenses ⁽³⁾	(4,206)	N/A	(4,206)	N/A
Other expenses	(332)	N/A	(332)	N/A
Profit from operations	450	N/A	450	N/A
Finance costs	(28)	N/A	(28)	N/A
Profit before tax	422	N/A	422	N/A
Tax expense	(691)	N/A	(691)	N/A
Loss after tax	(269)	N/A	(269)	N/A
Foreign currency translations differences	*	N/A	*	N/A
Total comprehensive loss for the financial period	(269)	N/A	(269)	N/A
(Loss)/Profit attributable to:-				
Owners of the Company	(382)	N/A	(382)	N/A
Non-controlling interest	113	N/A	113	N/A
	(269)	N/A	(269)	N/A
Total comprehensive (loss)/income attributable to:-				
Owners of the Company	(382)	N/A	(382)	N/A
Non-controlling interest	113	N/A	113	N/A
Total comprehensive loss for the period	(269)	N/A	(269)	N/A
Loss per share attributable to owners of the Company (sen):-				
Basic⁽⁴⁾	(0.18)	N/A	(0.18)	N/A
Diluted⁽⁵⁾	(0.18)	N/A	(0.18)	N/A

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 audited financial statements of Flexidynamic Holdings Berhad (“**Flexidynamic**” or “the Company”) and its subsidiaries (“the Group”) for the financial year ended 31 December 2020, the Accountants’ Report as disclosed in the Prospectus dated 9 March 2021 (“Prospectus”) and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the second interim financial report on the Group’s unaudited condensed consolidated financial results for the first (1st) quarter ended 31 March 2021 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 quarter and preceding year’s corresponding period.

FLEXIDYNAMIC HOLDINGS BERHAD

Registration No: 201901010656 (1319984-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2021⁽¹⁾ (Cont'd)

- (3) Administration expenses included one-off listing expenses of RM 2.41 million. For illustration purpose only, the Company's normalised financial performance after adjusting for the one-off listing expenses is as follows:

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	Unaudited 31/03/2021 RM'000	Unaudited 31/03/2020 ⁽²⁾ RM'000	Unaudited 31/03/2021 RM'000	Unaudited 31/03/2020 ⁽²⁾ RM'000
Profit before tax	422	N/A	422	N/A
Add: Listing expenses	2,414	N/A	2,414	N/A
Adjusted profit before tax	<u>2,836</u>	<u>N/A</u>	<u>2,836</u>	<u>N/A</u>

- (4) Basic loss per share is based on the Company's weighted average number of ordinary shares 210,332,000 for the current quarter and current period-to-date.

- (5) The diluted loss per share of the Company for the current quarter is equivalent to the basic loss per share as the Company does not have any convertible options as at the end of the reporting period.

N/A – Not applicable

** Negligible*

FLEXIDYNAMIC HOLDINGS BERHAD

Registration No: 201901010656 (1319984-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2021⁽¹⁾

	Unaudited As At 31/03/2021 RM'000	Audited As At 31/12/2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	16,414	16,400
Deferred tax assets	2,463	2,164
Other receivables	141	181
	<u>19,018</u>	<u>18,745</u>
Current assets		
Inventories	7,596	6,117
Trade receivables	22,568	13,793
Other receivables	14,288	4,747
Fixed deposits with a licensed financial institution	3,014	3,000
Cash and bank balances	11,741	15,344
	<u>59,207</u>	<u>43,001</u>
	<u>78,225</u>	<u>61,746</u>
TOTAL ASSETS		
EQUITY AND LIABILITIES		
EQUITY		
Share capital	35,354	20,866
Merge deficit	(20,431)	(20,431)
Capital reserve	631	631
Foreign exchange reserve	13	13
Retained earnings	22,925	23,307
Equity attributable to owners of the Company	<u>38,492</u>	<u>24,386</u>
Non-controlling interest	471	358
TOTAL EQUITY	<u>38,963</u>	<u>24,744</u>
LIABILITIES		
Non-current liabilities		
Bank borrowings	8,988	9,218
Lease liabilities	1,018	1,081
	<u>10,006</u>	<u>10,299</u>
Current Liabilities		
Trade payables	13,678	12,771
Other payables and accruals	2,228	1,342
Contract liabilities	11,090	10,087
Bank borrowings	1,392	918
Lease liabilities	389	370
Tax payable	479	1,215
	<u>29,256</u>	<u>26,703</u>
TOTAL LIABILITIES	<u>39,262</u>	<u>37,002</u>
TOTAL EQUITY AND LIABILITIES	<u>78,225</u>	<u>61,746</u>
Net assets per ordinary share (sen) ⁽²⁾	0.14	0.12

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 audited financial statements of the Group for the financial year ended 31 December 2020, the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per ordinary share is calculated based on the number of ordinary shares in issue of 283,891,200 shares. (2020: 208,660,200).

FLEXIDYNAMIC HOLDINGS BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2021⁽¹⁾

	← Non Distributable →				Distributable		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	Total RM'000		
Balance as at 1 January 2021	20,866	(20,431)	631	13	23,307	24,386	358	24,744
Transaction with owners:								
Additional shares subscription	15,046	-	-	-	-	15,046	-	15,046
Share issuance expenses	(558)	-	-	-	-	(558)	-	(558)
	14,488	-	-	-	-	14,488	-	14,488
(Loss)/Profit after tax	-	-	-	-	(382)	(382)	113	(269)
Foreign currency translations differences	-	-	-	*	-	*	-	-
Total comprehensive (loss)/income for the period	-	-	-	-	(382)	(382)	113	(269)
Balance as at 31 March 2021 (Unaudited)	35,354	(20,431)	631	13	22,925	38,492	471	38,963

NOTES:

- (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 audited financial statements of the Group for the financial year ended 31 December 2020, the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the second interim financial report on the Group's unaudited condensed consolidated financial results for the first (1st) quarter ended 31 March 2021 announced in compliance with the Listing Requirements of Bursa Securities and as such, there are no comparative figures for the preceding quarter's corresponding period.

* *Negligible*

FLEXIDYNAMIC HOLDINGS BERHAD
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE
FIRST (1ST) QUARTER ENDED 31 MARCH 2021⁽¹⁾**

	3 months ended Unaudited 31/03/2021 RM'000	3 months ended Unaudited 31/03/2020⁽²⁾ RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	422	N/A
Adjustments for:-		
Depreciation of property, plant and equipment	228	N/A
Interest expenses	28	N/A
Interest income	(14)	N/A
Property, plant and equipment written off	4	N/A
Unrealised gain on foreign exchange	(284)	N/A
	<hr/>	<hr/>
Operating profit before working capital changes	384	N/A
Increase in inventories	(1,481)	N/A
Increase in receivables	(6,829)	N/A
Increase in payables	3,098	N/A
	<hr/>	<hr/>
Cash used in operations	(4,828)	N/A
Tax paid	(1,726)	N/A
Net cash used in operating activities	<hr/> (6,554) <hr/>	<hr/> N/A <hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(131)	N/A
Interests received	14	N/A
Net cash used in investing activities	<hr/> (117) <hr/>	<hr/> N/A <hr/>

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2021⁽¹⁾ (Cont'd)

	3 months ended Unaudited 31/03/2021 RM'000	3 months ended Unaudited 31/03/2020⁽²⁾ RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(300)	N/A
Interests paid	(28)	N/A
Proceeds from issuance of ordinary shares	3,690	N/A
Share issuance expenses	(558)	N/A
Drawdown of bank borrowings	853	N/A
Repayments of bank borrowings	(653)	N/A
Repayments of lease liabilities	(115)	N/A
Net cash generated from financing activities	2,889	N/A
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,782)	N/A
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	18,344	N/A
EFFECT OF EXCHANGE RATES CHANGES	193	N/A
CASH & CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	14,755	N/A
Represented by:-		
CASH AND CASH EQUIVALENTS		
Cash and bank balances	11,741	N/A
Fixed deposits with a licensed bank	3,014	N/A
	14,755	N/A

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 audited financial statements of the Group for the financial year ended 31 December 2020, the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the second interim financial report on the Group's unaudited condensed consolidated financial results for the first (1st) quarter ended 31 March 2021 announced in compliance with the Listing Requirements of Bursa Securities and as such, there are no comparative figures for the preceding quarter and preceding year's corresponding period.

N/A – Not applicable

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2021

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 and Appendix 9B of the Listing Requirements.

This is the second interim financial report on the Group’s unaudited condensed consolidated financial results for the first (1ST) quarter ended 31 March 2021 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 audited financial statements of the Group for the financial year ended 31 December 2020, 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 Group’s audited financial statements for the financial year ended 31 December 2020, except for the adoption of MFRS 7 Insurance Contracts. The adoption of this standard did not have any material impact on the Group’s financial statements.

The new and amended standards and interpretations that are issued, but not yet effective for 31 December 2021 reporting period are as below and have not been early adopted by the Group.

Standards	Effective for financial period beginning on or after
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 directors do not expect that the adoption of the standards and amendment listed above will have a material impact on the financial statements of the Group in the future periods.

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NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2021

A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report for the preceding financial year ended 31 December 2020 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 during the current financial quarter and period-to-date under review.

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 quarter under review.

A6. MATERIAL SUBSEQUENT EVENT

No material subsequent event to the end of the current financial quarter under review.

A7. DEBT AND EQUITY SECURITIES

Save as disclosed below, there were no other issuances, cancellations, repurchases, resale and repayments of debts and equity securities for the current financial quarter under review.

In conjunction with the Company's listing on the ACE Market of Bursa Securities, the Company had undertaken an Initial Public Offering ("IPO") on 30 March 2021 which entailing the following: -

- (1) Public issue of 75,231,000 new ordinary shares in the Company at an issue price of RM 0.20 per share allocated 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.

The IPO was completed on 30 March 2021.

A8. DIVIDEND PAID

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

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2021

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 3 months ended		Cumulative Quarter 3 months ended	
	Unaudited 31/03/2021 RM'000	Unaudited 31/03/2020 ⁽¹⁾ RM'000	Unaudited 31/03/2021 RM'000	Unaudited 31/03/2020 RM'000
Local	15,010	N/A	15,010	N/A
Overseas ⁽²⁾	9,808	N/A	9,808	N/A
	24,818	N/A	24,818	N/A

Notes:

(1) This is the second interim financial report on the Group's unaudited condensed consolidated financial results for the first (1st) quarter ended 31 March 2021 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 quarter under review.

A11. 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.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2021

A12. CAPITAL COMMITMENTS

The capital commitment of the Group as at 31 March 2021 is as follow:-

	Unaudited As At 31/03/2021 RM'000	Unaudited As At 31/03/2020⁽¹⁾ RM'000
Authorised and contracted for: - New factories	911	N/A

Note:

- (1) This is the second interim financial report on the Group's unaudited condensed consolidated financial results for the first (1st) quarter ended 31 March 2021 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.

N/A – Not applicable

A13. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

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NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2021

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 RM24.82 million and profit before tax of RM0.42 million for the current financial quarter ended 31 March 2021. The Group had incurred listing expenses of approximately RM2.41 million for the current financial quarter.

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 60.48% of the Group's revenue in the current quarter.

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

The Group recorded a revenue of RM24.82 million and profit before tax of RM0.42 million for the current financial period ended 31 March 2021.

This is the second interim financial report on the Company's unaudited condensed consolidated financial results for the current financial quarter ended 31 March 2021 announced in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year's corresponding quarter.

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER RESULTS

	Individual Quarter		Change	
	3 months ended			
	Unaudited 31/03/2021 RM'000	Unaudited 31/12/2020 RM'000	RM'000	%
Revenue	24,818	21,879	2,939	13.43
Profit before tax	422	2,416	(1,994)	(82.53)
(Loss)/Profit after tax	(269)	1,938	(2,207)	(113.86)
(Loss)/Profit attributable to: -				
Owners of the Company	(382)	1,823	(2,205)	(120.95)

The Group's revenue for the current financial quarter ended 31 March 2021 increased by approximately RM2.94 million or 13.43% to approximately RM24.82 million compared to RM21.88 million in the preceding financial quarter ended 31 December 2020. Overall, the increase in revenue was mainly attributed to the progress of projects works-on-site as our customers ramp up their expansion plans to meet increased glove demands.

The Group's profit before tax for the current financial quarter ended 31 March 2021 decreased by approximately RM1.99 million from a profit after tax of RM2.42 million in the preceding financial quarter ended 31 December 2020 to a profit after tax of RM0.42 million. The decrease in profit before tax was mainly due to the one-off listing expenses of RM2.41 million.

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NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2021

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.

B5. TAX EXPENSE

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	Unaudited 31/03/2021 RM'000	Unaudited 31/03/2020 ⁽¹⁾ RM'000	Unaudited 31/03/2021 RM'000	Unaudited 31/03/2020 ⁽¹⁾ RM'000
Income tax	990	N/A	990	N/A
Deferred tax	(299)	N/A	(299)	N/A
	<u>691</u>	<u>N/A</u>	<u>691</u>	<u>N/A</u>
Effective tax rate ⁽²⁾	163.36%	N/A	163.36%	N/A

Notes:

- (1) This is the second interim financial report on the Group's unaudited condensed consolidated financial results for the first (1st) quarter ended 31 March 2021 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 period is higher than statutory tax rate to the incurrence of certain expenses that are not deductible for tax reporting purpose, which include one-off listing expenses of RM2.41 million.
- (3) Tax expense is recognised based on management's best estimate.

N/A – Not applicable

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2021

B6. STATUS OF CORPORATE PROPOSAL

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	Balance to be Utilised RM'000	Estimate Timeframe for Utilisation Upon Listing⁽¹⁾
(1) Capital expenditure				
(a) Construction of factory	6,380	-	6,380	Within 12 months
(b) Renovation of new factories	420	-	420	Within 12 months
(c) Acquisition of machinery and equipment	1,630	-	1,630	Within 3 months
(2) Working capital	3,616	-	3,616	Within 24 months
(3) Estimated listing expenses	3,000	1,549	1,451	Within 1 month
	<u>15,046</u>	<u>1,549</u>	<u>13,497</u>	

Note:

- (1) From the date of listing of the Company on the ACE Market of Bursa Securities on 30 March 2021. The utilisation of proceeds disclosed above should be read in conjunction with the Company's Prospectus.

B8. BORROWINGS

	Unaudited As At 31/03/2021 RM'000	Unaudited As At 31/03/2020⁽¹⁾ RM'000
Current:		
Bank borrowings	1,392	N/A
Lease liabilities	389	N/A
	<u>1,781</u>	<u>N/A</u>
Non-current:		
Bank borrowings	8,988	N/A
Lease liabilities	1,018	N/A
	<u>10,006</u>	<u>N/A</u>
Total borrowings	<u>11,787</u>	<u>N/A</u>

Note:

- (1) This is the second interim financial report on the Group's unaudited condensed consolidated financial results for the first (1st) quarter ended 31 March 2021 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.

N/A – Not applicable

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NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2021**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 financial period-to-date.

B11. EARNINGS PER SHARE

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

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	Unaudited 31/03/2021	Unaudited 31/03/2020 ⁽¹⁾	Unaudited 31/03/2021	Unaudited 31/03/2020
Loss after tax attributable to owners of the Company (RM'000)	(382)	N/A	(382)	N/A
Weighted average number of ordinary shares in issue ('000)	210,332	N/A	210,332	N/A
Basic loss per share (sen)	(0.18)	N/A	(0.18)	N/A
Diluted loss per share (sen) ⁽²⁾	<u>(0.18)</u>	<u>N/A</u>	<u>(0.18)</u>	<u>N/A</u>

Notes:

(1) This is the second interim financial report on the Group's unaudited condensed consolidated financial results for the first (1st) quarter ended 31 March 2021 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 loss per share of the Company is equivalent to the basic loss per share as the Company does not have convertible options at the end of the reporting period.

N/A- Not applicable

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2021

B12. PROFIT BEFORE TAX

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	Unaudited 31/03/2021 RM'000	Unaudited 31/03/2020⁽¹⁾ RM'000	Unaudited 31/03/2021 RM'000	Unaudited 31/03/2020⁽¹⁾ RM'000
Profit before tax is arrived at after charging/(crediting):-				
Depreciation of property, plant and equipment	228	N/A	228	N/A
Interest expenses	28	N/A	28	N/A
Property, plant and equipment written off	4	N/A	4	N/A
Realised loss on foreign exchange	112	N/A	112	N/A
Unrealised gain on foreign exchange	(284)	N/A	(284)	N/A
Interest income	(14)	N/A	(14)	N/A

Note:

(1) This is the second interim financial report on the Group's unaudited condensed consolidated financial results for the first (1st) quarter ended 31 March 2021 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.

N/A- Not applicable

By Order of the Board

Flexidynamic Holdings Berhad
Dated : 28 May 2021