

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has not perused this Circular prior to its issuance as Bursa Securities has prescribed it as an Exempt Circular pursuant to the provisions of Guidance Note 22 of the ACE Market Listing Requirements of Bursa Securities.

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FLEXIDYNAMIC HOLDINGS BERHAD

[Registration No.: 201901010656 (1319984-V)]
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED
PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE
("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE")**

The resolution in respect of the Proposed Renewal of Shareholders' Mandate will be tabled at Flexidynamic Holdings Berhad's Fourth Annual General Meeting ("**4th AGM**") which will be conducted on a fully virtual basis through live streaming and online meeting platform of TIIH Online provided by Tricor Investor & Issuing House Services Sdn Bhd on Friday, 23 June 2023 at 10.00 a.m. The Notice of the 4th AGM together with the Form of Proxy are set out in the Annual Report 2022.

A member entitled to attend, speak and vote remotely at the 4th AGM via the Remote Participation and Voting ("**RPV**") facilities provided is entitled to appoint up to 2 proxies to attend, speak and vote remotely on his/her behalf. If you wish to do so, you must complete, sign and deposit the Form of Proxy for the 4th AGM in accordance with the instructions contained therein, at the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or by electronic lodgement via TIIH Online website at <https://tiah.online> not less than 48 hours before the time appointed for holding the 4th AGM. For further information on the electronic lodgement of the Form of Proxy, kindly refer to the Administrative Guide, available at the website of the Company at www.flexidynamic.com and Bursa Malaysia Securities Berhad's website at www.bursamalaysia.com.

Last date and time for lodging the Form of Proxy : 21 June 2023 at 10.00 a.m.

Date and time of 4th AGM : 23 June 2023 at 10.00 a.m.

This Circular is dated 28 April 2023

DEFINITIONS

For the purposes of this Circular, except where the context otherwise requires, the following definitions shall apply:

Act	:	The Companies Act, 2016 as amended from time to time, and includes every statutory modification or any re-enactment thereof for the time being in force
AGM	:	Annual General Meeting
ARMC	:	The Audit and Risk Management Committee of Flexidynamic
Board or Board of Directors	:	Board of Directors of the Company
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd [Registration No.198701006854 (165570-W)]
Bursa Securities	:	Bursa Malaysia Securities Berhad [Registration No. 200301033577(635998-W)]
Circular	:	The circular dated 28 April 2023 in relation to the Proposed Renewal of Shareholders' Mandate
Constitution	:	Constitution of the Company
Director	:	A member of our Board
Interested Director	:	A Director who is deemed to be a Related Party and is interested in the Proposed Shareholders' Mandate
Interested Major Shareholder	:	A Major Shareholder who is deemed to be a Related Party and is interested in the Proposed Shareholders' Mandate
Interested Person Connected	:	A person Connected who is deemed to be Related Party and is interested in the Proposed Shareholder' Mandate
Listing Requirements	:	ACE Market Listing Requirements of Bursa Securities
LPD	:	30 March 2023, being the latest practicable date for certain information to be obtained and disclosed in this Circular
Major Shareholder	:	A person who has an interest or interests in one or more voting shares in Flexidynamic and the number or aggregate number of voting shares is 10% or more of the total number of voting shares in Flexidynamic; or 5% or more of the total number of voting shares in Flexidynamic where such person is the largest shareholder of Flexidynamic. For the purpose of this definition, "interest" shall have the meaning of "interest in shares" given in Section 8 of the Act and includes any person who is or was within the preceding 6 months of the date on which the terms of the transactions were agreed upon, a Major Shareholder of Flexidynamic (or any other company which is its subsidiary or holding company)

N/A	:	Not applicable
NA	:	Net assets
NBV	:	Net book value
Flexidynamic or Company	:	Flexidynamic Holdings Berhad [Registration No. 201901010656 (1319984-V)]
Flexidynamic Group or Group	:	Collectively, Flexidynamic and its subsidiaries
Flexidynamic Share or Share	:	Ordinary share in Flexidynamic
Person Connected	:	Shall have the same meaning as in Rule 1.01 of the Listing Requirements
Proposed Renewal of Shareholders' Mandate	:	The proposed renewal of shareholders' mandate for the Company to enter into Recurrent Transactions of a revenue or trading nature with Related Party or Parties in the ordinary course of business which are necessary for Flexidynamic Group's day-to-day operations
Related Party or Parties	:	Director(s), major shareholder(s) or person(s) connected with such Director(s) or major shareholder(s) as defined in Rule 1.01 and Rule 10.02 of the Listing Requirements
RRPTs or Recurrent Transactions	:	Recurrent related party transactions of a revenue or trading nature, which are necessary for day to day operations and are in the ordinary course of business of Flexidynamic Group
RM and sen	:	Ringgit Malaysia and sen respectively
Rules of Bursa Depository	:	The rules of Bursa Depository as issued pursuant to the SICDA
SC	:	Securities Commission Malaysia
Mega Surplus	:	Mega Surplus Sdn. Bhd. [Registration No. 200501003391 (680437-X)]
ZYL	:	ZYL Dynamic Sdn. Bhd. [Registration No. 200501008521 (685568-H)]
Share Registrar	:	Tricor Investor & Issuing House Services Sdn Bhd [Registration No. 197101000970 (11324-H)]
SICDA	:	Securities Industry (Central Depositories) Act 1991

Subsidiaries of Flexidynamic

Flexidynamic Engineering	:	Flexidynamic Engineering Sdn. Bhd. [Registration No. 201201038428 (1022906-K)] (Wholly-owned subsidiary of Flexidynamic)
Flexidynamic Thailand	:	Flexidynamic Engineering Company Limited (Company No. 0135558013141) (49% interest held through Flexidynamic Engineering)

All references to “you” in this Circular are to the shareholders of the Company.

Unless specifically referred to, words denoting the singular shall, where applicable, include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter gender, and vice versa. Reference to persons shall include corporations, unless otherwise specified.

Any reference to any legislation or guideline in this Circular is a reference to that legislation or guideline as amended or re-enacted from time to time.

Any reference to time of day in this Circular is a reference to Malaysian time, unless otherwise stated.

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FLEXIDYNAMIC HOLDINGS BERHAD

[Registration No.: 201901010656 (1319984-V)]
(Incorporated in Malaysia)

Registered Office:

Level 15-2,
Bangunan Faber Imperial Court,
Jalan Sultan Ismail,
50250 Kuala Lumpur

Date: 28 April 2023

Board of Directors:

Phang Sze Fui
Tan Kong Leong
Sin Kuo Wei
Liew Heng Wei
Lion Suk Chin
Chong Kai Feng
Noor Zaliza Yati Binti Yahya
Poh Chee Fong

Independent Non-Executive Chairperson
Managing Director
Deputy Managing Director
Executive Director
Executive Director
Independent Non-Executive Director
Independent Non-Executive Director
Independent Non-Executive Director

To: The Shareholders of Flexidynamic

Dear Sir/Madam,

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY
TRANSACTIONS OF A REVENUE OR TRADING NATURE**

1. INTRODUCTION

The Company had at the Third AGM held on 24 May 2022 obtained approval from its shareholders for the Company and its subsidiaries to enter into Recurrent Transactions. Such approval shall continue to be in full force until the conclusion of the forthcoming 4th AGM unless authority for its renewal is obtained from the shareholders of the Company at the Fourth AGM.

On 20 April 2023, the Company announced to Bursa Securities that the Board proposes to seek its shareholders' approval on the Proposed Renewal of Shareholders' Mandate at the forthcoming 4th AGM.

This Circular has been prepared to provide you with details of the Proposed Renewal of Shareholders' Mandate and to seek your approval for the Proposed Renewal of Shareholders' Mandate as contained in the resolution to be tabled at the forthcoming 4th AGM.

**YOU ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR
CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED
SHAREHOLDERS' MANDATE AT THE FORTHCOMING AGM.**

2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

2.1 Provisions under the Listing Requirements

Pursuant to Rule 10.09(2) and Guidance Note 8 of the Listing Requirements, the Company proposes to seek a general mandate from you for the RRPTs subject to, *inter-alia*, the following:

- (a) the RRPTs are in the ordinary course of business and are on terms not more favourable to the Related Party or Parties than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold below in relation to a listed issuer with a share capital of less than RM60 million:
 - (i) the consideration, value of the assets, capital outlay or costs of the RRPT is RM1.0 million or more; or
 - (ii) any one of the percentage ratios of such RRPT is 1% or more,whichever is the lower;
- (c) the listed issuer to issue circular to shareholders in relation to the shareholders' mandate and it must include information as may be prescribed by Bursa Securities, together with a checklist showing compliance with such information when submitting to Bursa Securities;
- (d) in a meeting to obtain shareholders' mandate, an interested Related Party must not vote on the resolution in approving the transactions and ensuring that Person Connected with them abstain from voting on the resolution approving the transactions; and
- (e) the Company immediately announces to Bursa Securities when the actual value of a RRPT entered into by the Company, exceeds the estimated value of the RRPT disclosed in this Circular by 10% or more and must include the information as may be prescribed by Bursa Securities in our announcement.

Where your mandate has been procured pursuant to the above, the provisions of Rule 10.08 of the Listing Requirements in relation to related party transactions will not apply save for Rule 10.08(7) of the Listing Requirements.

The Proposed Renewal of Shareholders' Mandate, if approved by the shareholders at the forthcoming 4th AGM, will take effect from the date of the said 4th AGM until:

- (i) the conclusion of the next AGM following the forthcoming 4th AGM at which the Proposed Renewal of Shareholders' Mandate is passed, at which time it will lapse, unless the authority is renewed by a resolution passed at the next AGM;
- (ii) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2)(b) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by shareholders in a general meeting,

whichever is earlier;

Thereafter, approval from the shareholders for renewal of the mandate will be sought at each subsequent AGM of the Company.

Accordingly, the Board proposes to seek the shareholders' approval for the Proposed Renewal of Shareholders' Mandate as detailed in Section 2.5 of this Circular at the 4th AGM to be held on 23 June 2023, to enable the Company and/or its subsidiaries to enter into Recurrent Transactions with the Related Party, which are necessary for the day-to-day operations of the Flexidynamic Group.

Such transactions will be made on terms which are not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority shareholders of Flexidynamic.

2.2 Details of the Proposal

It is anticipated that in the normal course of the Group's business, Recurrent Transactions between Flexidynamic Group and the Related Parties are likely to occur at any time and with some degree of frequency. In this respect, the Directors are seeking approval from the shareholders for the Proposed Renewal of Shareholders' Mandate which will allow the Group to enter into Recurrent Transactions referred to in Section 2.5 with the Related Parties, provided such transactions are made at arms' length, Flexidynamic Group's normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of Flexidynamic.

2.3 Validity Period

The Proposed Renewal of Shareholders' Mandate, if approved by the shareholders of the Company, shall take effect from the passing of the ordinary resolution to be proposed at the forthcoming AGM and will continue to be in force until:

- (i) the conclusion of the next AGM of the Company, at which time it will lapse, unless by a resolution passed by the shareholders of the Company in a general meeting, the authority is renewed by a resolution passed at the next AGM; or
- (ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting,

whichever is earlier.

2.4 Principal activities of our Group

The principal activity of the Company is an investment holding company and principally involved in the design, engineering, installation and commissioning of glove chlorination systems as well as the design and installation of storage tanks and process tanks for the glove manufacturing industry. The principal activities of the subsidiaries involved in the Recurrent Transactions are as follows:

<u>Subsidiaries</u>	<u>Principal Activities</u>	<u>Percentage of effective Interests</u>
Flexidynamic Engineering	Design, engineering, installation and commissioning of glove chlorination systems, as well as design and installation of storage tanks and process tanks for the glove manufacturing industry	100%
Flexidynamic Thailand	Installation and maintenance of glove chlorination systems, storage tanks and process tanks for the glove manufacturing industry	49%

2.5. Information of the RRPTs

It is anticipated that the Group would, in the ordinary course of business, enter into RRPTs which are detailed in the table below.

In view of the time-sensitive, confidential and frequent nature of such RRPTs, the Board is seeking shareholders' approval for the Proposed Renewal of Shareholders' Mandate for the Group to enter into such transactions in the normal course of business with the classes of Related Parties set out in the table provided that such transactions are entered based on normal commercial terms, and transaction prices and terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of our minority shareholders.

The estimated values of the RRPTs set out in the table below are for the period from the conclusion of the forthcoming AGM of the Company until the conclusion of the next AGM of the Company based on the Group's budgeted figures for the said period and may be subject to changes. The aggregate or actual values of these transactions may or may not exceed the said amounts over the said period.

No.	Transacting parties	Related Party and Nature of relationship	Nature of transaction	Estimated value for the period from this AGM to the next AGM (RM'000)	Estimated value disclosed in the preceding year's circular (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
(a)	Phitchaya Arsangku and Flexidynamic Thailand	Interested shareholdes - Tan Kong Leong - Phitchaya Arsangku	Lease payment to Phitchaya Arsangku (as landlord) by Flexidynamic Thailand for the following premise:	30	30	21
		Interested Directors Tan Kong Leong	Flexidynamic Thailand (as tenant): -			
		Refer to Note (1) for the details of the relationship with our directors and major shareholders.	- Location: 86/220, No. 10, Phaholyothin Klongone Klonglung Pathumthani 12120 Thailand - Lease payable on monthly basis - Tenure: 5 years (From 28.2.2019 to 27.02.2024) - Area: 861 square feet			

No.	Transacting parties	Related Party and Nature of relationship	Nature of transaction	Estimated value for the period from this AGM to the next AGM (RM'000)	Estimated value disclosed in the preceding year's circular (RM'000)	Actual value transacted from the previous AGM up to LPD (RM'000)
(b)	ZYL and Flexidynamic Engineering	Interested major shareholders - Tan Kong Leong - Phitchaya Arsangku Interested Directors - Tan Kong Leong Refer to Note (2) for details of their relationship with our directors, major shareholders and/or persons connected with them.	Payment of rental to ZYL (as landlord) by Flexidynamic Engineering for renting of the following premise: Flexidynamic Engineering (as tenant): - Location: A-3A-28, IOI Boulevard, Jalan Kenari 5, Bandar Puchong Jaya, 47170 Puchong - Rental payable on monthly basis - Tenure: annual renewal - Area: 2271 square feet	72	72	61
(c)	Mega Surplus and Flexidynamic Engineering	Interested major shareholders - Tan Kong Leong - Phitchaya Arsangku Interested Directors - Tan Kong Leong Refer to Note (3) for details of their relationship with our directors, major shareholders and/or persons connected with them.	Purchase of sawn timber for manufacturing of wooden mould and general use from Mega Surplus	500	500	15

Note:

- (1) Flexidynamic Thailand
- (a) Phitchaya Arsangku is a director of Flexidynamic Thailand and wife of Tan Kong Leong.
- (2) ZYL
- (a) Tan Kong Kee is a director and shareholder of ZYL and brother of Tan Kong Leong.
- (b) Chin Nyuk Fong is a director and shareholder of ZYL and sister-in-law of Tan Kong Leong.
- (3) Mega Surplus
- The Directors and shareholders of Mega Surplus, namely:
- (i) Tan Eng Cheong is the father of Tan Kong Leong.
- (ii) Tan Kong Wee and Tan Kon How are the brothers of Tan Kong Leong.

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2.6 Basis of estimates

The estimated transaction values for the RRPTs referred to in Section 2.5 of this Circular are based on:

- (i) estimated prevailing prices, which are reasonably market-competitive; and
- (ii) the sums incurred or received over the past years for similar transactions.

The estimated transaction values were also projected based on the assumption that:

- (i) our Group's usual levels of transaction;
- (ii) our Group's projected business volume; and
- (iii) our current level of operations would be maintained,

from the date of our forthcoming AGM to our next AGM.

2.7 Threshold of authority

There are no specific thresholds for approval of RRPTs within our Group. All RRPTs are subject to the approval of the Board after being reviewed by ARMC. Where any Director has any interest (direct or indirect) in any RRPTs, such Director shall abstain from deliberation and voting on the matter. The Company will ensure that:

- (a) RRPTs will be conducted on an arms' length basis and on normal commercial terms and transaction prices which are not more favourable to the Related Parties than those generally available to the public; and
- (b) such transaction will not be detrimental to the minority shareholders of the Company.

2.8 Amount due and owing by the Related Parties

There was no amount due and owing by Related Parties to Flexidynamic Group pursuant to the RRPTs as at 31 December 2022. The payments were made within the agreed credit terms.

2.9 Review procedures for RRPTs

To promote good corporate governance in the conduct of the Company's business, our Group has established a framework for evaluating potential conflicts of interest and disclosure obligations arising out of transactions and business arrangements between the Company and its Related Parties. The procedures in this framework ensure RRPTs are undertaken on an arm's length basis, on transaction prices and normal commercial terms which are not more favourable to the Related Parties than those generally available to the public, are not to the detriment of our minority shareholders and are in the best interest of the Company. We set forth below the review procedures of the Company's RRPTs.

- (i) The transaction price for the sale and purchase of products and services shall be determined based on the prevailing market rates/prices for the products and services, and on normal commercial terms, or otherwise in accordance with applicable industry norms, after taking into account the pricing, level of services, quality and delivery of the products.
- (ii) Records will be maintained by the Company to capture all RRPTs entered into pursuant to the Proposed Shareholders' Mandate to ensure that relevant approvals have been obtained and all RRPTs are compiled for review and approval by the ARMC and Board respectively.
- (iii) The ARMC has the responsibility for reviewing the RRPT procedures and guidelines and reporting the same to the Board.

- (iv) In the review of RRPTs, the ARMC may, as it deems fit, requests for additional information pertaining to the transactions from independent sources and advisers.
- (v) If during the annual review, the ARMC and Board are of the view that the review procedures and processes are no longer appropriate, adequate or sufficient to monitor, track and identify RRPTs as well as to ensure that the RRPTs are made on arm's length basis, on terms and transaction prices not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders, the ARMC will recommend to the Board to revise the existing procedures and processes to ensure the Group has in place adequate procedures and processes at all times.
- (vi) At least 2 other contemporaneous transactions with unrelated third parties for similar products or services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to or by the Related Parties are fair and reasonable and comparable to those offered to or by other unrelated third parties for the same or substantially similar type of products or services and/or quantities. In the event that a quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be based on the usual business practices of the Group to ensure that the RRPTs are not more favourable to the Related Party than those generally available to the public and are not to the detriment of the Company or our Group or to our minority shareholders.
- (vii) The Interested Director in the RRPTs must abstain from our Board's deliberation and voting on the relevant resolution(s) in respect of the RRPTs. The Interested Director must inform our Board, of the details of the nature and extent of his interest, including all matters in relation to the proposed RRPTs that he is aware or should reasonably be aware of, which is not in the best interest of the Company or our subsidiary, as the case may be.
- (viii) The Interested Major Shareholder or Person Connected to them must not vote at the general meeting on the resolution approving the RRPTs. It is the duty of the Interested Director and Interested Major Shareholder to ensure that Persons Connected to them abstain from voting on the resolution approving the RRPTs.

3. STATEMENT BY ARMC

The ARMC has seen and reviewed the procedures set out in Section 2.9 of this Circular and is of the view that the procedures and processes are:

- (i) sufficient to ensure that the RRPTs are undertaken based on normal commercial terms which are not more favourable to the Transacting Parties than those generally available to the public and are not to the detriment of the Company's minority shareholders; and
- (ii) adequate to monitor, track and identify RRPTs in a timely and orderly manner and that such procedures and processes are reviewed on an annual basis or whenever the need arises.

4. DISCLOSURE OF RRPTS

The breakdown of the aggregate value of RRPTs will be disclosed in the Company's annual report for the financial year during which the Proposed Renewal of Shareholders' Mandate is in force, providing amongst others, the following information:

- (a) the type of Recurrent Transactions entered into; and
- (b) the names of the Related Parties involved in each type of the Recurrent Transactions made and their relationship with Flexidynamic Group.

If the actual value of a Recurrent Transactions entered into by Flexidynamic Group exceeds the estimated value of the Recurrent Transactions disclosed in this Circular by 10% or more, immediate announcement to Bursa Securities will be made.

5. RATIONALE AND BENEFITS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

The Proposed Renewal of Shareholders' Mandate will enable Flexidynamic Group to carry out RRPTs necessary for the Group's day-to-day operations, which are time sensitive in nature, and will eliminate the need to announce and convene separate general meetings (if applicable) from time to time to seek shareholders' mandate before entering into such RRPTs. This will substantially reduce the expenses, time and other resources associated with the convening of general meetings on an ad hoc basis, improve administrative efficiency and allow financial and manpower resources to be channelled towards attaining other corporate objectives.

The RRPTs carried out within the Flexidynamic Group creates mutual benefits for the companies in the Group, such as expediency and increased efficiency necessary for day-to-day operations.

In addition, the RRPTs are intended to meet the business needs of the Group on the best possible terms. By transacting with the Related Parties, the Group would have an advantage of familiarity with the background and management of the Related Parties, thus enabling more informed commercial decisions to be made. In most dealings with the Related Parties, the Group and the Related Parties have close co-operation and a good understanding of each other's business needs thus providing a platform where all parties can benefit from conducting the RRPTs.

6. EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

The Proposed Renewal of Shareholders' Mandate will not have any effect on the issued share capital of the Company and our substantial shareholders' shareholdings and is not expected to have a material effect on the NA per share, gearing and earnings per share of our Group.

7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

As at LPD, the direct and indirect interests of the Directors, Major Shareholders and/or Persons Connected to the Directors and Major Shareholders of Flexidynamic who are interested and/or do not consider themselves independent in the RRPTs are as follows:

<u>Name</u>	As at the LPD			
	<u>Direct</u> <u>No. of</u> <u>Shares</u>	<u>%</u>	<u>Indirect</u> <u>No. of</u> <u>Shares</u>	<u>%</u>
<u>Interested Directors</u>				
Tan Kong Leong	117,892,900	41.41	9,137,800*	3.21
<u>Interested Major Shareholders</u>				
Tan Kong Leong	117,892,900	41.41	9,137,800*	3.21
Phitchaya Arsangku	6,259,800	2.20	120,770,900**	42.42

* Deemed interest via spouse's shareholding and his shareholding in TECS Properties Sdn Bhd pursuant to Section 8 of the Act.

**Deemed interest via spouse's direct and indirect shareholding in the Company.

Name	As at the LPD			
	<u>Direct</u> No. of Shares	<u>%</u>	<u>Indirect</u> No. of Shares	<u>%</u>
<u>Person Connected</u>				
Tan Kong Kee	700,000		-	
Chin Nyuk Fong	-		-	
Tan Eng Cheong	160,000		-	
Tan Kong Wee	450,000		-	
Tan Kon How	674,000		-	

Accordingly, the Interested Director, namely Tan Kong Leong has abstained and will continue to abstain from all Board deliberations and voting on the Proposed Renewal of Shareholders' Mandate. Further, the Interested Director and Interested Major Shareholder will abstain from voting in respect of their direct and indirect interests, if any, on the resolution pertaining to the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM.

In addition, the Interested Directors, namely Tan Kong Leong and Interested Major Shareholder, namely Phitchaya Arsangu have under taken to ensure that Persons Connected to them will abstain from voting pertaining to the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM in respect of their direct and indirect interests in the Company.

Save as disclosed above, none of the other Directors, Major Shareholders or Persons Connected to Directors or Major Shareholders of the Company has any interest, direct or indirect, in the Proposed Renewal of Shareholders' Mandate.

8. APPROVALS REQUIRED

The Proposed Renewal of Shareholders' Mandate is conditional upon the approval of the shareholders of the Company being obtained at the forthcoming AGM.

9. DIRECTORS' RECOMMENDATION

The Directors of Flexidynamic (save for Tan Kong Leong, who is the Interested Director and have abstained from all deliberations and voting in respect of the Proposed Renewal of Shareholders' Mandate) having considered all aspects of the Proposed Renewal of Shareholders' Mandate and after careful deliberation, are of the opinion that the Proposed Renewal of Shareholders' Mandate is in the best interest of the Company. Accordingly, the Board (save for Tan Kong Leong) recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming AGM.

10. AGM

The ordinary resolution to approve the Proposed Renewal of Shareholders' Mandate is set out in the Notice of the 4th AGM contained in the Company's Annual Report 2022.

You are entitled to attend and vote at the forthcoming AGM or appoint a proxy to vote for and on your behalf. In the event if you are unable to attend and vote in person, you are requested to complete, sign and return the Form of Proxy at the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or by electronic lodgement via TIIH Online website at <https://tiih.online> not less than 48 hours before the time appointed for holding the 4th AGM.

The lodging of the Form of Proxy will not preclude you from attending and voting in person at the forthcoming AGM should you subsequently wish to do so.

11. FURTHER INFORMATION

You are advised to refer to the attached Appendix I for further information.

Yours faithfully,
For and on behalf of the Board of Directors
FLEXIDYNAMIC HOLDINGS BERHAD

PHANG SZE FUI
Independent Non-Executive Chairperson

APPENDIX I – FURTHER INFORMATION.

1. RESPONSIBILITY STATEMENT

The Directors have seen and approved this Circular and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after making all reasonable enquiries, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. MATERIAL CONTRACT

Save for the disclosed below, there are no other material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Group within two (2) years immediately preceding the date of this Circular:

- i) Sale and purchase agreement dated 5 July 2022 between Flexidynamic Engineering and Eraglo Properties Sdn. Bhd. for the acquisition of a piece of freehold industrial land identified as HSD 48996, PT51477, Mukim Tanjong Duabelas, District of Kuala Langat, Selangor with a single-storey semi-detached factory incorporating a 2-storey building erected thereon within a light industrial development known as Excellent Technology Park IV and bearing postal address of No. 10, Jalan 1/3, Kawasan Perusahaan Olak Lempit, 42700 Banting, Selangor for a purchase consideration of RM4,888,888. This sale and purchase agreement was completed on 13 October 2022.

3. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

As at the LPD, our Group is not involved in any material litigation, claim or arbitration, either as plaintiff or defendant, and our Directors confirm that there is no legal proceeding, pending or threatened, against our Group or of any fact likely to give rise to any proceeding which might materially and adversely affect our business or financial position.

4. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection by the shareholders at the Registered Office of Flexidynamic at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur during normal office hours between Monday and Friday (except public holidays) from the date of this Circular to the date of the forthcoming AGM:

- (a) The constitution of Flexidynamic; and
- (b) The audited consolidated financial statements of Flexidynamic for the financial years ended 31 December 2021 and 31 December 2022.

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