

## FLEXIDYNAMIC HOLDINGS BERHAD ("FLEXIDYNAMIC" OR THE "COMPANY")

### EXTENSION OF TIMEFRAME FOR THE UTILISATION OF PROCEEDS RAISED FROM THE INITIAL PUBLIC OFFERING

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#### 1. INTRODUCTION

The Board of Directors of Flexidynamic ("**Board**") wishes to announce that the Board has deliberated and resolved to extend the timeframe for the utilisation of proceeds raised from its initial public offering ("**IPO**") exercise in conjunction with the listing of the Company on the ACE Market of Bursa Malaysia Securities Berhad on 30 March 2021. The Company has raised gross proceeds of RM15.05 million from its IPO ("**IPO Proceeds**").

#### 2. DETAILS OF THE EXTENSION OF TIMEFRAME OF THE UTILISATION OF PROCEEDS

As at the date of this announcement, Flexidynamic and its subsidiaries ("**Group**") have utilised approximately RM3.00 million from the total IPO Proceeds of RM15.05 million. The details of utilisation of the IPO Proceeds are set out below:

No.	Details of utilisation	IPO Proceeds raised	Actual utilisation	Balance of IPO Proceeds unutilised	Expected timeframe for utilisation of IPO Proceeds (from the listing date)	Revised expected timeframe for utilisation of IPO Proceeds (from the listing date)
		RM'000	RM'000	RM'000		
1.	Repayment of bank borrowings drawn to fund the acquisition of new factories	6,380	-	6,380	Within 12 months	Within 18 months
2.	Renovation of new factories	420	-	420	Within 12 months	Within 18 months
3.	Acquisition of machinery and equipment	1,630	-	1,630	Within 3 months	Within 18 months
4.	Working capital	3,616	-	3,616	Within 24 months	-
5.	Estimated listing expenses	3,000	3,000	-	Within 1 month	-
		<b>15,046</b>	<b>3,000</b>	<b>12,046</b>		

### **3. RATIONALE**

The implementation of the movement control order (“MCO”), conditional movement control order (“CMCO”), enhanced movement control order (“EMCO”) and National Recovery Plan (phase 1) (previously known as nationwide total lockdown (phase 1)) caused by the outbreak of COVID-19 had resulted in disruption of the construction sector. In the prospectus dated 9 March 2021, the construction of the 2 factory units was expected to be completed by May 2021. Due to the disruption in the construction sector, the completion of construction for the Company’s new factories have been delayed and is expected to complete in December 2021, however the Company wishes to extend the utilisation timeframe to 18 months to cater for any unexpected delay.

After careful deliberation, the Board has decided to extend the timeframe for the utilisation of IPO Proceeds earmarked for the repayment of bank borrowings drawn to fund the acquisition of new factories, renovation of new factories and acquisition of machinery and equipment as a buffer for the disruptions in construction sector.

### **4. APPROVALS REQUIRED**

The extension of timeframe for the utilisation of IPO Proceeds is not subjected to any regulatory authorities or shareholders’ approval. Nevertheless, the Board shall continue to be vigilant and prudent in managing the remaining IPO Proceeds and will continue to disclose the status of the utilisation of IPO Proceeds in its quarterly results and annual reports until its full utilisation.

The Board is of the opinion that the aforementioned extension of timeframe will not have any adverse effect on financial performance of the Group and is in the best interest of the Company.

This announcement is dated 23 August 2021.