



FLEXIDYNAMIC HOLDINGS BERHAD
Registration No. 201901010656 (1319984-V)
(Incorporated in Malaysia under the Companies Act 2016)

ANNUAL REPORT 2024



PRECISION
MEETS
FOCUS



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WHAT'S INSIDE



About Us

Flexidynamic Group is a solutions provider for the rubber glove manufacturing industry with market presence in Thailand, Vietnam, United States of America, Indonesia, and Sri Lanka, supported by our offices in Malaysia and Thailand, along with our manufacturing facility in Banting, Malaysia.

Incorporated in 2012, Flexidynamic Engineering Sdn Bhd started with humble beginnings, with a focus on providing chlorination system to glove manufacturers for the production of powder-free gloves. Over the years, we expanded our products in tandem with the growth of the rubber glove manufacturing industry around the globe. In 2018, Flexidynamic Group acquired 49% stake in Flexidynamic Engineering Co. Ltd. in Thailand, that supported our overseas operations mainly in the Southeast Asia region.

With our wide range of products offering, continuous improvement and innovation, and strong support base, Flexidynamic Group seeks to grow to new heights, both within and beyond the glove manufacturing industry.

Our Values

Energy Efficiency



Innovative designs and engineering performance optimisation are used to reduce operation power consumption, thereby reducing energy costs and environmental pressure

Customer Satisfaction



- Provide the highest quality solution with high-efficiency systems to cater for the customer's exact requirements and needs
- Provide the best customer service experience by improving customer satisfaction and service response time

Value For Money



- Provide the best cost-effective solution to fit every budget range without compromising quality

CORPORATE INFORMATION

BOARD OF DIRECTORS

DR. TEH CHEE GHEE

*Independent Non-Executive Chairman
(Appointed on 1 July 2024)*

TAN KONG LEONG

Managing Director

SIN KUO WEI

Deputy Managing Director

LIEW HENG WEI

Executive Director

LION SUK CHIN

Executive Director

NOOR ZALIZA YATI BINTI YAHYA

Independent Non-Executive Director

Ir. CHONG KAI FENG

Independent Non-Executive Director

POH CHEE FONG

Independent Non-Executive Director

PHANG SZE FUI

*Independent Non-Executive Chairperson
(Retired on 26 June 2024)*

**AUDIT AND RISK
MANAGEMENT COMMITTEE**

Noor Zaliza Yati Binti Yahya (*Chairperson*)
Ir. Chong Kai Feng (*Member*)
Poh Chee Fong (*Member*)

REMUNERATION COMMITTEE

Ir. Chong Kai Feng (*Chairman*)
Noor Zaliza Yati Binti Yahya (*Member*)
Poh Chee Fong (*Member*)

NOMINATION COMMITTEE

Poh Chee Fong (*Chairman*)
Ir. Chong Kai Feng (*Member*)
Noor Zaliza Yati Binti Yahya (*Member*)

REGISTERED OFFICE

Level 15-2
Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel No. : 03-2692 4271
Fax No. : 03-2732 5388

HEAD OFFICE

A-3A-28, IOI Boulevard, Jalan Kenari 5
Bandar Puchong Jaya
47170 Puchong
Selangor
Tel No. : 03-8079 1878
Fax No. : 03-8079 1898

COMPANY SECRETARIES

Lim Seck Wah
(MAICSA No. 0799845)
(SSM PC No: 202008000054)
Tang Chi Hoe (Kevin)
(MAICSA No. 7045754)
(SSM PC No: 202008002054)

AUDITORS

TGS TW PLT (202106000004
(LLP0026851-LCA) & AF002345)
Unit E-16-2B,
Level 16, Icon Tower (East),
No. 1, Jalan 1/68F, Jalan Tun Razak,
50400 Kuala Lumpur.
Tel No. : 03-9771 4326
Fax No. : 03-9771 4327

SHARE REGISTRAR

Tricor Investor &
Issuing House Services Sdn Bhd
(Registration No. 197101000970
(11324-H))
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel No. : 03-2783 9299
Fax No. : 03-2783 9222
Email : is.enquiry@vistra.com

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia
Securities Berhad

CORPORATE STRUCTURE



FLEXIDYNAMIC HOLDINGS BERHAD
Registration No. 201901010656 (1319984-V)
(Incorporated in Malaysia under the Companies Act 2016)



100%

**Flexidynamic
Engineering Sdn Bhd**
Registration No. 201201038428
(1022906-K)



51%

Gammatech Sdn Bhd
Registration No. 202001021180
(1377500-V)



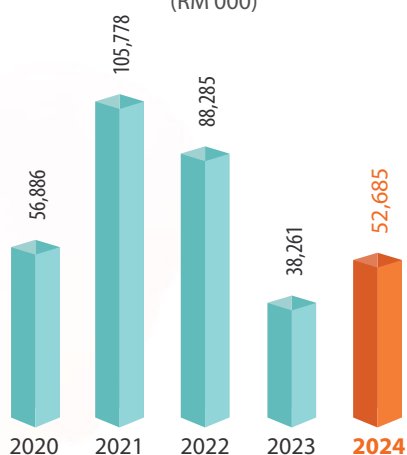
49%

**Flexidynamic
Engineering Company Limited**
Registration No. 0135558013141

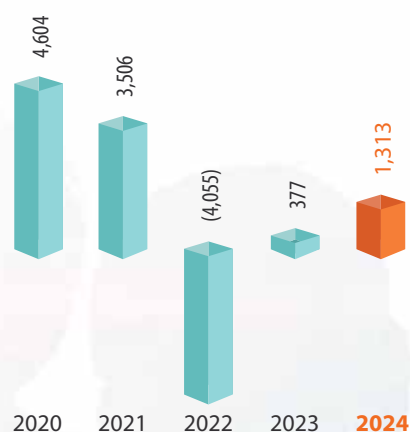
FINANCIAL HIGHLIGHTS

	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Revenue (RM'000)	56,886	105,778	88,285	38,261	52,685
Gross Profit (RM'000)	12,573	17,493	13,540	10,480	10,048
Gross Profit Margin	22.10%	16.54%	15.34%	27.39%	19.07%
Profit/(Loss) After Tax (RM'000)	4,604	3,506	(4,055)	377	1,313
Profit/(Loss) After Tax Margin	8.09%	3.31%	(4.59%)	0.99%	2.49%
Total Asset (RM'000)	61,746	115,354	81,282	68,883	91,855
Total Equity (RM'000)	24,745	43,366	37,180	37,862	42,024

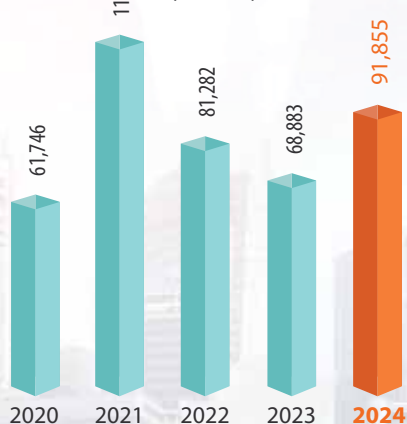
REVENUE
(RM'000)



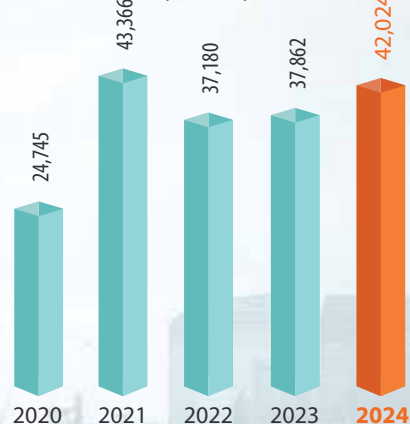
PROFIT/(LOSS) AFTER TAX
(RM'000)



TOTAL ASSET
(RM'000)



TOTAL EQUITY
(RM'000)



PROFILE OF DIRECTORS

DR. TEH CHEE GHEE



Male



59 years old



Malaysian

DR. Teh Chee Ghee is our Independent Non-Executive Director. He was appointed to our Board on 1 July 2024, and is the chairman of our Board.

Dr. Teh holds a Doctor of Philosophy (PhD) degree in Credit Management, a Master of Business Administration (MBA) and a Bachelor of Accounting (Honours) degree, all from the University of Malaya. He is an ex-Council Member of the Malaysian Institute of Certified Public Accountants (MICPA), a fellow member of the Association of Chartered Certified Accountants (ACCA) and the Chartered Tax Institute of Malaysia (CTIM), and a member of the Malaysian Institute of Accountants (MIA).

Dr. Teh commenced his career in 1990 at Arthur Andersen-HRM (Management Services) Sdn Bhd as an Associate Consultant. He then served in the audit and business advisory division of Arthur Andersen & Co. from 1990 to 1994 where his last position was the branch in charge of Kuala Terengganu office. He then joined CWS Hygiene Sdn Bhd ("CWS") as the Finance & Administration Manager in 1994 and when the Zuellig Group acquired CWS in 1995, he was appointed as the Regional Financial Controller of Gold Coin Feedmills (M) Sdn Bhd. In 1996, he joined Engtex Sdn Bhd as the Group Financial Controller and also was appointed as the Personal Assistant ("PA") to the Group Managing Director and Company Secretary of Engtex between January 2000 and May 2006.

After leaving Engtex, he served TH Group Berhad from June 2006 to October 2010 as the PA to the Group Managing Director. He was also seconded to be the Acting Chief Operating Officer of Nilai Medical Centre (now known as Aurelius Hospital Nilai) from February 2010 to October 2010. After leaving TH Group Berhad, he joined TSH Resources Berhad as the General Manager - Strategic Planning and Operations from October 2010 to October 2012.

Subsequently, he joined Monash University Malaysia in October 2012 as a Senior Lecturer in Accounting and Finance in the School of Business. He was also the Deputy Director of Research of the School of Business in Monash University Malaysia from January 2013 to January 2014, the Deputy Director of MBA Programme from 2017 to 2018, and the Deputy Director - Development & External Engagement of the Entrepreneurship and Innovation Hub (eiHub) of the School of Business since 2018 to July 2019.

Dr. Teh was also appointed as the Head of Research of the Socio-Economic Research Centre, operating under SERC Sdn Bhd, an independent think tank initiated by the Associated Chinese Chambers of Commerce and Industry of Malaysia under a paid outside work retainer arrangement with Monash University Malaysia from January 2014 to February 2016. He retired from academia in January 2022 after reaching the age of 55. In February 2022, Dr. Teh re-joined Engtex as its Chief Operating Officer and completed his contract for service with Engtex in May 2024.

He is currently the Independent Non-Executive Director (INED) for two public-listed companies (PLCs): ACO Group Berhad (since August 2019) and LGMS Berhad (since September 2021), both listed on the ACE Market of Bursa Malaysia.

Dr. Teh does not have any family relationships with any director or major shareholders of any PLCs, nor does he have any conflict of interest with any PLCs. He has no conviction of any offences within the past five years (other than traffic offences, if any), and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILE OF DIRECTORS

(cont'd)

TAN KONG LEONG



Male



51 years old



Malaysian

Tan Kong Leong is our Managing Director. He was appointed to our Board on 9 June 2020. He is responsible for determining the strategic direction and growth of our Group, as well as overseeing the overall business development of our Group.

In 1989, upon completing his Form 2 in Sekolah Menengah Jenis Kebangsaan Seg Hwa, Segamat, Johor, he worked as an apprentice in automotive workshops and metal workshops and was involved in various general contracting works in Penang. In 1992, he moved to Kuala Lumpur and became a freelance technician involved in providing installation, repair and maintenance services for air conditioners.

In December 1996, he set up T&L Air-cond Engineering under a partnership with a business partner who subsequently left the business in 1999. Through T&L Air-cond Engineering, he was involved in providing air conditioner installation, repair and maintenance services for residential and commercial buildings as a subcontractor.

In 2000, T&L Air-cond Engineering ventured into the glove chlorination business as a subcontractor. In 2005, when ZYL Dynamic Sdn Bhd was established by his brother, Tan Kong Kee, T&L Air-cond Engineering became a subcontractor to ZYL Dynamic Sdn Bhd, a company involved in the design and engineering of glove chlorination systems. As a subcontractor, T&L Air-cond Engineering provided fabrication and installation services for glove chlorination systems, storage tanks and process tanks.

With over 12 years of experience in the manufacturing of glove chlorination systems as a subcontractor under T&L Air-cond Engineering since 2000, he set out to establish Flexidynamic Engineering in November 2012 and has been the Managing Director of Flexidynamic Engineering since then. He also ceased to conduct business under T&L Air-cond Engineering since then. In June 2020, he was appointed as the Managing Director of Flexidynamic Holdings Berhad.

He does not hold any directorship in other public listed company. He attended all Board meetings held during the financial year ended 31 December 2024.

SIN KUO WEI



Male



34 years old



Malaysian

Sin Kuo Wei is our Deputy Managing Director and Executive Director. He was appointed to the Board on 1 March 2022. He is also the Chairman of the ESOS Committee.

He graduated with a Bachelor of Engineering (Honours) from University of Melbourne, Australia in 2013. He also obtained a Master of Business Administration from Monash University, Malaysia in 2018. He is a Graduate Engineer registered under the Board of Engineers Malaysia since 2020.

He started his career in March 2014 when he joined our Group as Project Engineer. He assisted in the planning and execution of projects including design, development, manufacturing and assembly of our Group's products and systems; as well as liaising with our customers, suppliers, subcontractors and government agencies to ensure smooth and timely delivery of projects. He developed a project management methodology that enables systematic communications and streamlining of interactions between various departments and/or job functions including manufacturing, inventory management and systems installation to increase efficiency of workflows.

In January 2016, he was promoted to Senior R&D Engineer where he took on additional responsibilities to include R&D activities to enhance and improve the efficiencies and functionalities of our existing products and systems. While he was Senior R&D Engineer, he successfully developed an enhanced and upgraded version of process tanks and storage tanks, which led to his promotion to Manager of our R&D in January 2017. As Manager of our R&D department, he led a team of engineers and worked closely with our engineering and production departments to constantly enhance and improve our products and systems in order to meet our customers' requirements and expectations.

In January 2018, he was promoted to Senior Manager of R&D where he led our R&D efforts, involving in monitoring the progress of our R&D projects, and provided advice and guidance to engineers in the enhancement of our existing products and systems as well as the development of new products and systems. Subsequently in July 2018, he was promoted to General Manager. In March 2022, he was promoted and appointed as the Director of Flexidynamic Engineering.

In March 2022, he was appointed as the Deputy Managing Director and Executive Director of Flexidynamic Holdings Berhad, a position he holds until today.

He does not have any family relationship with any director/or major shareholder of Flexidynamic Holdings Berhad.

He attended all Board meetings held during the financial year ended 31 December 2024.

PROFILE OF DIRECTORS

(cont'd)

LIEW HENG WEI



Male



46 years old



Malaysian

Liew Heng Wei is our Executive Director. He was appointed to our Board on 9 June 2020. He is responsible for overseeing the overall operational processes of our Group, including, amongst others, overseeing the manufacturing of our products and systems, supervising subcontractors' works, managing foreign workers as well as identifying and sourcing suitable suppliers.

In 1997, he completed his secondary education and obtained a Sijil Pelajaran Malaysia at Sekolah Menengah Jenis Kebangsaan Seg Hwa, Segamat, Johor. Upon completion of his secondary education, he joined Polydynamic Project Sdn Bhd in December 1997 as Technician, where he was involved in the fabrication and welding of steel pipes, as well as manufacturing of plastic components.

In January 2000, he was promoted to Supervisor where he supervised the workflow of the technician team and provided guidance to junior technicians. In December 2004, he left Polydynamic Project Sdn Bhd and joined ZYL Dynamic Sdn Bhd in January 2005 as a Supervisor, where he was involved in the layout design and drawing of glove chlorination systems, supervising production workflow and coordinating the installation of glove chlorination systems at customers' sites. He was also responsible for the implementation and enforcement of quality assurance procedures. He left ZYL Dynamic Sdn Bhd in October 2012.

In November 2012, he co-founded Flexidynamic Engineering with Tan Kong Leong and he was appointed as Director, where he oversaw the operational activities including the designing of glove chlorination systems and products, preparing quotations and tender documents, liaising with customers and consultants, planning production schedules, monitoring production progress, as well as testing and commissioning of systems to ensure smooth and timely delivery of projects. In June 2020, he was appointed as Executive Director of Flexidynamic Holdings Berhad.

He is the spouse of Lion Suk Chin. He does not hold any directorship in other public listed company. He attended all Board Meetings held during the financial year ended 31 December 2024.

LION SUK CHIN



Female



44 years old



Malaysian

Lion Suk Chin is our Executive Director. She was appointed to our Board on 9 June 2020. She is responsible for implementing, monitoring and managing our Group's operational processes including administrative functions, human resources management as well as compliance with rules and regulations and industry best practices. She is also a member of the ESOS Committee.

She graduated with a Diploma in Business Studies (Accounting) from Tunku Abdul Rahman College (now known as Tunku Abdul Rahman University College) in 2002. Upon graduation, she joined Lai Yeow Kwang & co in May 2002 as Audit Junior, where she assisted in audit works for clients in various industries such as manufacturing, construction, property development, trading and consultancy. In March 2005, she left Lai Yeow Kwang & co and joined Guan & Associates in April 2005 as Audit Semi Senior where she was responsible for audit works, monitoring audit processes to ensure completion within timeframe, reviewing customers' internal control systems, as well as introducing and implementing audit planning memorandums to improve the quality and efficiency of audit processes.

In November 2007, she left Guan & Associates and joined Tomei Gold & Jewellery Manufacturing Sdn Bhd as Accounts Executive, where she was responsible for performing daily accounting and finance tasks covering accounts receivables, general ledger, and cash and bank balance management. In April 2009, she was promoted to Senior Accounts Executive, where her responsibilities covered the accounting and finance functions of Tomei Consolidated Berhad, a company listed on the Main Market of Bursa Securities and its subsidiaries. She was further promoted to Assistant Accountant in 2010, where she undertook additional responsibilities including preparing annual reports, financial statements and quarterly announcements to Bursa Securities, as well as analysing the group's financial information and assisting the preparation of financial forecast and budgets. In 2011, she was transferred to another subsidiary under Tomei Consolidated Berhad, namely Tomei Gold & Jewellery Holdings (M) Sdn Bhd, where she assumed the same designation and responsibilities.

In August 2013, she left Tomei Gold & Jewellery Holdings (M) Sdn Bhd and joined our Group as Assistant Accountant, where she was responsible for the daily finance and accounting functions including, preparing and maintaining financial and management reports, managing cash flow and inventories, handling tax matters as well as legal matters in relation to the finance division of our Group. She was also in charge of administrative and human resource matters of our Group. In January 2014, she was promoted to Finance Manager, where she led and supervised the finance team in performing the daily financial operations and the preparation of statutory reporting of our Group. In addition, she also headed and managed the administrative and human resource functions of our Group. In April 2019, she was promoted and appointed as the Director of Flexidynamic Engineering.

In June 2020, she was appointed as Executive Director of Flexidynamic Holdings Berhad.

She is the spouse of Liew Heng Wei. She does not hold any directorship in other public listed company. She attended all Board meetings held during the financial year ended 31 December 2024.

PROFILE OF DIRECTORS

(cont'd)

NOOR ZALIZA YATI BINTI YAHYA

 Female  47 years old  Malaysian

Noor Zaliza Yati Binti Yahya is our Independent Non-Executive Director. She was appointed to our Board on 9 June 2020, and is also the chairperson of our Audit and Risk Management Committee and member of our Remuneration Committee and Nomination Committee.

She graduated with a Bachelor of Accountancy (Honours First class) from Universiti Putra Malaysia and is a member of the Malaysian Institute of certified Public Accountants (MICPA) and the Malaysian Institute of Accountants (MIA).

Noor Zaliza Yati Binti Yahya is a Chartered Accountant with more than 24 years of professional experience with established organisations in various industries. She began her career in 1999 at KPMG as a financial auditor, and later Arthur Andersen & Co in 2000 and Ernst & Young in 2002. She has since held various roles in finance, statutory reporting, corporate services, treasury and corporate taxation with a variety of companies involved in upstream oil and gas, financial services and marine construction.

In 2010, she joined Petroliaam Nasional Berhad, and was seconded to Petronas Carigali Sdn Bhd, initially as Cost Accountant, moving on in 2012 to become Head, Assets and Cost Allocation Management, Financial Reporting, Upstream Malaysia Finance with responsibility for overall Assets Reporting and Assets Management.

From 2016 to 2017, she served as Chief Financial Officer of Sapura Kencana GE Oil & Gas Services Sdn Bhd, with responsibility for overall finance functions including statutory and management reporting, internal controls, treasury and corporate taxation.

Since then, she has been promoting life insurance and takaful services under Prudential Assurance (Malaysia) Berhad and unit trust fund investments under Public Mutual Berhad. In 2019, she incorporated Zanoor Synergy Services, a sole proprietorship to undertake life insurance, takaful and unit trust investment business activities.

In January 2020, she joined Firmus Consulting Sdn Bhd as Security Consultant where she provided advisory services, including reviewing and providing recommendations on issues relating to information technology security policies and practices. In July 2020, she left Firmus Consulting Sdn Bhd to focus on Zanoor Synergy Services.

She currently sits on Board of Directors of Microlink Solutions Berhad as Independent Non-Executive Director of the Company.

She attended all Board meetings held during the financial year ended 31 December 2024.

IR. CHONG KAI FENG

 Male  36 years old  Malaysian

Ir. Chong Kai Feng has been serving as an Independent Non-Executive Director on our Board since his appointment on 9 June 2020. He is the Chairman of the Remuneration Committee and a member of the Audit and Risk Management Committee, Nomination Committee, and ESOS Committee.

He holds a Bachelor's Degree in Mechanical Engineering from Multimedia University, which he obtained in 2013, followed by a Master of Business Administration from Monash University in 2018. Ir. Chong is a registered Professional Engineer with the Board of Engineers Malaysia and a member of the Institution of Engineers Malaysia since 2019. Additionally, he has been an active member of the Perak Chinese Chamber of Commerce and Industry since 2015. He began his career in October 2012 as an Operations Manager at Terminal Urus Sdn Bhd, a subsidiary of Perak Transit Berhad, where he managed daily bus terminal operations.

In February 2013, he transitioned to Success Engineering Solutions (M) Sdn Bhd as a Project Engineer, handling project tenders, commercial negotiations, and the management of construction projects involving steel structures, storage tanks, and bulk handling facilities. His expertise and leadership led to his promotion to Project Director in January 2016, where he was responsible for overseeing project resources and risk management. He left the company in June 2021.

In July 2017, he founded Kai Advisory, initially offering process engineering consultation services. The firm was later incorporated as Kai Advisory (M) Sdn Bhd, where he currently serves as Managing Director, overseeing business development and strategic growth.

In December 2018, he co-founded Winny Ker & Collaborations PLT, a limited liability partnership specializing in design and build solutions for residential and commercial projects. He acted as an advisor, providing guidance on operational management. The business ceased operations in 2024.

He does not hold any directorship in other public listed company. He attended all Board meetings held during the financial year ended 31 December 2024.

PROFILE OF DIRECTORS

(cont'd)

POH CHEE FONG



Male



53 years old



Malaysian

Poh Chee Fong is our Independent Non-Executive Director. He was appointed to our Board on 1 December 2021, and is also the Chairman of our Nomination Committee, a member of our Remuneration Committee and Audit and Risk Management Committee.

He graduated with a Bachelor of Arts (Accounting & Finance) from University of Strathclyde, the United Kingdom in 1994. In 2018, he obtained a Master of Business Administration from Monash University. Currently, he is a fellow member of the Association of chartered certified Accountants as well as a member of the Malaysian Institute of Accountants.

In September 1994, he began his career as an Audit Staff at Arthur Andersen & co and subsequently became an Executive of the Corporate Advisory Department at Malaysian International Merchant Bankers Berhad. In July 1999, he joined OSK Securities Berhad where he was holding various positions, namely, Vice President of Institutional Sales, Vice President of Fixed Income and Head of Priority Broking. In February 2006, he left OSK Securities Berhad for credit Suisse Singapore as a Relationship Manager of the Private Banking Division. In November 2009, he left credit Suisse Singapore and joined Green Packet Berhad as the Head of corporate communication & Investor Relations (IR), where he was responsible for the strategic planning and implementation of IR activities and corporate communication of the company. In October 2011, he left Green Packet Berhad for Sime Darby Berhad as a Head of Investor Relations, where he was in charge of the strategic planning of the company's IR activities, executing IR engagement programs with its stakeholders with increasing emphasis on sustainability and sustainability reporting. In July 2020, he left Sime Darby Plantation Berhad and joined Esente Advisory Sdn Bhd as an Executive Director. He was responsible for strategic communication advisory which specializes in Investor Relations, Public Relations and corporate advisory services for public listed companies on Bursa Malaysia. He left Esente Advisory Sdn Bhd and joined Lotte Chemical Titan Berhad in April 2022, as a Director of IR and Communications, a position he held until March 2024. He joined Johor Plantations Group Berhad in April 2024 as a Head of Corporate Strategy and held the position until January 2025.

He does not have any family relationship with any director/ or major shareholder of Flexidynamic Holdings Berhad. He attended four (4) Board meetings held during the financial year ended 31 December 2024.

Other Information

- The Group has entered into recurrent related party transactions with parties in which the directors of the Company, namely Tan Kong Leong has direct and/or Indirect interests as disclosed in Note 31 of the Financial Statements section of this Annual Report.
- Save for the above mentioned disclosure, none of the other Directors have any conflict of interest with the Company.
- None of the Directors has been convicted of any offences other than traffic offences, if any, within the past five (5) years and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the year.
- Tan Kong Leong and Liew Heng Wei are major shareholders of the Company.

PROFILE OF KEY SENIOR MANAGEMENT

Tan Kong Leong

Tan Kong Leong profile is available on Page 7

Sin Kuo Wei

Sin Kuo Wei profile is available on Page 7

Liew Heng Wei

Liew Heng Wei profile is available on Page 8

Lion Suk Chin

Lion Suk Chin profile is available on Page 8

Chen Li Chin, a Malaysian, female, aged 43, is our Financial Controller. She joined our Group on 14 June 2021. She is responsible for overseeing our Group's overall financial matters including accounting, taxation, corporate finance and treasury functions. She is also a member of the ESOS Committee.

She is a chartered accountant and a member of Malaysian Institute of Accountants since 2018. She is also a member of The Association of Chartered Certified Accountants ("ACCA") since 2017 and fellow member of ACCA since 2022.

She started her career as an Audit Junior at S.M.Tuang & Co in September 2004, where she was primarily involved in various statutory audit assignments and also involved in Taxation. In December 2010, she left S.M.Tuang & Co and joined SJ Grant Thornton as Audit Supervisor. She was subsequently promoted to Audit Assistant Manager, Audit Manager and Audit Senior Manager in 2011, 2012 and 2014 respectively where her role was extended to leading and monitoring a team of audit associates in various audit assignments.

In August 2017, she was promoted to the Principal at Grant Thornton Malaysia, where she acted as the second reviewer, with a strong focus on statutory audit of listed companies in the Main Market and ACE Market of Bursa Malaysia. During this time, she is also responsible for due diligence review, corporate exercises, IPOs, and merger and acquisitions.

In July 2019, she left Grant Thornton Malaysia for the role of Financial Controller at IRS Software Solution (M) Sdn Bhd, where she developed organization financial strategies and recommended strategic directions.

In June 2021, she left IRS Software Solution (M) Sdn Bhd and joined our Group as the Financial Controller, a position she holds until today.

She does not have any directorship in other public listed company nor family relationship with any Director or major shareholder of Flexidynamic Holdings Berhad.

Other Information

- All the key senior management personnel are Malaysian.
- Save for Tan Kong Leong, none of the key senior management personnel have any conflict of interest with the Company.
- None of the key senior management personnel has been convicted of any offences other than traffic offences, if any, within the past five (5) years and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the year.

CHAIRMAN'S STATEMENT



**Dear Valued
Shareholders,**

On behalf of the Board of Directors ("**Board**"), I have pleasure to presenting the fifth annual report and audited financial statements of Flexidynamic Holdings Berhad ("**Flexidynamic**" or the "**Company**") and its subsidiaries ("**Group**") for the financial year ended 31 December 2024 ("**FY2024**").



2024 YEAR IN REVIEW

Despite many challenges facing the glove manufacturing industry such as production overcapacity, excess inventories, weak demand and high input cost that persisted post COVID-19 pandemic until the first half of 2024. The Group stayed agile and vigilant with continual productivity improvements, cost efficiency as solutions provider. The Group cautiously monitored the glove manufacturing industry market continuously and managed to weather through with higher revenue growth and remain profitable in FY2024.

During FY2024, the Group posted a total revenue of RM52.69 million, derived mainly from the design, engineering, installation, and commissioning of glove chlorination systems, as well as the supply and installation of Mechanical and Electrical ("**M&E**") engineering works. This represents a significant increase of 37.72% compared to the RM38.26 million recorded a year ago. The growth was largely driven by revenue from existing glove manufacturing customers

upgrading their production systems, replacing equipment, and revenue from the Group's M&E engineering works for the construction of water intake and treatment plant.

The local glove manufacturing customers proactively upgrading their existing systems and equipment in FY2024 in anticipation of a potential increase in global glove demand and improved competitiveness for Malaysian glove exports following September 13, 2024 announcement by The Office of the United States Trade Representative (USTR) on the increase in import tariffs on China-made medical and surgical gloves - set to rise from 7.5% to 50% effective January 2025 and up to 100% by January 2026.

The provision of sterilisation services using gamma radiation project is currently in the initial stage and will not be contributing to the revenue of the Group in the foreseeable future until the plant is constructed and ready for commercial operations.

CHAIRMAN'S STATEMENT

(cont'd)

MOVING AHEAD

As the business environment is expected to remain challenging in the near future, the Group will continue to improve and innovate our services and product offerings in overcoming the challenging period while implementing sustainable business practices.

Encouragingly, the glove industry is showing signs of stabilisation, with the current oversupply situation expected to become less acute moving forward. The Malaysian Rubber Glove Manufacturers Association ("MARGMA") forecasted that the global demand for rubber gloves is expected to grow steadily at a rate of 12% to 15% annually from the year 2025 onwards, underpinned by rising hygiene awareness. Recent developments suggest that the supply-demand imbalance may normalise earlier than anticipated, as glove industry players started to intensify their production to meet market demand, improving efficiencies and advancing into automation. This augurs well for Flexidynamic as one of the key providers of the glove manufacturing industry's capital goods and related services.

Under Budget 2025 world-class basic infrastructure initiatives, the Government will continue to invest in enhancing the development of basic infrastructure for Malaysia, in particular, potable water supply development. The Group is involved in the supply and installation of M&E engineering works for the water treatment plant and water intake in Kelantan. After this inaugural project, Flexidynamic is looking forward to participate in the M&E engineering works for water projects in Peninsular Malaysia.

Flexidynamic is progressing with its venture into the provision of sterilisation services using gamma radiation through its 51%-owned subsidiary, Gammatech Sdn. Bhd. The project is currently in the initial stage. The Group aims to leverage its existing glove manufacturing customers it currently serves and seize the opportunity to expand into other industries such as pharmaceuticals, food processing, and packaging industries that require sterilisation services.

Looking ahead, the Group will focus on existing core businesses and also expand into other value-added ventures such as manufacturing glove formers that are within our core competencies, to deliver sustainable longer-term values to our shareholders. These expansions highlight our Group's readiness to capitalise on the opportunities presented by the glove manufacturing and related industries in the aftermath of the post-pandemic downturn and the impending new tariffs on goods imported into to USA.

DIVIDEND

As the Group needs to retain funds for investment and operational requirements for expansion into infrastructure projects, the proposed gamma radiation sterilisation services, no dividends was proposed to be declared to shareholders for FY2024.

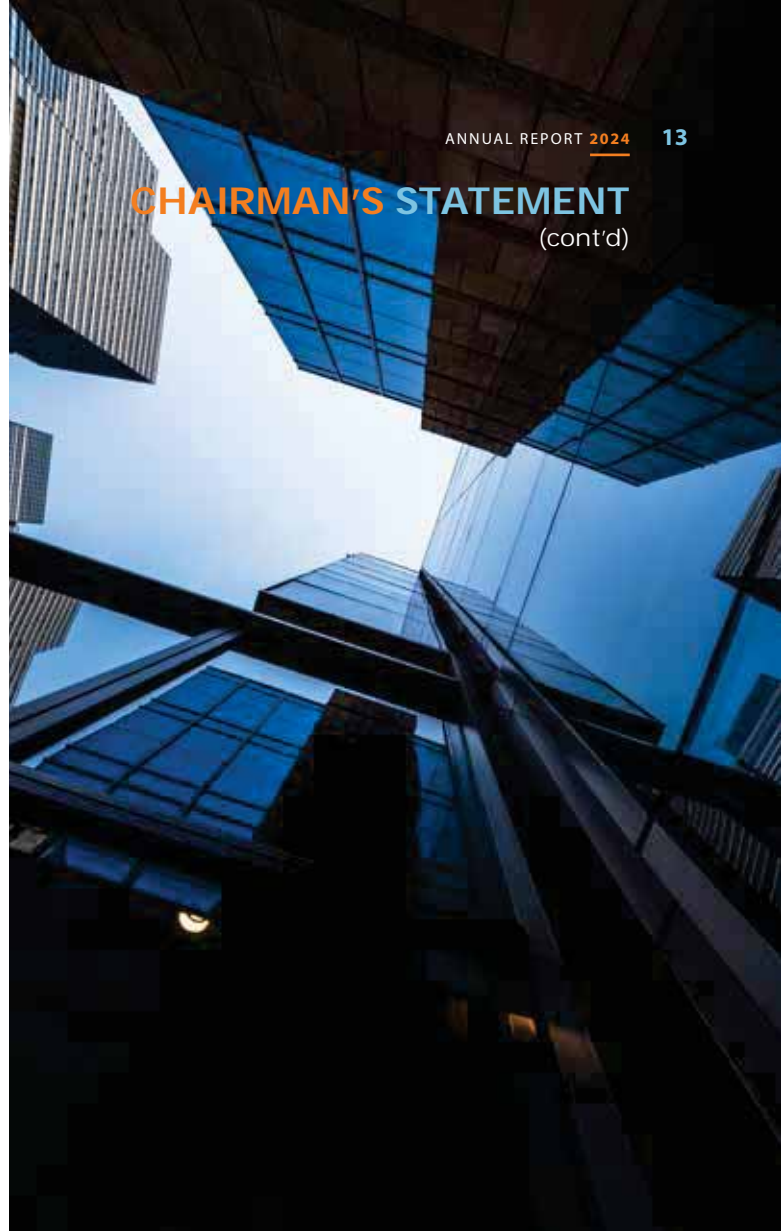
APPRECIATION

On behalf of the Board of Directors, I would like to thank our valued customers, business partners and shareholders for your trust, unwavering support, undivided loyalty and continued confidence in Flexidynamic throughout the years.

I would also like to express my heartfelt appreciation to my fellow Board members for their dedication and perseverance and to the members of our staff for their hard work, commitment and collegial contribution in navigating through yet another challenging year.

DR. TEH CHEE GHEE

Independent Non-Executive Chairman



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

Flexidynamic Holdings Berhad ("**Flexidynamic**" or the "**Company**") and its subsidiaries ("**Group**") are principally involved in the design, engineering, installation, and commissioning of glove chlorination systems and storage tanks and process tanks for the glove manufacturing industry.

During the financial year, the Group was awarded a subcontract for the supply and installation of mechanical and electrical ("**M&E**") engineering works for the water treatment plant and water intake at Loji Rawatan Air Chupak, Jajahan Gua Musang, Kelantan. This subcontract has started to contribute to the Group's earnings.

The Group is currently involved in two operating segments including glove chlorination systems, storage and process tanks, other products and services, trading and trading of replacement parts, repair, refurbishment and maintenance and M&E engineering works.

Fiberglass Reinforced Plastic ("**FRP**") lining services for trenches, pits and floors for better chemical resistance, and design and installation of scrubber systems to treat and draw acidic fumes from former cleaning areas are provided by the Group under other products and services segment.

In addition, the Group is involved in the trading of raw materials and replacement parts for glove chlorination systems, undertaking repairs, refurbishments and maintenance works for glove chlorination systems for its customers as and when required.

The Group also plans to diversify into the provision of sterilisation services using gamma radiation through Gammatech Sdn Bhd, its 51%-owned subsidiary.

The provision of sterilisation services is intended not only for our existing customers in the glove industry but also for sectors such as pharmaceuticals, food processing, and packaging. The Group aims to leverage its existing customer base to expand the gamma radiation sterilisation services into the industries it currently serves.

Despite the challenging operating environment, the Group has demonstrated resilience and agility, achieving strong revenue growth and improvement in profitability. The Group's commitment to diversification on infrastructure projects and upcoming gamma radiation sterilisation services for sustained growth in the years ahead.

FINANCIAL PERFORMANCE

The Office of the United States Trade Representative (USTR) under Biden's administration announced on 13 September 2024 an increase in import tariffs on China-made medical and surgical gloves from 7.5% to 50% effective January 2025 and up to 100% by January 2026. As such, our local customers have started preparing and engaging the Group to upgrade the current system and equipment to meet the returning demand for non-China-made gloves in the US market.

Accordingly, the Group recorded a total revenue of RM52.69 million, an increase of 37.72% for the financial year ended 31 December 2024 ("**FY2024**") under review as compared to RM38.26 million documented for the preceding financial year ended 31 December 2023 ("**FY2023**"). The increase in revenue was mainly due to existing customers upgrading their current production system and revenue from the subcontract for supply and installation of M&E engineering works.

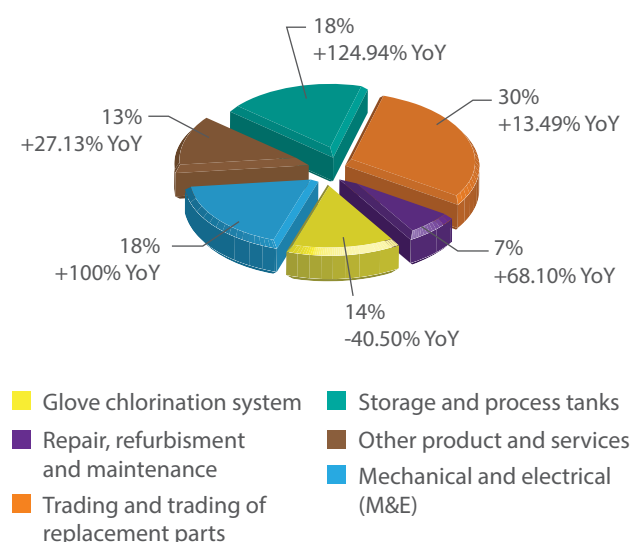
MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

Revenue by Segment

Revenue of the Group is generated from both local and overseas sales and the currencies used for billing are namely the Malaysian Ringgit (RM) and United States Dollar (USD).

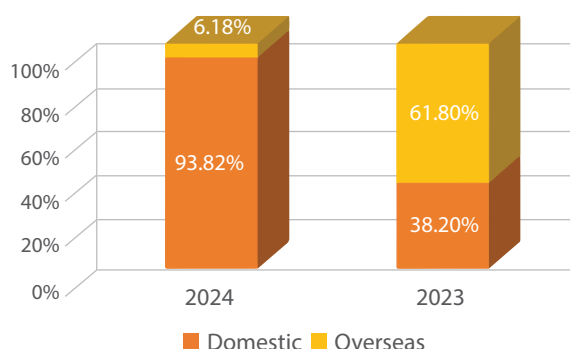
FYE 2024 REVENUE BREAKDOWN BY BUSINESS ACTIVITIES



Revenue by Geographical Locations

The Group's principal customers are based in Malaysia and overseas locations such as Thailand, Vietnam, Sri Lanka and Indonesia.

REVENUE BY GEOGRAPHICAL LOCATION



For FY2024, the Group recorded RM52.69 million in total revenue, of which RM49.43 million, equivalent to 93.82% was contributed by domestic sales. Meanwhile, the balance of RM3.26 million in revenue was contributed by overseas sales. Significant increase in the domestic market primarily driven by increased demand for system and equipment upgrades, storage and process tanks for existing customers, and contributions from the sub-contract for M&E engineering works.

Profit Before Tax and Profit After Tax

Despite recording higher revenue in FY2024, the Group recorded lower Profit Before Tax ("PBT") of RM1.39 million, a decrease of RM0.57 million compared to RM1.96 million in FY2023. The decrease was primarily due to lower margins for the mechanical and electrical engineering projects and the equipment supply for electrical work projects.

The Group reported Profit After Tax ("PAT") of RM1.31 million, an increase of 244.74% compared to RM0.38 million for FY2023. The increase in PAT was due to the reversal of deferred tax assets arising from the recognition of contract liabilities in the consolidated statements of profit or loss in FY2023.

PROFIT AFTER TAX (RM)

2024

1.31 million

2023

0.38 million

+245% YOY

Financial Position

For FY2024, the total assets of the Group have increased by RM22.87 million or 33.35% to RM91.85 million as compared to RM68.88 million for FY2023, reflecting a strategic expansion in operation on M&E engineering works.

The Group's equity position has strengthened, with a total equity increase from RM37.86 million in FY2023 to RM42.02 million, an increase of 9.90% compared to FY2024.

Liquidity and Capital Resources

The Group reports a strengthened financial position for FY2024 with cash and cash equivalents of RM10.28 million, an increase of RM2.13 million compared to RM8.15 million recorded for FY2023. The Group's cash flow slightly increased due to higher financing activities of the Group with additional bank borrowings during the FY2024 for expansion in operation on the M&E engineering works. The Group will continue to monitor financial management to preserve cash for future business expansion and maintain a better level of liquidity and cash flows for operation working capital. The Group's gearing ratio is at 0.38x.

MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

EXPECTED OR PERCEIVED RISKS

1. Highly dependent on the glove industry for our success and growth

Our Group's performance is largely dependent on the glove industry as we primarily serve glove manufacturers and glove-dipping line manufacturers at this juncture. As such, a decline in the global and domestic demand for gloves by end-users may lead to a slowdown in the glove industry, which will eventually have unfavourable impacts on our financial performance.

Our Group is constantly looking for the opportunity to diversify our expertise and/or product to other industries. Our Group have expanded into other industries for M&E engineering works, diversification on infrastructure projects and upcoming gamma radiation sterilisation services.

2. The Group are subject to volatility in the prices of our raw materials

Raw materials pricing such as plastic resins and mild steel is subject to fluctuation due to global demand and supply conditions.

The Group will continue to vigilantly monitor the price movement of the raw materials and attempt to mitigate any negative impact on the Group's profitability. We persist in minimising the impact on the Group's operations and financial performance by purchasing the raw materials upon receipt of confirmed orders from our customers.

3. We are subject to higher credit risk or bad debts

The Group generally grant the customer credit periods between 30 to 90 days. In the event that the payment is not received within the credit period, the Group may provide an allowance for expected credit losses on trade receivables or write off trade receivables as bad debt, which will adversely affect the Group's financial performance.

The Group is determined to improve our collection rate by closely following up with customers with overdue outstanding payments.

FORWARD LOOKING

The current glove market oversupply shows signs of moderation and is projected to improve gradually. Industry players are undertaking capacity rationalisation, including selective plant decommissioning and exits by newer entrants. This trend is expected to help the demand-supply dynamics move towards equilibrium sooner than anticipated.

According to the Malaysian Rubber Glove Manufacturers Association ("MARGMA"), global glove demand is projected to grow by 12%–15% annually from 2025, following an estimated 20% increase to 368 billion pieces in 2024. Glove demand is expected to rise by 12% in 2025 and return to its organic growth trend of 9% thereafter.

As a result, the overcapacity situation, previously recorded at 264 billion pieces in 2023, is projected to decline by 35% to 72 billion pieces in 2026. This structural reduction of 109 billion pieces of excess capacity underpins a fundamental improvement in the global glove supply-demand outlook.

On 2 April 2025, the new US administration announced 'reciprocal' tariffs on many trade partners, including Malaysia, which will face a 24% levy. A week later, a 90-day reprieve on these tariff increases was announced to allow negotiation between the US and its trade partners, with a blanket 10% tariff during this period except for China, which was hit with a steep 125% tariff increase on top of an existing 20% levy. As a safeguard measure to prevent trading diversion from other countries, the Ministry of Plantation and Commodities banned the export of non-locally made rubber gloves from 25 April 2025.

The present development will benefit the Group with the increase in the demand for glove production capacity enhancements in Malaysia and other overseas locations that we serve.

Complementing this positive trajectory, the Group is advancing its plan to diversify into the provision of gamma radiation sterilisation services via its 51%-owned subsidiary, Gammatech Sdn Bhd. This initiative, currently in the planning phase, will support not only existing glove customers but also expand to serve the pharmaceutical, food processing, and packaging industries. Relevant announcements will be made via Bursa Securities when key milestones are achieved.

Malaysia's 2025 GDP forecast of 5.5% for 2025 (2024: 4.5%) is expected to bolster national infrastructure projects. Budget 2025 has allocated RM86.0 billion (2024: RM90.0 million) for development expenditure and implementation of a private-finance initiative ("PFI") valued at RM9.0 billion together with direct domestic investments by Government-linked Investment Companies ("GLIC") amounting to RM25.0 billion.

Water tariff adjustments implemented since February 2024 will alleviate the financial management burden on the states in Malaysia as in the past they were plagued with unsustainable low tariffs that undermined the development of water infrastructure in Malaysia.

The Budget 2025 allocation and the water tariff hike will enable many states to fund new water infrastructure projects to reduce non-revenue water such as Perak to Penang Raw Water Transfer project (RM4 billion) and several water projects in Johor, Kelantan and Terengganu. As such, the Group anticipates sustained demand for its M&E engineering division.

With the planned diversification into infrastructure projects and upcoming gamma radiation sterilisation services, the Group will continue to focus on operational efficiency, and innovate to weather this challenging period while implementing sustainable business growth to drive long-term shareholder value.



SUSTAINABILITY STATEMENT

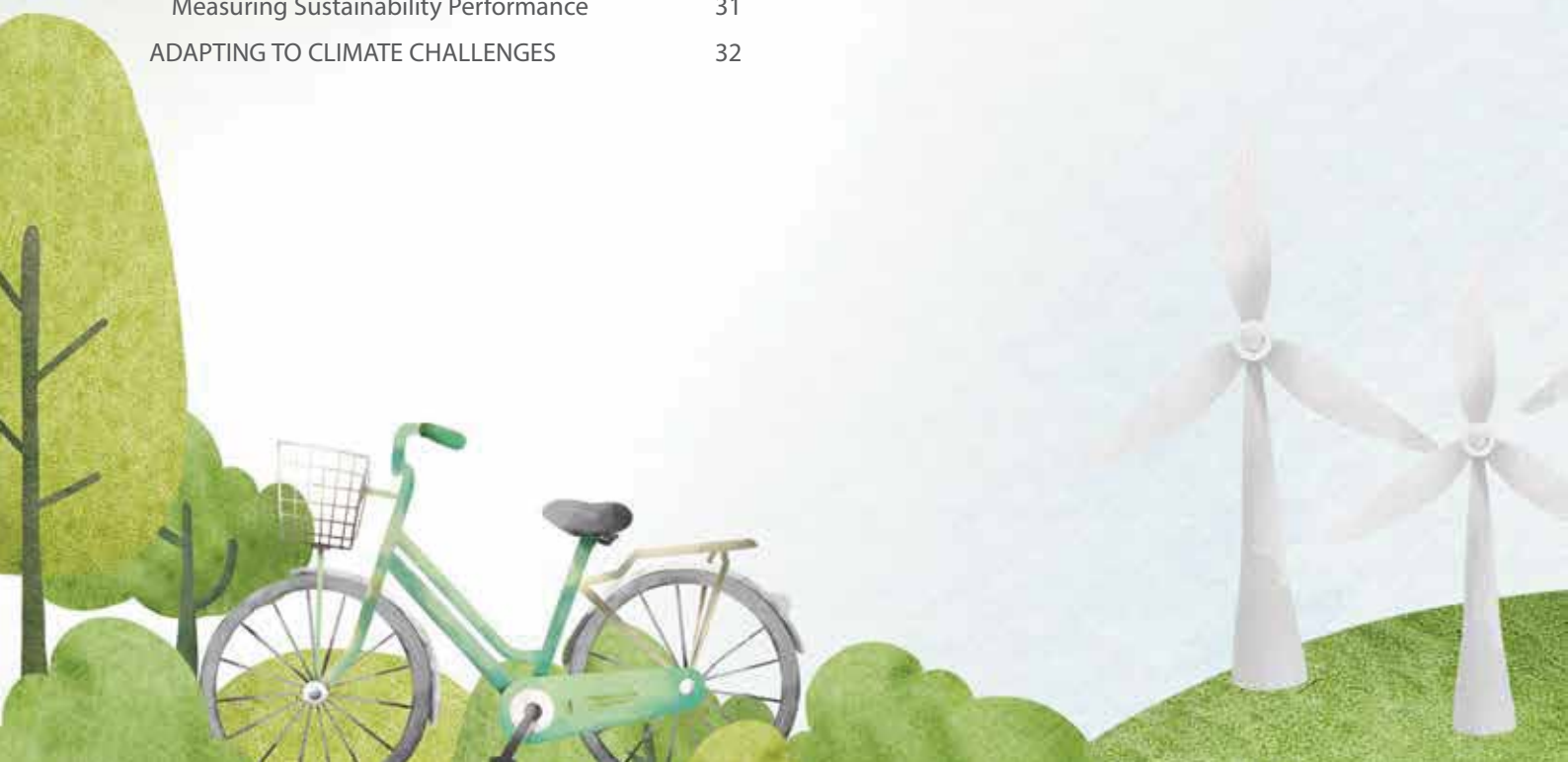
FY2024

SUSTAINABILITY STATEMENT

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SUSTAINABILITY STATEMENT

(cont'd)

OUR STATEMENT AT A GLANCE

At Flexidynamic, we recognise the environmental, social, and governance (“ESG”) considerations inherent in our business of providing chlorination system solutions. We integrate ESG into our core operations through targeted initiatives, managing impacts while driving progress in sustainability.

We have enhanced our established ESG KPIs for this financial year to include short-, and medium-term targets which we have achieved for this reporting year.

This reporting year, we transitioned from the Task Force on Climate-related Financial Disclosures (“TCFD”) framework to incorporate elements of International Financial Reporting Standards (“IFRS”) S2, enhancing climate-related disclosures and providing greater transparency on how climate risks impact our operations.

Defining the Scope and Boundary

The sustainability statement summarises the Group’s performance during the reporting period from 1 January 2024 to 31 December 2024 (“FY2024”). It encompasses ESG data derived from our headquarters in Puchong, Selangor, as well as operations at our factory and office in Banting, Selangor. Historical data from the past three years were included to facilitate trend analysis and comparative assessments.

Flexidynamic Holdings Berhad	
	Location
Flexidynamic Engineering Sdn. Bhd.	Headquarters, Puchong, Selangor
	Factory and Office, Banting, Selangor

Aligning with the Reporting Frameworks

The Group’s sustainability statement was prepared in compliance with the Bursa Malaysia’s ACE Market Listing Requirements (“AMLR”) and the Sustainability Reporting Guide (3rd Edition). The disclosures in this statement are further guided by the IFRS S2, the Global Reporting Initiative (“GRI”) Standards, and the United Nations Sustainable Development Goals (“UN SDGs”).



Assuring Data Integrity

The disclosed data was sourced from and internally verified by the respective business divisions and information owners to ensure accuracy and integrity.

SUSTAINABILITY STATEMENT

(cont'd)

Valuing Feedback

We appreciate feedback from our stakeholders to further improve our sustainability reporting and practices. For any inquiries, please contact us using the information provided below.

Flexidynamic Holdings Berhad
+603-8079 1878
fde@flexidynamic.com

ASSOCIATIONS

Associates and Memberships

The Group stays actively engaged and up-to-date on industry trends and key matters impacting our business by holding the following membership.



Malaysian Rubber Glove Manufacturers Association ("MARGMA")



SUSTAINABILITY STATEMENT

(cont'd)

HIGHLIGHTS OF FLEXIDYNAMIC'S SUSTAINABILITY INITIATIVES

Our approach to embedding sustainable practices throughout all aspects of our operations has resulted in the following key outcomes across the three pillars of ESG.

Ethical Governance



Zero

Substantiated cases of corruption



Zero substantiated security breaches involving customer privacy or losses of customer data

Environmental Stewardship



13% reduction in Group-wide energy consumption in FY2024 as compared to FY2023



10% reduction in total GHG Emissions in FY2024 as compared to FY2023



42% reduction in water consumption intensity in FY2024 as compared to FY2023

Social Responsibility



99.5% procurement budget allocated to local suppliers and vendors



80% customer satisfaction score in FY2024



Zero substantiated cases of human rights violation and incidents of discrimination



RM13,500 invested in corporate social responsibility

SUSTAINABILITY STATEMENT

(cont'd)

OUR SUSTAINABILITY PROGRESS THROUGH THE YEARS

In terms of sustainability performance, we have achieved many milestones since our first sustainability statement. Over the years we have progressed steadily in integrating sustainable practices across our operations. We continue to chart our sustainability journey ahead, resolute in achieving our long-term strategic objectives while advancing towards a sustainable future.

FY2020 – FY2021	FY2022 – FY2023	FY2024
<p>FY2020</p> <ul style="list-style-type: none"> Published the inaugural sustainability statement in alignment with the Bursa Malaysia Sustainability Reporting Guide (3rd Edition) Reported disclosures under three pillars: Economic, Environmental and Social ("EES") Identified seven stakeholder groups (Investors, Regulatory Agencies, Customers, Suppliers, Employees, Industry Peers and Local Communities) <p>FY2021</p> <ul style="list-style-type: none"> Maintained structure of report and continued disclosures 	<p>FY2022</p> <ul style="list-style-type: none"> Established a Sustainability Governance Structure, including the Sustainability Committee ("SC") Established the Terms of Reference ("TOR") for the Sustainability Governance Structure Established the Sustainability Policy, focused on the environment, social, and governance aspects of our business Established the ESG Framework Identified 11 material sustainability matters, and conducted the inaugural materiality assessment Adopted 4 UN SDGs: SDG 11 (Sustainable Cities and Communities), SDG 12 (Responsible Consumption and Production), SDG 13 (Climate Action) and SDG 16 (Peace, Justice and Strong Institution) <p>FY2023</p> <ul style="list-style-type: none"> Adopted SDG 8 (Decent Work and Economic Growth) Included KPIs Conducted a materiality reassessment and included a material sustainability matter (Product Quality and Customer Satisfaction) Reported on Scope 3 Greenhouse Gas ("GHG") emissions relating to Business Travel Included climate-related disclosures 	<ul style="list-style-type: none"> Aligned our Climate-Related Disclosures with IFRS S2 Enhanced our ESG Strategy to include strategic thrusts Enhanced ESG KPIs to include time-bound targets






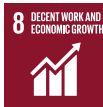







SUSTAINABILITY STATEMENT

(cont'd)

FOCUSING ON OUR SUSTAINABILITY APPROACH

Flexidynamic's ESG Strategy

Our ESG strategy is guided by our core values and aspirations, with a strategic thrust towards long-term sustainability. We focus on Ethical Governance, Environmental Stewardship, and Social Responsibility, aligning with material matters and KPIs. Committed to the UN SDGs, we engage stakeholders and continuously evaluate our impact to support the UN 2030 Agenda.

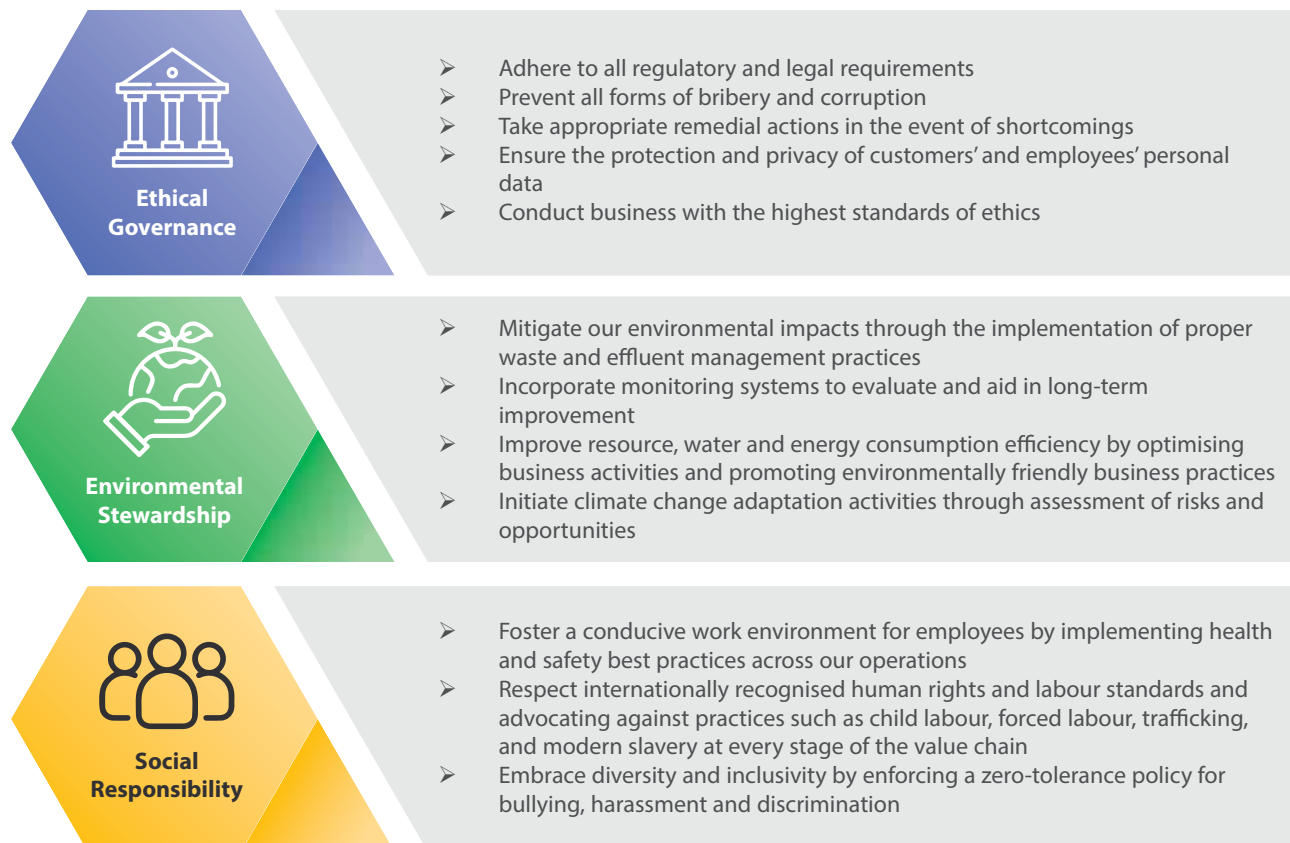
Our Aspiration and Values	Our Aspiration: To be the top sustainable manufacturer of glove chlorination systems in the Asia Pacific region.													
	Our Values:													
		Customer Satisfaction		Energy Efficiency		Value for Money								
Sustainability Pillars	Ethical Governance		Environmental Stewardship		Social Responsibility									
Strategic Thrust	Enhancing governance to promote transparency, integrity in business conduct, and adherence to regulations, fostering accountable decision-making and sustainable growth.		Improve energy efficiency and reduce waste throughout operations to lessen environmental impact and support climate action.		Cultivate a safe, welcoming workplace where employees thrive through continuous growth, while championing community development with impactful initiatives.									
Material Matters	<ul style="list-style-type: none">• Corporate Governance and Anti-Corruption• Data Privacy and Cybersecurity• Risk Management		<ul style="list-style-type: none">• Energy Efficiency and Climate Resilience• Waste Management• Water Consumption		<ul style="list-style-type: none">• Product Quality and Customer Satisfaction• Supply Chain Management• Health and Safety• Labour Practices and Standards• Diversity and Inclusivity• Community Engagement									
Contribution to UN SDGs														
Stakeholder Groups		Investors		Regulatory Authorities		Customers		Suppliers		Employees		Industry Peers		Local Communities

SUSTAINABILITY STATEMENT

(cont'd)

Sustainability Policy

The Board has reviewed and approved the Sustainability Policy, which sets the foundation for our sustainability objectives and guides their integration across our operations. This policy outlines our commitments and embeds sustainability principles into strategies, actions, and procedures, ensuring a structured, consistent approach to driving sustainable outcomes across the organisation.

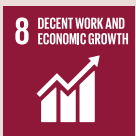




SUSTAINABILITY STATEMENT

(cont'd)

Flexidynamic's Contribution to the UN SDGs

The Group's sustainability objectives are in line with the universal call to promote sustainable development, as outlined by the UN SDGs. We have integrated our ESG efforts with five specific goals where we believe we can create a significant and positive impact. By embracing these goals, we aim to effect positive change within our area of operations.

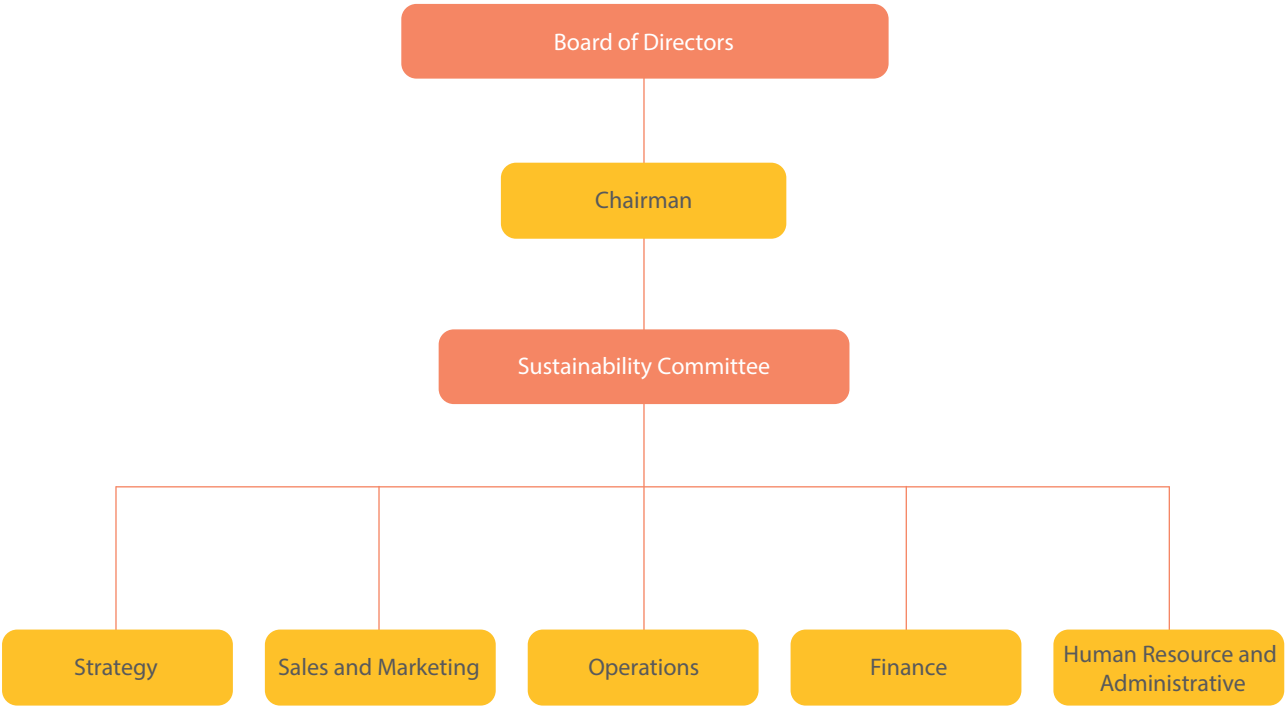
SDG	Target	Our Actions
	Target 8.3: Promote decent job creation and entrepreneurship	<ul style="list-style-type: none"> • Provides employment to 48 individuals in FY2024 • The Group provides capacity building on various topics for our employees, encouraging professional development • Allocated 99.5% of our procurement spending on local suppliers
	Target 8.8: Protect labour rights and promote a safe, secure working environment	<ul style="list-style-type: none"> • Our health and safety management system complies with the Occupational Safety and Health Act ("OSHA") 2022, enforced by the Department of Occupational Safety and Health ("DOSH") • Provided employees access to adequate, safe and affordable housing • Provided health and safety training for 9 employees
	Target 13.2: Integrate climate change measures into policies, strategies and planning	<ul style="list-style-type: none"> • Disclosed our Scope 1 and 2 GHG emissions since FY2022 • Commenced disclosure of Scope 3 GHG emissions in FY2023 (limited to business travel) • Reduced in total energy consumption by 13% in FY2024
	Target 16.5: Substantially reduce corruption and bribery	<ul style="list-style-type: none"> • Upheld ethical business standards with the established Anti-Bribery and Corruption Policy, Ethics and Compliance Whistleblowing Policy and Code of Ethics and Conduct.

SUSTAINABILITY STATEMENT

(cont'd)

Sustainability Governance Structure

The implementation of our two-tiered governance structure, features the Board of Directors (“the Board”) at the top followed by the Group Sustainability Committee (“SC”). The Board is responsible for leadership and oversight of the SC while ensuring the integration of ESG matters throughout our operations. Supporting the Board, the SC, comprising key departments, implements sustainability strategies and reports to the Chairman.



Board of Directors

- Provides strategic oversight of the Group’s overall sustainability agenda, strategies, and climate-related risks and opportunities
- Provides approval for sustainability strategies, policies, material sustainability matters, and the annual Sustainability Statement proposed by the Sustainability Committee

Sustainability Committee





- Implements and monitors sustainability initiatives within day-to-day operations
- Identifies and proposes material sustainability matters relevant to the Group to the Chairman
- Monitors and reports on ESG-related data to the Chairman on a regular basis
- Engages with stakeholders regularly to understand and respond to their concerns and expectations

SUSTAINABILITY STATEMENT

(cont'd)

Engaging with Stakeholders

We recognise the importance of engaging with stakeholders to understand their expectations and address concerns. Guided by transparency and inclusivity, we actively seek feedback from our stakeholders to inform our sustainability initiatives and enhance performance.

Why are they Important?	Matters Raised	Flexidynamic's Response	Engagement Channels
 Investors			
Investors are key decision-makers who provide capital, evaluate performance, and influence governance for the Group's long-term growth and success.	<ul style="list-style-type: none"> ➤ Financial performance ➤ Sustainable financial returns ➤ Business strategy and continuity ➤ Sustainable dividend policy ➤ Corporate governance 	<ul style="list-style-type: none"> ➤ Annual auditing for financial figures and International Organisation for Standardisation ("ISO") ➤ Quarterly reporting 	Annual <ul style="list-style-type: none"> ➤ Annual Report ➤ Annual General Meeting ➤ Financial Statements Quarterly <ul style="list-style-type: none"> ➤ Quarterly Report As and when required <ul style="list-style-type: none"> ➤ Company Website
 Regulatory Authorities			
Regulatory authorities are important to us as they ensure we remain compliant with laws and regulations. Their regulatory responsibilities promote transparency, accountability, and fair practices which helps us to build trust, mitigate risks, and foster sustainable growth.	<ul style="list-style-type: none"> ➤ Compliance with corporate governance ➤ Compliance with all local laws and regulations ➤ Compliance with labour, environmental and health regulations 	<ul style="list-style-type: none"> ➤ Adherence to applicable standards ➤ Input on regulatory changes impacting the industry ➤ Engagement with regulatory bodies and government 	Annual <ul style="list-style-type: none"> ➤ Annual Report As and when required <ul style="list-style-type: none"> ➤ Seminar or information sessions held by regulatory bodies
 Customers			
Customers influence our revenue and growth trajectory. Engaging with them enables us to understand and address their needs, allowing us to cultivate enduring relationships that foster customer loyalty.	<ul style="list-style-type: none"> ➤ Resolving complaints efficiently ➤ Pricing and product quality ➤ Timely service and product delivery 	<ul style="list-style-type: none"> ➤ Timely response towards customers' concerns ➤ Competitive pricing ➤ Customer engagement through the Customer Satisfaction Form 	As and when required <ul style="list-style-type: none"> ➤ Customers provide regular feedback ➤ Participation in industry networking events ➤ Active engagement building
 Suppliers			
Suppliers play a key role by providing the necessary resources and raw materials to support Flexidynamic's operations.	<ul style="list-style-type: none"> ➤ Transparent procurement practices ➤ Regular/on-time payment schedule 	<ul style="list-style-type: none"> ➤ Constant and regular engagement ➤ Quality assessment 	Annual <ul style="list-style-type: none"> ➤ Contracts ➤ Vendor registration As and when required <ul style="list-style-type: none"> ➤ Terms as specified in the contracts

SUSTAINABILITY STATEMENT

(cont'd)

Why are they Important?	Matters Raised	Flexidynamic's Response	Engagement Channels
 Employees			
<p>Employees contribute to the Group's success, contributing skills and expertise that drive our operations. Providing them a positive work environment enhances productivity and the Group's resilience.</p>	<ul style="list-style-type: none"> ➤ Training and development ➤ Occupational health & safety ➤ Competitive remuneration and rewards ➤ Labour and human rights ➤ Work-life balance ➤ Corporate direction and growth plans ➤ Job security 	<ul style="list-style-type: none"> ➤ On-job training and development ➤ Work performance evaluation ➤ Salary benchmarking, performance incentives, career progression ➤ Provision of suitable accommodation in accordance with Minimum Standard of Housing, Accommodations and Amenities 	<p>Annual</p> <ul style="list-style-type: none"> ➤ Training and development ➤ Safety training and awareness ➤ Appraisals <p>As and when required</p> <ul style="list-style-type: none"> ➤ Training on whistle-blowing policy
 Industry Peers			
<p>Collaborating with industry peers keeps Flexidynamic conversant with industry trends and best practices. These partnerships also provide benchmarking opportunities and valuable networking opportunities.</p>	<ul style="list-style-type: none"> ➤ Industry best practices 	<ul style="list-style-type: none"> ➤ Constant and regular engagement 	<p>As and when required</p> <ul style="list-style-type: none"> ➤ Engaging with MARGMA on industry issues and updated trends ➤ Participating in networking events
 Local Communities			
<p>Communities can be positively influenced by our responsible practices, allowing us to build trust and contribute to local development which influences our social license to operate.</p>	<ul style="list-style-type: none"> ➤ Building good relationships ➤ Local environmental and social impact of operations ➤ Community involvement 	<ul style="list-style-type: none"> ➤ Donations ➤ Festive events 	<p>As and when required</p> <ul style="list-style-type: none"> ➤ Corporate social responsibility

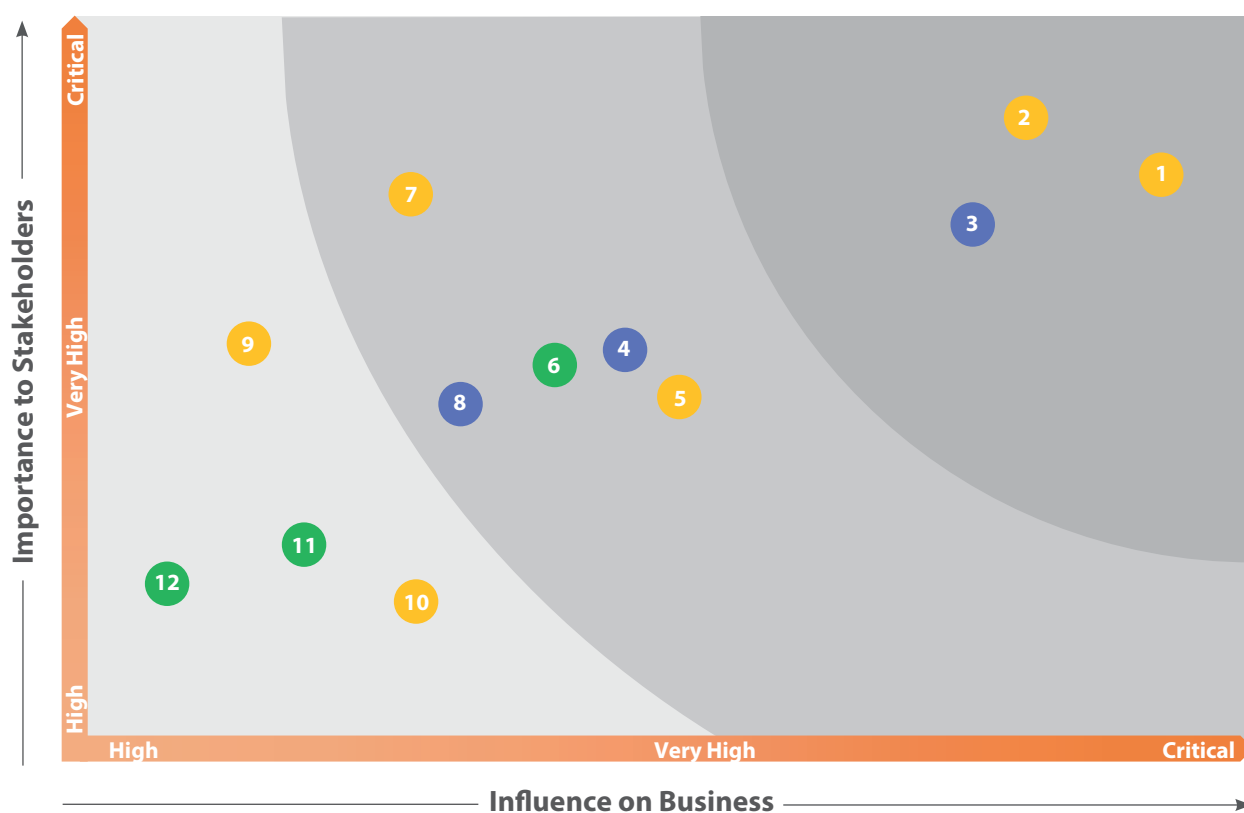
SUSTAINABILITY STATEMENT

(cont'd)

MATERIALITY ASSESSMENT

Materiality assessments are a structured process for identifying and prioritising ESG factors that have the most significant impact on stakeholders and business operations. These assessments inform strategic decision-making and resource allocation in providing a data-driven approach to address sustainability priorities.

A materiality reassessment in FY2023 refined our focus on sustainability priorities, identifying 12 key ESG matters and structuring them within a materiality matrix. Given the stability of our operational landscape and without any change in the strategic direction of the Group, this matrix remains applicable in FY2024, with Product Quality and Customer Satisfaction, Health and Safety, and Corporate Governance and Anti-Corruption continuing as our top three material matters.


















Ethical Governance		Environmental Stewardship		Social Responsibility	
3	Corporate Governance and Anti-Corruption	6	Energy Efficiency and Climate Resilience	1	Product Quality and Customer Satisfaction
4	Data Privacy and Cybersecurity	11	Waste Management	2	Health and Safety
8	Risk Management	12	Water Consumption	5	Supply Chain Management
				7	Labour Practices and Standards
				9	Community Engagement
				10	Diversity and Inclusivity

SUSTAINABILITY STATEMENT

(cont'd)

Bridging the Material Matters

Our material sustainability matters are closely aligned with the priorities of our key stakeholder groups and the UN SDGs. This approach highlights how our sustainability initiatives support global objectives while meeting the needs and expectations of our stakeholders.

Material Matters	Our Approach	UN SDGs	Stakeholder Groups
Pillar: Ethical Governance			
Corporate Governance and Anti-Corruption	We uphold ethical business practices through a robust governance structure, implementing policies, codes, and procedures that promote integrity within the Group and among our stakeholders.		
Data Privacy and Cybersecurity	We safeguard our customers' data privacy from cybersecurity threats by implementing data privacy policies, procedures, and industry best practices.		
Risk Management	We adopt a structured risk management approach to effectively identify and mitigate risks.		
Pillar: Environmental Stewardship			
Energy Efficiency and Climate Resilience	We mitigate our impact on the environment and tackle climate change by managing our energy consumption to minimise greenhouse gas emissions.		
Waste Management	We mitigate environmental impacts through effective waste management, focusing on responsible disposal and reducing general waste generation. Our wastewater treatment measures further prevent adverse impacts towards surface water and the surrounding environment.		
Water Consumption	We aim to manage our water consumption efficiently across our operations using adopted measures.		
Pillar: Social Responsibility			
Product Quality and Customer Satisfaction	We ensure the safety and quality of our products via compliance with international quality standards and fair product pricing.		
Health and Safety	We ensure the health and safety of our employees by maintaining a safe and conducive working environment.		
Supply Chain Management	We source from domestic suppliers and maintain a regional supply base to support the local economy.		
Labour Practices and Standards	We uphold the rights of our employees, implementing measures and procedures to safeguard these rights.		
Diversity and Inclusion	We advocate equal opportunity and inclusivity in our workforce regardless of gender and social background.		
Community Engagement	We allocate resources to contribute to a range of community initiatives that alleviate the challenges faced by vulnerable groups and communities surrounding our operations.		

SUSTAINABILITY STATEMENT

(cont'd)

Measuring Sustainability Performance

The effectiveness of our sustainability initiatives and practices is measured through key performance indicators ("KPIs"). By tracking these metrics, we can identify areas for improvement and make data-driven decisions that support the achievement of our ESG objectives.

Material Matters	KPIs	Progress	
		FY2023	FY2024
Pillar: Ethical Governance			
Corporate Governance and Anti-Corruption	Zero cases of bribery and corruption	Achieved zero cases of bribery and corruption	Achieved zero cases of bribery and corruption
Data Privacy and Cybersecurity	Zero breaches in data privacy and cybersecurity	Achieved zero breaches in data privacy and cybersecurity	Achieved zero breaches in data privacy and cybersecurity
Pillar: Environmental Stewardship			
Climate Change and Energy Consumption	Achieve 25% reduction in total energy consumption as compared to the baseline year of FY2022 by FY2025 [E]	23% reduction in total energy consumption compared to baseline year	33% reduction in total energy consumption compared to baseline year
	Achieve 25% reduction in Scope 1 GHG emissions as compared to the baseline year of FY2022 by FY2025 [E]	21% reduction in Scope 1 GHG emissions compared to baseline year	32% reduction in Scope 1 GHG emissions compared to baseline year
Water Consumption	Achieve 8% reduction in water consumption as compared to the baseline year of FY2022 by FY2025 [E]	6.6% reduction in water consumption compared to baseline year	46% reduction in water consumption compared to baseline year ¹
Pillar: Social Responsibility			
Health and Safety	Zero fatalities [E]	Achieved Zero fatalities	Achieved Zero fatalities
Labour Practices and Standards	Zero cases of human rights violations, including forced labour, child labour, discrimination and harassment	Achieved Zero cases of human rights violations	Achieved Zero cases of human rights violations
Supply Chain Management	Allocate 98% of procurement expenditure to local suppliers	96% procurement expenditure allocated to local suppliers	Achieved 99.5% procurement expenditure allocated to local suppliers

Note: [E] Enhanced KPIs for FY2024

¹ The significant reduction in water consumption compared to the baseline year results from the rectification of leakages at the Banting Factory, completed at the end of 2023.

SUSTAINABILITY STATEMENT

(cont'd)

ADAPTING TO CLIMATE CHALLENGES

We recognise the growing challenges of climate change, particularly in the industrial product solutions sector. As part of our risk management strategy, we commenced climate-related disclosures in FY2023 by integrating climate risk analysis into our operational planning. In FY2024, we initiated alignment with elements of IFRS S2 to enhance our sustainability efforts and reduce our environmental impact.

Governance

The Board provides strategic oversight of climate-related risks and opportunities, supported by the SC in the assessment and management of these matters. In FY2024, the Board participated in 9 ESG training sessions to remain informed about emerging climate challenges.

Oversight and Management of Climate-Related Risks and Opportunities	
Board's Oversight	Management's Role
<ul style="list-style-type: none"> Oversees sustainability-related risks, including those linked to climate change Receives updates on sustainability and climate-related matters from the SC based on the Group's risk assessments 	<ul style="list-style-type: none"> The SC advises the Board on sustainability strategies, initiatives and targets, including climate-related risks and opportunities The SC oversees the implementation of sustainability initiatives and reports progress to the Board

Strategy

We have identified potential climate-related risks and opportunities and assessed their impacts on our operations. This assessment guides us in implementing measures to mitigate and adapt to climate change, aligning our strategy with these risks and opportunities.

Our climate risks are categorised as transition risks and physical risks. Transition risks arise from the shift toward a lower-carbon economy, while physical risks result from direct climate change impacts, such as extreme weather events and rising temperatures.

Transition Risks	
Potential Impacts	Opportunities
Policy and Legal: Effects of current and emerging regulations	
<ul style="list-style-type: none"> Increased operating costs for carbon-intensive operations due to the potential implementation of carbon pricing mechanisms Risk of financial penalties and fines resulting from non-compliance with increasingly stringent environmental regulations 	<ul style="list-style-type: none"> Monitor GHG emissions and establish reduction targets and initiatives Proactively addressing regulatory changes supports business continuity and maintain investor confidence
Technology: Transitioning to lower-emission alternatives	
<ul style="list-style-type: none"> High upfront costs for adopting low-carbon construction technologies and integrating renewable energy solutions 	<ul style="list-style-type: none"> Increased operational efficiency and cost savings over time through the prefabrication of equipment parts and energy-efficient technologies
Market: Adapting to client's behaviour and aligning with investor expectations	
<ul style="list-style-type: none"> Shifting buyer preferences towards innovative glove chlorination solutions which emit fewer pollutants to meet the clients' evolving climate-related demands 	<ul style="list-style-type: none"> Advancing equipment development by utilising materials that emit fewer Volatile Organic Compounds ("VOCs") and enhancing the energy efficiency of the manufacturing process aligns with evolving buyer preferences

SUSTAINABILITY STATEMENT

(cont'd)

Transition Risks	
Potential Impacts	Opportunities
Reputational: Increased stakeholder concerns or negative stakeholder feedback	
<ul style="list-style-type: none"> Negative public perception and reputational damage if manufactured equipment is associated with high carbon emissions or unsustainable practices 	<ul style="list-style-type: none"> Report on environmental and social performance metrics regularly to showcase the Group's commitment to responsible business practices while enhancing our brand reputation

Physical Risks	
Potential Impacts	Opportunities
Acute: Exposure to increasingly frequent and severe extreme weather events such as floods, and storms	
<ul style="list-style-type: none"> Disruption in supply chains and material shortages, affecting production or transportation networks 	<ul style="list-style-type: none"> Implementation of contingency plans for climate-related disasters to minimise delays Diversifying suppliers and sourcing materials locally reduces reliance on vulnerable supply chains, ensuring smoother project delivery
Chronic: Exposure to prolonged shifts in climate, including rising average temperatures and shifts in precipitation patterns	
<ul style="list-style-type: none"> Prolonged heatwaves or changing precipitation patterns can raise operational costs for warehouse inventory management 	<ul style="list-style-type: none"> Implementing energy-saving measures in both the production process and raw material storage facilities can help mitigate long-term operational costs

Risk Management

The Group employs a risk management approach to identify and evaluate risks that may impact our operations. The SC evaluates the adequacy and effectiveness of the risk management process, ensuring key organisational risks are identified and managed through appropriate systems and processes.

Potential climate risks will be assessed based on their likelihood and impact, ensuring that all identified risks are integrated into strategic decision-making and operational planning.

Metrics and Targets

The Group monitors and reports our annual Scope 1, 2, and limited Scope 3 GHG emissions. Our GHG emissions data is calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. To assess our performance, we track and disclose the following metrics.

Metric	Unit	Description
GHG Emissions	tCO ₂ e	Quantifies Scope 1, 2 and 3 (limited to business travel) GHG emissions
Waste	MT	Measures total amount of waste generated
Energy Usage	GJ	Tracks total fuel and electricity consumption
Water Usage	m ³	Measures total water consumption

SUSTAINABILITY STATEMENT

(cont'd)

ETHICAL GOVERNANCE

Governance at Flexidynamic is built on a foundation of integrity, transparency, and accountability. We prioritise strong corporate governance practices, enforce anti-corruption measures, implement effective risk management, and protect data privacy. These principles guide our operations, ensuring we maintain the trust of our stakeholders and drive sustainable, responsible growth.

Material Matters

- Corporate Governance and Ethics and Anti-Corruption
- Data Privacy and Cybersecurity
- Risk Management

Key Highlights



Zero
substantiated cases of
corruption and whistleblowing
cases have been reported



Zero
substantiated complaints
concerning breaches of customer
privacy and losses of customer data

SUSTAINABILITY STATEMENT

(cont'd)

Corporate Governance and Anti-Corruption

For Flexidynamic, ensuring transparency and ethical practices are essential for developing trust among our stakeholders and adhering to regulatory requirements. High standards in anti-corruption and corporate governance thus ensure our operational effectiveness and stakeholder confidence.

The Board of Directors and Senior Management of Flexidynamic are guided by a set of policies and codes of conduct that ensure ethical behaviour and effective governance across the Group. These guidelines promote accountability and responsible decision-making, reinforcing our efforts to maintain high standards in ethical conduct and practices in all our operations.

Board Charter

The Board Charter outlines the roles, composition, and responsibilities of the Board, ensuring all members understand their duties in upholding high standards of corporate governance.

Fit and Proper Policy

The policy sets criteria to evaluate Directors' suitability, ensuring they possess the necessary qualities, commitment, integrity, professionalism, and compliance to effectively serve the Board and stakeholders.

Gender Diversity Policy

The policy promotes gender diversity at the Board and senior management levels, ensuring appointments are based on merit, with a focus on qualifications, skills, and inclusivity.

Anti-Bribery and Corruption ("ABC") Policy

This policy establishes the principles and guidelines for ensuring compliance with anti-bribery and anti-corruption regulations. It also defines the processes for identifying and mitigating risks that may arise across our operations.

Ethics and Compliance Whistle Blowing Policy

This policy sets out the framework for handling complaints and reports of misconduct with strict confidentiality and impartiality, ensuring a structured and objective approach to resolution.

Conflict Of Interest Policy

This policy provides clear directives for identifying and addressing conflicts of interest that may compromise professional judgement and decision-making. It outlines mechanisms for assessment, review, and appropriate remedial action.

Flexidynamic's corporate governance policies guide our employees in their operational conduct, ensuring alignment with our strategic and business objectives.



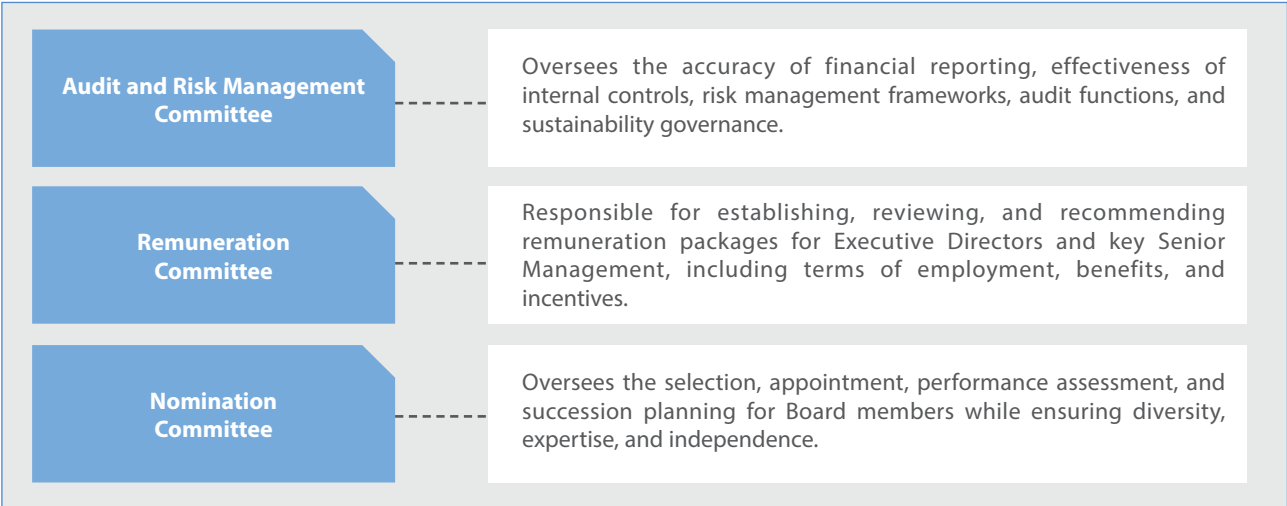
Zero substantiated cases of corruption and whistleblowing cases have been reported
(FY2024: 0)
(FY2023: 0)
(FY2022: 0)

SUSTAINABILITY STATEMENT

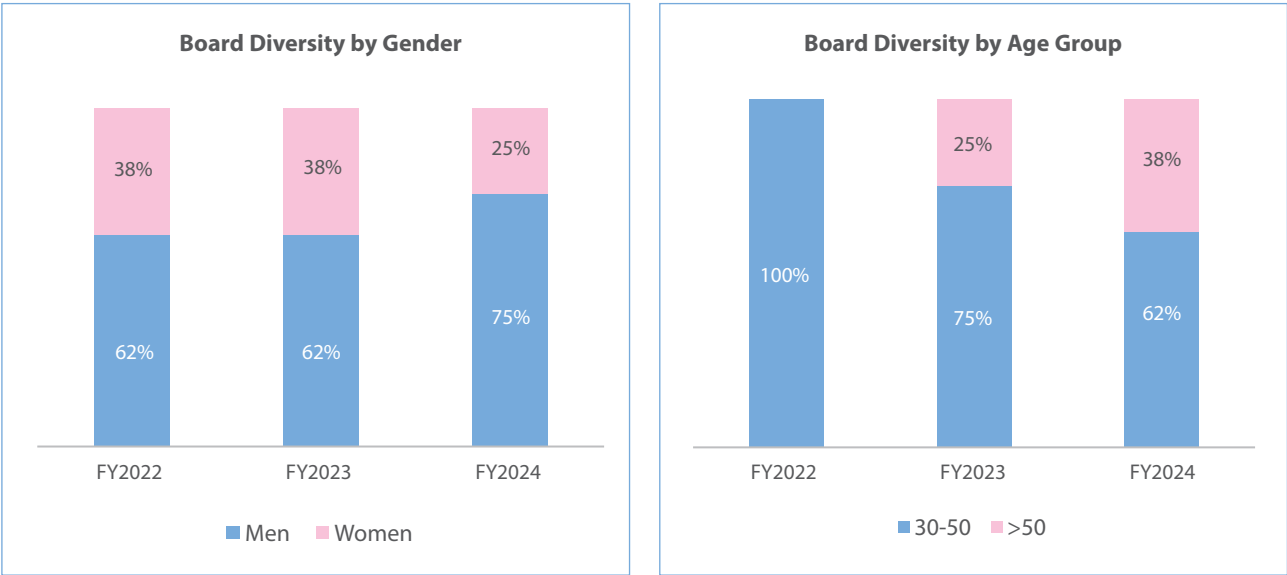
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Board Governance and Diversity

The Board is instrumental in upholding strong corporate governance by overseeing anti-corruption initiatives and implementing robust risk management across the Group. To support these efforts, dedicated Board Committees emphasise on specific governance areas, each operating under clearly defined Terms of Reference ("TOR").



In this reporting year, our Board comprises 75% men and 25% women. In terms of age diversity, 62% were between 30 and 50 years old, while 38% were over 50.



SUSTAINABILITY STATEMENT

(cont'd)

Data Privacy and Cybersecurity

As Flexidynamic adopts digital technologies, the expanding digital infrastructure heightens our exposure to cybersecurity and data privacy risks. Incorporating advanced security protocols thus safeguard critical data, ensure regulatory compliance, uphold system integrity, and mitigate potential disruptions across operational and supply chain processes.

The Group's approach to data privacy and cybersecurity prioritises compliance with the Personal Data Protection Act ("PDPA") 2010. We stay vigilant in safeguarding our customers' information.



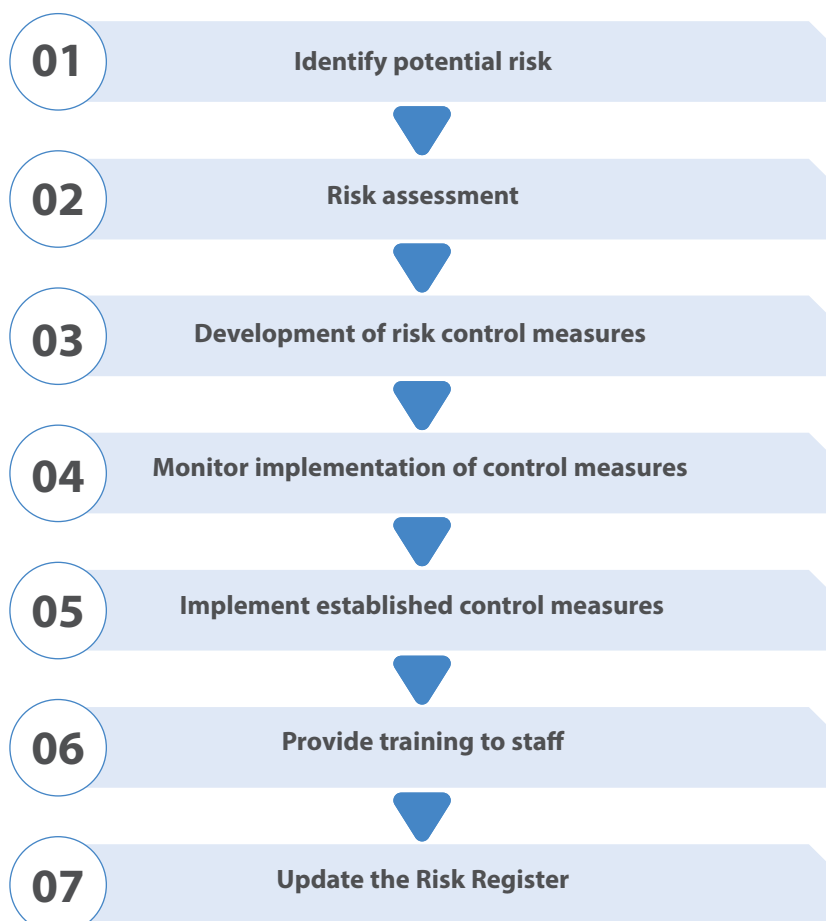
Zero substantiated complaints concerning breaches of customer privacy and losses of customer data
(FY2024: 0)
(FY2023: 0)
(FY2022: 0)

Risk Management

Effective risk management is integral as it allows the Group to anticipate and address potential challenges that could affect our operations and strategic goals. By proactively addressing these risks, we ensure business continuity and safeguard stakeholder interests.

Our risk management approach commences with identifying potential risks and conducting risk assessments. We then develop and implement control measures, providing staff with the necessary training to ensure effective execution. Continuous monitoring of these measures alongside regular updates to our risk register, enables us to manage and mitigate risks across the organisation.

Risk assessment procedure



SUSTAINABILITY STATEMENT

(cont'd)

ENVIRONMENTAL STEWARDSHIP

We integrate environmental sustainability into our operations, aligning our strategies, actions, and protocols with clear environmental objectives. As we embed sustainability into our decision-making, we minimise our environmental impact and maintain responsible manufacturing practices while supporting long-term sustainability in the industry.

Material Matters

- Energy Efficiency and Climate Resilience
- Waste Management
- Water Consumption

Key Highlights



13%
decrease in energy
consumption



36%
reduction in energy intensity
(GJ per RM million revenue)



10%
drop in total GHG emissions



42%
decline in water consumption
intensity in FY2024 as compared to
FY2023



SUSTAINABILITY STATEMENT

(cont'd)

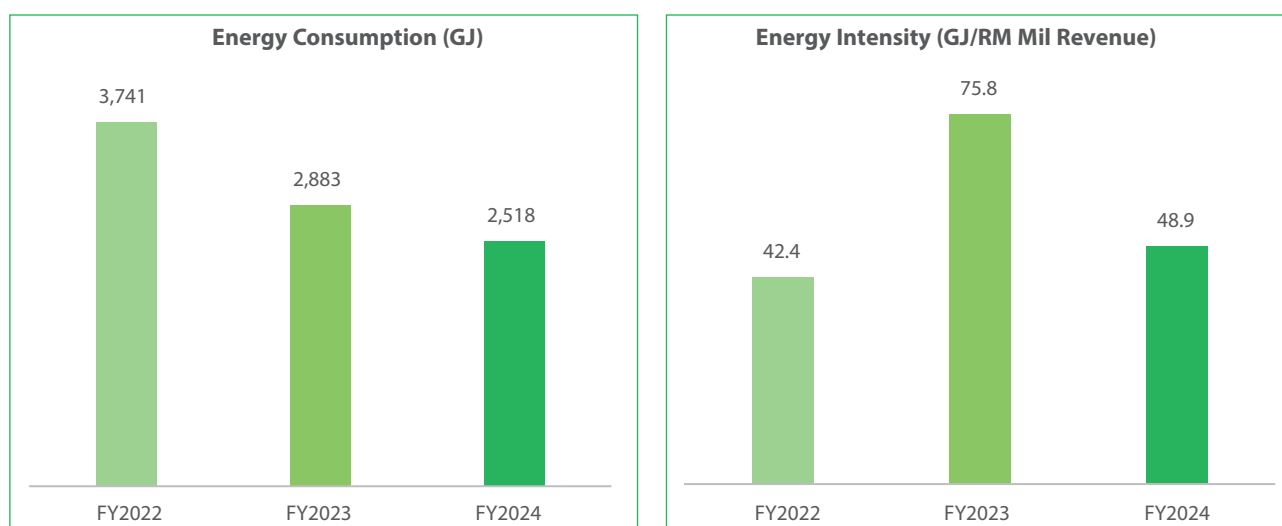
Energy Efficiency and Climate Resilience

Due to the energy demands of our manufacturing processes, prioritising energy efficiency remains important to Flexidynamic. As we improve our energy management practices, we enhance operational performance, lower carbon emissions, and ensure compliance with regulations while minimising environmental impact throughout production activities.

Flexidynamic optimises energy efficiency and reduces our environmental footprint through various practical measures. These include the adoption of carpooling for client and site visits to reduce fuel consumption, as well as ensuring that lights, air conditioning, and electronic equipment are powered down when not in use. Fuel and electricity consumption are continuously monitored, with quarterly reports provided to the Board to facilitate ongoing assessment and the identification of further improvement opportunities.

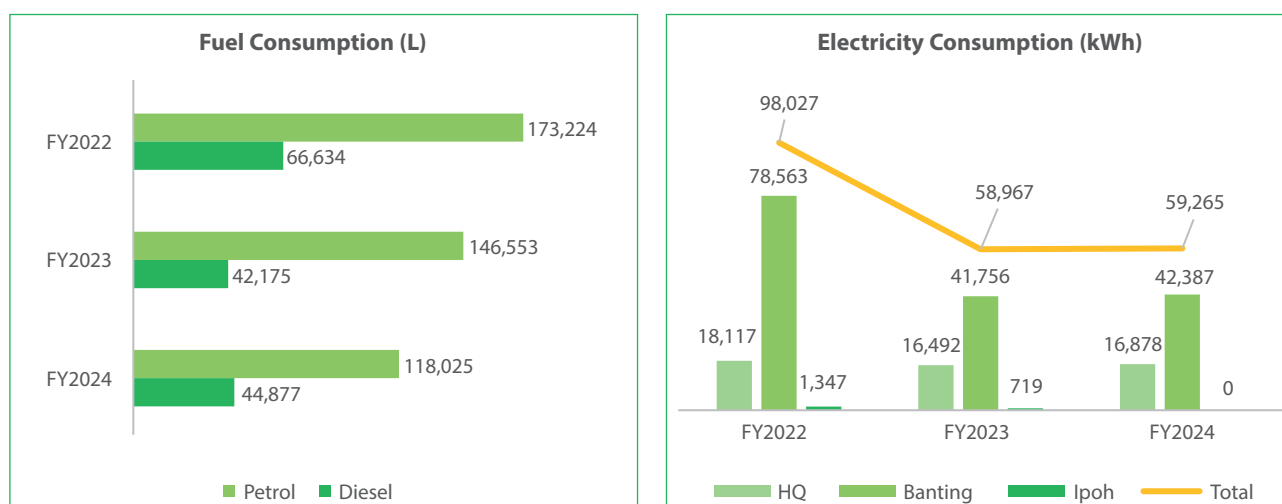
Energy Consumption

In FY2024, total energy consumption declined by 13%, primarily due to reduced fuel and electricity usage compared to the previous reporting year. This reduction was further reflected in energy intensity (GJ per RM million revenue), which decreased by 36%.



Note: Total energy consumption for FY2022 and FY2023 have been recalculated and restated using the UK Government's GHG Conversion Factors for 2022, 2023 and 2024, respectively.

Petrol consumption by company-owned cars at the headquarters in Puchong reduced by 20% in FY2024, following the phasing out of two vehicles. Conversely, diesel consumption by the company owned pick-up truck, tracked at the factory office in Banting, increased by 6% compared to FY2023, driven by operational growth. Additionally, electricity consumption saw a decline from FY2022 to FY2023 as the warehouse in Ipoh ceased operations after June 2023.



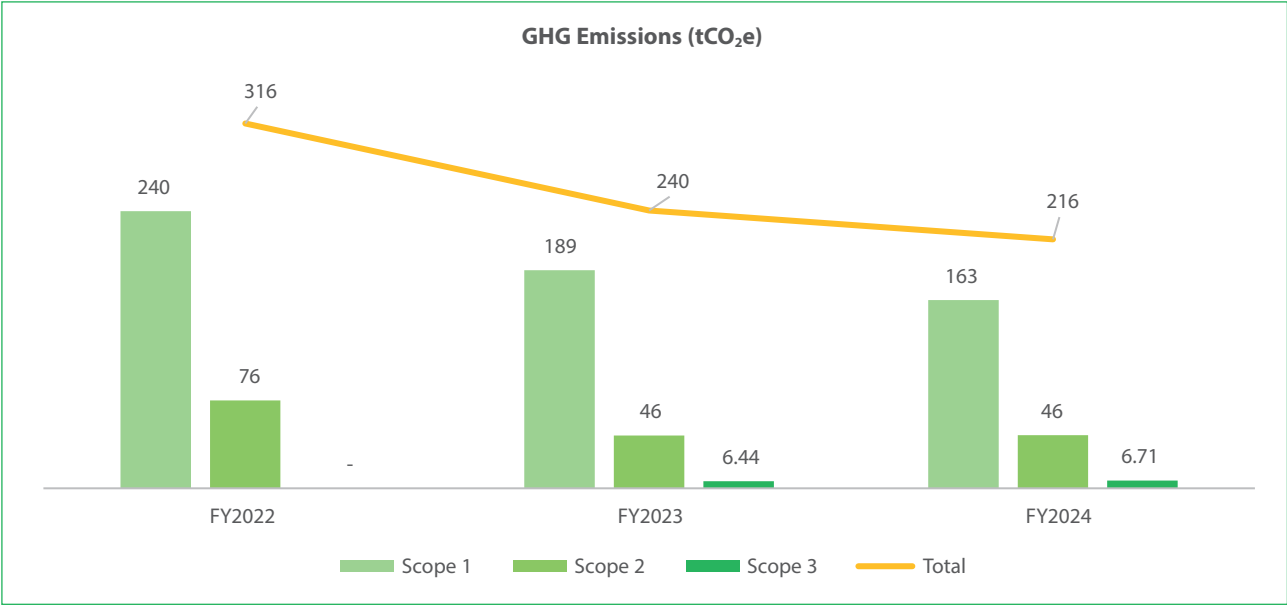
SUSTAINABILITY STATEMENT

(cont'd)

GHG Emissions

Minimising emissions is integral as we mitigate our environmental impact while meeting regulatory requirements. By prioritising emissions reduction, we address climate change and align with stakeholder expectations.

In FY2024, total GHG emissions were recorded at 216 tCO₂e, representing a 10% decrease compared to FY2023. Scope 1 and 2 emissions amounted to 209 tCO₂e, while Scope 3 emissions, which have been reported since FY2023 and are limited to business air travel, increased by 4% in FY2024.



Notes:

1. Scope 1 GHG emissions for mobile combustion (fuel consumption for Company-owned vehicle) are calculated following the GHG Protocol Scope 1 Guidance, with emission factors derived from the UK Government's GHG Conversion Factors for FY2022, FY2023 and FY2024.
2. Scope 2 GHG emissions for purchased electricity (location based) are calculated using the location-based approach, in accordance with the GHG Protocol Scope 2 Guidance. The emission factors are derived from the 2022 Grid Emission Factors provided by Grid Malaysia, specifically for Peninsular Malaysia and Sarawak.
3. Scope 3 GHG emissions for business travel is calculated using the distance-based method as outlined by the GHG Protocol Scope 3 Guidance, with emission factors derived from the UK Government's GHG Conversion Factors for 2024.

SUSTAINABILITY STATEMENT

(cont'd)

Waste Management

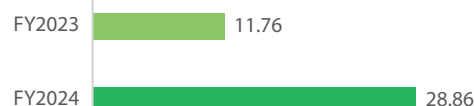
Efficient waste management enhances operational effectiveness and aligns with Flexidynamic's sustainability efforts. Recycling and waste reduction practices are key to optimising resource use, reducing costs, while demonstrating our pursuit towards responsible environmental stewardship.

We integrate the 3R principles of recycling, repurposing, and reducing into our approach to waste management. With the use of reusable containers and utensils being encouraged to minimise single-use plastics, while recyclable materials, including paper and packaging, are collected and repurposed. We also reduce waste through embedded monitoring mechanisms that optimise disposal processes within our operational workflows.

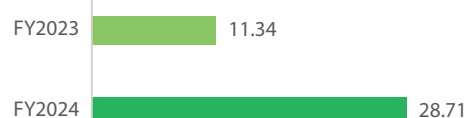
In terms of scheduled waste, we engage a third-party service provider to obtain end-to-end disposal services for our scheduled waste requirements, ensuring the safe handling, treatment, and disposal of hazardous waste in compliance with regulatory requirements.

This reporting year, we have seen an increase in total waste generated from our operations, especially for scheduled waste from our factory in Banting due to the increase in business activity, which is reflected in the increase of our revenue.

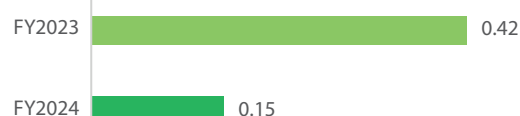
Total Waste Generated (tonnes)



Total Waste Directed to Landfill (tonnes)



Total Waste Diverted from Landfill (tonnes)



Type of Waste	HQ		Banting	
	FY2023	FY2024	FY2023	FY2024
Scheduled Waste	-	-	11.34	28.71
Non-scheduled Waste	0.292	0.15	0.132	-

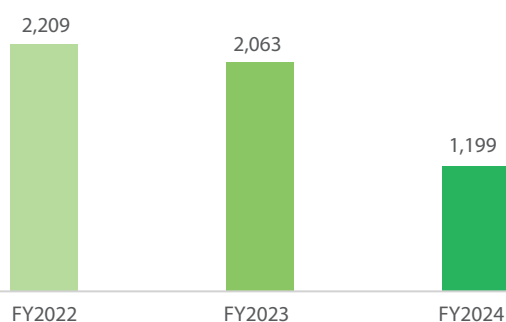
Water Management

Water conservation is crucial in manufacturing processes, as it minimises waste and reduces resource consumption. In implementing sustainable practices, such as improving water usage efficiency, we further contribute to the Group's broader sustainability objectives.

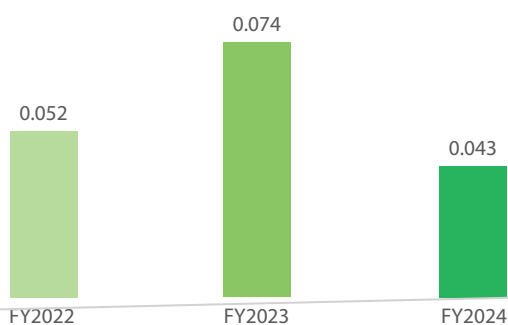
Improvements in water management have been made through more effective monitoring of consumption. A reporting system is in place to alert management on abnormal surges in water usage, allowing for swift intervention. These insights are presented in quarterly reports to the Board to ensure effective oversight and accountability in water management.

Process optimisation, conservation efforts, and efficiency-driven measures have collectively contributed to reduced water usage, reinforcing Flexidynamic's efforts towards responsible resource management. The implementation of water management measures, including leak inspections at the Banting Factory since FY2023 has reduced the water consumption intensity by 42%.

Water Consumption (m³)



Water Consumption Intensity (m³/sqft)



SUSTAINABILITY STATEMENT

(cont'd)

SOCIAL RESPONSIBILITY

The Group's performance is underpinned by a strong pursuit towards ethical labour practices, inclusivity, and the fostering of diverse talent. As we integrate robust employee development strategies with impactful community engagement efforts, the Group promotes meaningful contributions to society while advancing sustainable growth.

Material Matters

- Product Quality and Customer Satisfaction
- Supply Chain Management
- Health and Safety
- Labour Practices and Standards
- Diversity and Inclusivity
- Community Engagement

Key Highlights



RM13,500
invested in CSR
programmes



80%
customer satisfaction score
was recorded



99.5%
procurement spent on local
suppliers



Zero
substantiated cases of human
rights violations have been
reported

SUSTAINABILITY STATEMENT

(cont'd)

Product Quality and Customer Satisfaction

Flexidynamic's approach to quality assurance prioritises reliability, safety standards, and customer satisfaction. As we incorporate rigorous testing and verification in our quality assurance process, the Group mitigates risks, safeguards our reputation, and drives continuous improvement, ensuring that our technological solutions meet the highest standards of performance.

The Group values customer feedback, collecting twenty (20) forms in FY2024. Based on the forms we collected; we recorded a customer satisfaction rate of 80%. To further ensure the highest standards of product quality and service, we are certified with the ISO 9001:2015 Quality Management System.

Customer Satisfaction Evaluation Survey

The Customer Feedback Form was distributed to customers to gather feedback on our products and services, helping us enhance performance and improve satisfaction. In FY2024, we received 20 feedback forms and achieved an average 80% satisfaction rate.

Evaluation Criteria:

- Quality of product
- Price
- Product Life Time
- Respond to Criticism
- On Time Delivery
- Warranty of Product
- Easily to contact Manager/Supervisor

Supply Chain Management

Strategic supply chain management drives operational efficiency and facilitates on-time product delivery. By minimising disruptions and enhancing reliability, this approach ensures we meet customer demands with precision, reinforcing our competitive edge and optimising performance across all stages of the supply chain process.

As such, Flexidynamic's approach utilises an e-procurement process that follows a five-stage selection, ensuring only the most reliable and capable suppliers meet our standards. Each stage involves detailed assessments and multiple levels of approval, evaluating quality, safety, and operational efficiency. We scrutinise workmanship, equipment maintenance, and regulatory compliance while prioritising timely delivery, competitive pricing, and seamless project execution.

E-Procurement Process



High product quality



Strong brand recognition



Excellent cost-effectiveness



High compatibility with business needs



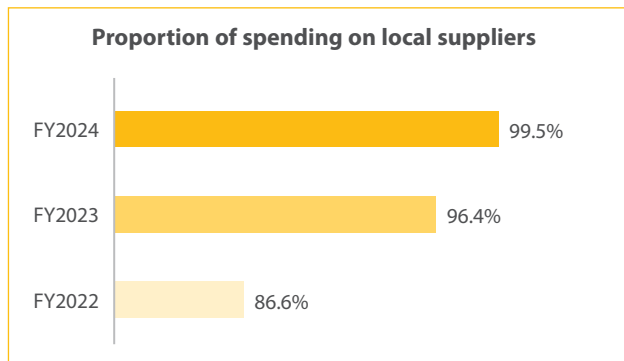
Fast response time

SUSTAINABILITY STATEMENT

(cont'd)

Proportion of Procurement Spend on Local Suppliers

Flexidynamic's local supplier procurement spend increased by 14.9% since FY2022, reinforcing our efforts to support local businesses and strengthen the domestic supply chain.



Health and Safety

Prioritising stringent health and safety standards is important due to the nature of our manufacturing, installation, and maintenance operations. By placing importance on health and safety, we foster a secure work environment that minimises the risk of downtime.

We emphasise workplace safety through a structured Health and Safety Management System in compliance with the Occupational Safety and Health (Amendment) Act 2022 ("OSHA") and Department of Occupational Safety and Health ("DOSH") regulations. A range of Health, Safety and Environment (HSE) initiatives further strengthens our risk prevention, employee well-being, and compliance. The key initiatives are outlined below.

HSE Initiatives

Hazard Identification, Risk Assessment, and Risk Control ("HIRARC")

- Conducted for each specific task to identify potential hazards and establish control measures prior to commencement of work

Machinery Permits

- Established permits for safe operation of Air Receivers and Overhead Cranes during renovation and construction.

Forklift Operations and Load Handling

- Enforced safe forklift operations, including pre-use inspections and training
- Ensured stable load handling and adherence to safety guidelines

Office Safety Initiatives

- Implemented Ergonomic workstation design to prevent strain injuries
- Regular maintenance and inspection of office electrical systems

Noise and Environmental Controls

- Implemented noise control measures to prevent hearing damage
- Ensured proper ventilation systems for hazardous chemical storage

Personal Protective Equipment ("PPE") Management

- Provided PPE, including eye, hand, foot, and body protection, tailored to workplace hazards
- Conducted PPE training on proper usage, care, and limitations

Flexidynamic recorded zero work-related fatalities across 113,016 hours worked in FY2024.

	FY2022	FY2023	FY2024
Total number of hours worked	165,448	108,484	113,016
Total number of work-related fatalities	0	0	0
Number of lost-time injuries	0	0	1
Lost Time Incident Rate ("LTIR")	0	0	1.77

SUSTAINABILITY STATEMENT

(cont'd)

Health and Safety Training

We conducted four health and safety training programmes with 9 participants in FY2024 to ensure our employees are equipped with essential safety knowledge. These sessions reinforce workplace safety standards and regulatory compliance.

Programme Title	Programme Description	Number of Attendees
Safety and Health Assessment System in Construction (SHASSIC) Assessor	Independent method to assess and evaluate the safety & health performance	1
Occupational Safety Health Coordinator	Exposure of Occupational Safety Health Coordinator, enhance OSH awareness	1
Authorised Entrant & Standby Person for Confined Space	Understand procedures & state legal requirement pertaining to confined space	6
Lifting Supervisor	To identify and apply duties of lifting supervisor, awareness on the safety requirement	1

Labour Practices and Standards

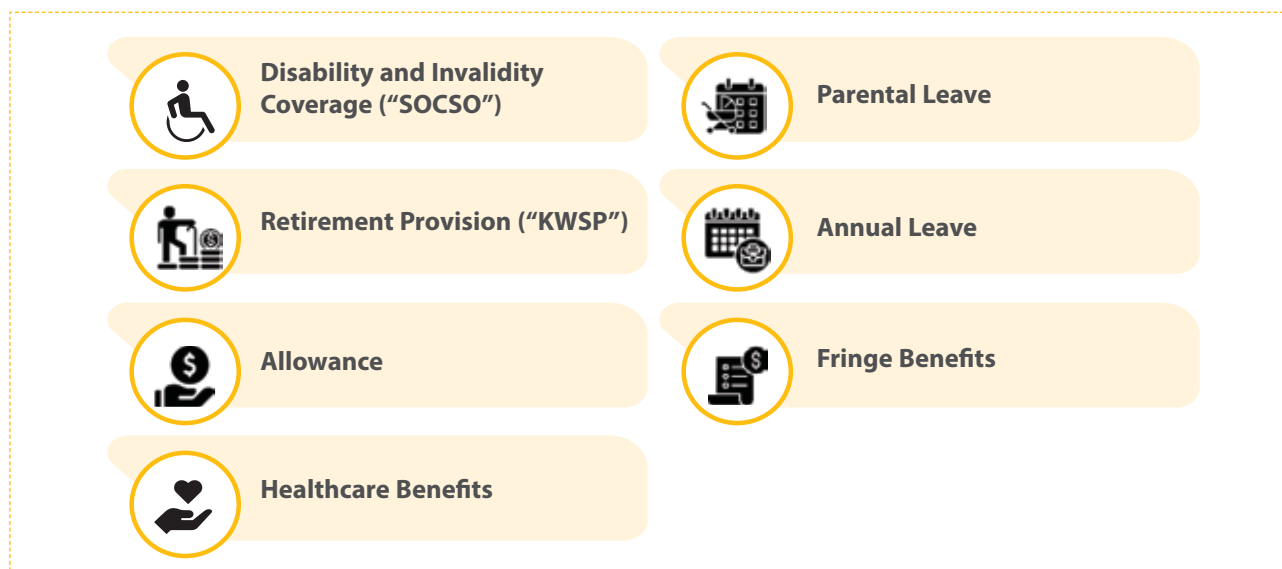
A strong foundation in labour practices and standards is essential for ensuring a safe and compliant work environment across our manufacturing process. By prioritising fairness and well-being, we enhance productivity, drive employee engagement, and cultivate long-term organisational resilience.

The Group upholds fair labour practices by complying with Malaysia's Employment Act 1955 and the Employees' Minimum Standards of Housing, Accommodations, and Amenities Regulations 2020. Regular assessments help maintain safe and fair working conditions, aligning with the International Labour Organization's ("ILO") principles on fundamental rights at work. As such, Flexidynamic remains resolute in upholding human rights while fostering an ethical work environment for all employees.

Group-wide	FY2022	FY2023	FY2024
No. of substantiated complaints concerning human rights violation	0	0	0

Employee Benefits

Flexidynamic offers a range of employee benefits, including disability and invalidity coverage under the Social Security Organisation ("SOCSO"), parental leave, and retirement provisions through the Employees Provident Fund ("EPF"). Beyond this, employees receive annual leave, allowance, fringe benefits, and healthcare benefits, all designed to support their well-being and ensure a balanced work-life experience.



In FY2024, we sponsored one of our employees to undertake a postgraduate Master of Business Administration ("MBA") programme, designed to strengthen leadership abilities, strategic planning, and business management skills.

SUSTAINABILITY STATEMENT

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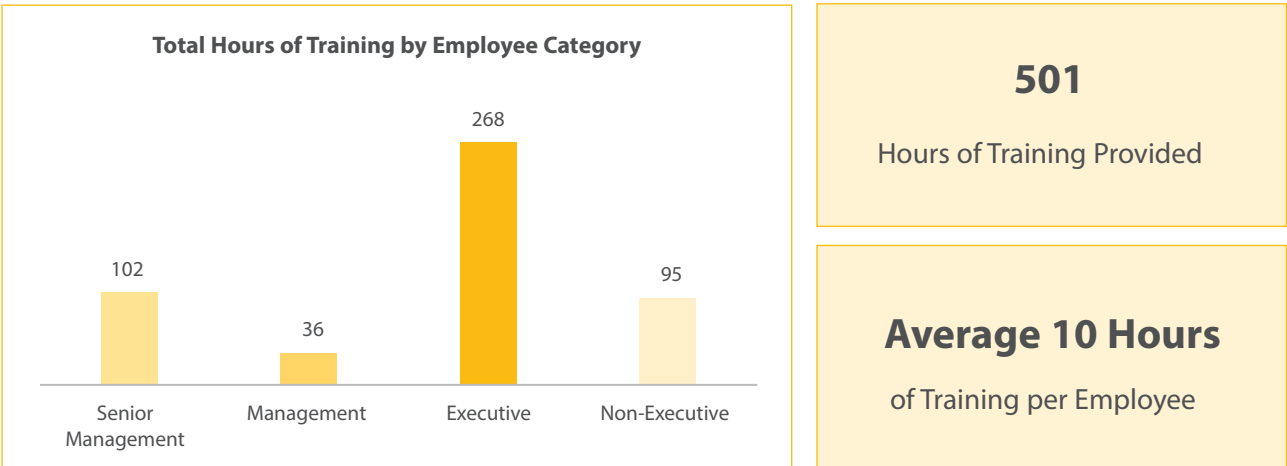
Parental Leave

Flexidynamic supports employees by maintaining parental leave policies in accordance with relevant regulations and the needs of our workforce.

	Gender	FY2022	FY2023	FY2024
No. of employees that took parental leave	Men	1	1	0
	Women	0	0	0
No. of employees who returned to work after taking parental leave	Men	1	1	0
	Women	0	0	0
No. of employees who remained employed 12 months after returning from parental leave	Men	1	1	0
	Women	0	0	0

Training and Development

A total of 28 training programmes were organised in FY2024, aimed at enhancing the skills and capabilities of employees across various departments.



The table below outlines the details of the training programmes we organised for the year.

General Training	
Strategic Teambuilding Challenge	Develop and implement effective communication strategies to improve teamwork and organisational collaboration
AsiaWorks Basic Training	Engage in a unique learning approach focused on self-awareness, communication, and personal growth
ISSB: Applying the IFRS Sustainability Disclosure Standards	Gain awareness of IFRS Sustainability Disclosure Standards and their applications in corporate reporting

SUSTAINABILITY STATEMENT

(cont'd)

Technical Skills Training	
Customer Relationship Management	Learn about customer needs and behaviours to develop stronger relationships
Payroll Administration Training	Enhance payroll knowledge and understanding of payroll systems
Cost & Productivity Improvement for Production	Raise awareness of productivity and quality for cost improvements
Effective Warehouse Management Skills	Understand warehouse functions and how to reduce inventory costs
E-Invoicing Mastery	Learn the fundamentals of e-invoicing workflows and implementation strategies
Withholding Tax Webinar	Understand updates and best practices related to withholding tax
IFRS/MFRS 15 Revenue	Understand MFRS 15 Revenue standards and their implications
Service Tax Updates	Updates on service tax processes and regulations
Microsoft Excel (Intermediate)	Advance skills and techniques for efficient data management
Form E & Form EA	Updates on Form E and EA processes
Health and Safety Training	
Safety and Health Assessment System in Construction (SHASSIC) Assessor	Learn independent methods to assess and evaluate safety and health performance in construction projects
Occupational Safety Health Coordinator	Enhance awareness and understanding of occupational safety and health roles and responsibilities
Authorised Entrant & Standby Person for Confined Space	Understand procedures and legal requirements for working in confined spaces
Lifting Supervisor	Identify and apply duties of lifting supervisors while adhering to safety requirements

New Hires and Turnover

In FY2024, Flexidynamic onboarded 11 new hires and 12 turnovers with 58% of turnovers from non-executive positions, providing an opportunity to strengthen targeted retention strategies.

Total Number of Full Time Employee New Hires	FY2022	FY2023	FY2024
By Employee Category			
Senior Management	0	0	0
Management	0	0	0
Executive	0	0	4
Non-Executive	10	0	7
By Gender			
Men	9	0	10
Women	1	0	1
By Age			
Below 30 years	9	0	5
30-50 years	1	0	6
Above 50 years	0	0	0

SUSTAINABILITY STATEMENT

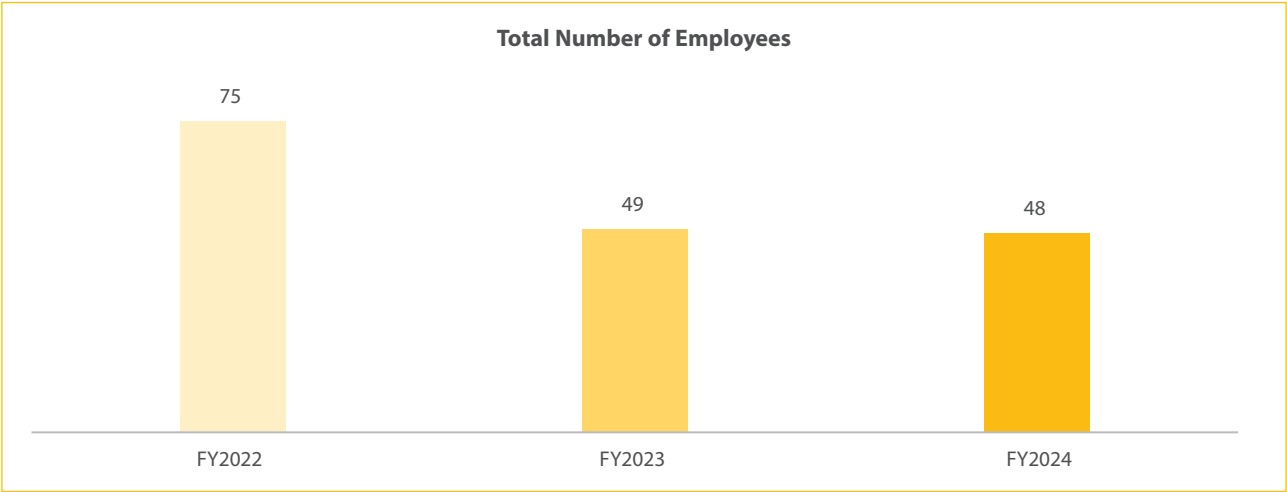
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Total Number of Full Time Employee Turnover	FY2022	FY2023	FY2024
By Employee Category			
Senior Management	0	0	1
Management	0	0	1
Executive	0	4	3
Non-Executive	17	17	7
By Gender			
Men	16	18	12
Women	1	3	0
By Age			
Below 30 years	12	12	0
30-50 years	5	8	9
Above 50 years	0	1	3

Diversity and Inclusivity

Fostering innovation and enhancing workplace equity result from the strategic attraction and retention of diverse talent. Leveraging this approach optimises team performance by integrating a broad spectrum of experiences and expertise required in our manufacturing activities.

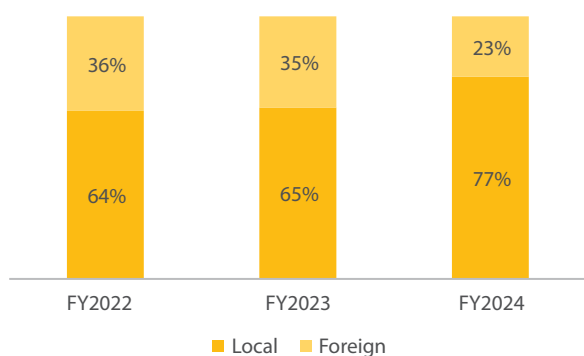
The Group adopts a merit-based approach to recruitment, ensuring roles are filled based on qualifications and suitability. To promote gender diversity, the Nomination Committee periodically reviews board composition to ensure fair representation. Beyond this, our gender diversity policy is regularly updated to ensure it remains relevant and effective in supporting inclusivity. The total number of employees decreased from FY2022 to FY2023, primarily due to fewer new projects and the completion of contracts for some foreign workers.



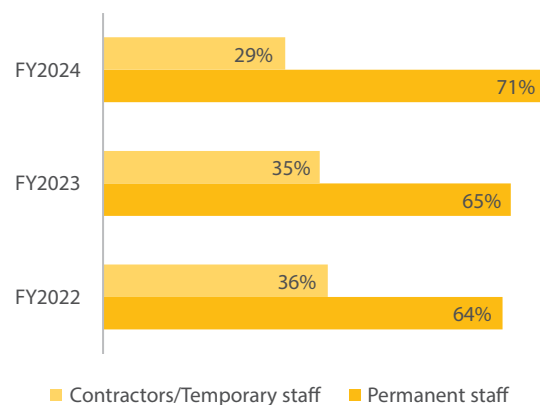
SUSTAINABILITY STATEMENT

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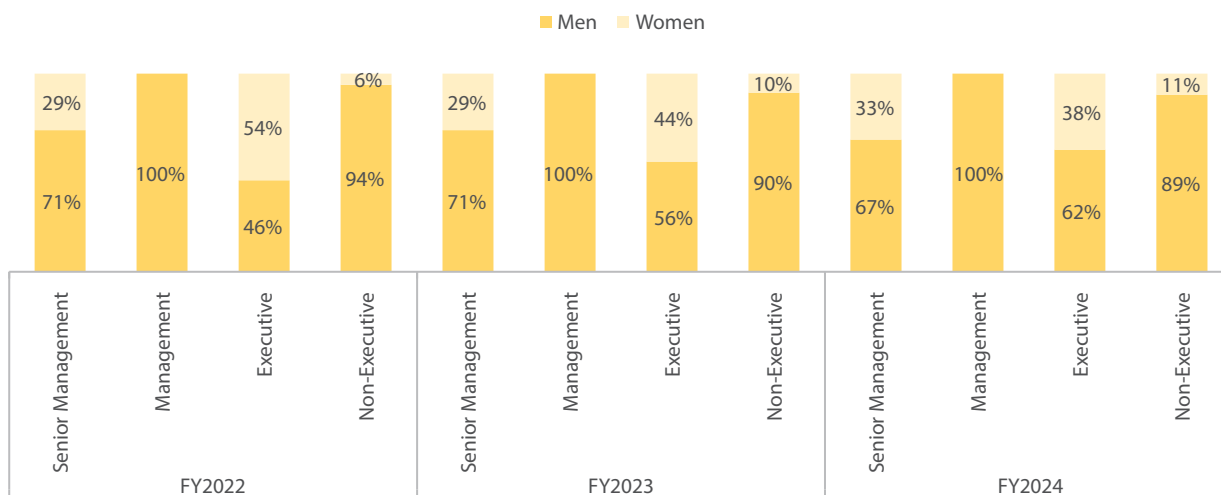
Group Employee Nationality



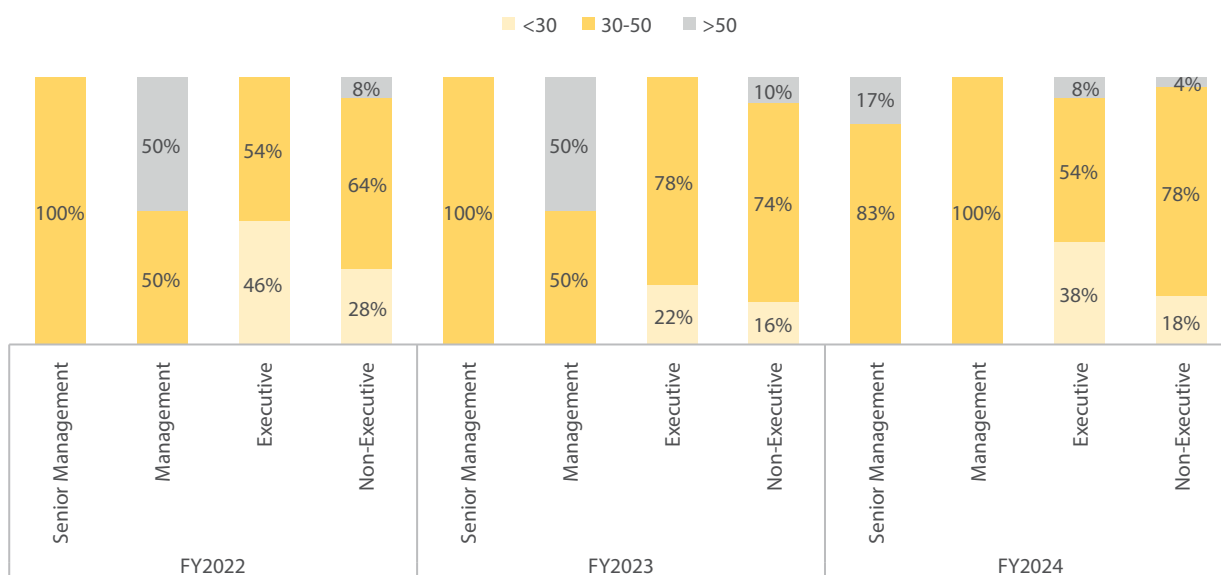
Type of Employment



Employee Diversity by Gender



Employee Diversity by Age



SUSTAINABILITY STATEMENT

(cont'd)

Community Engagement

Community engagement strengthens local relationships and builds confidence in Flexidynamic's commitment to responsible business practices. Active involvement in regional initiatives fosters mutual support, creating positive impacts and provides a lasting, beneficial presence in the communities where Flexidynamic operates.

We dedicated resources to two community engagement programmes in FY2024, each aimed at making a positive impact on the communities we serve. Our efforts emphasise on fostering long-term relationships and supporting meaningful, sustainable change.

Invested **RM13,500**
for a total of **2**
organisations

Community Welfare and Support *Hope Mission Welfare Society of Teluk Intan - Donation*

- The Group supports the welfare efforts of the Hope Mission Welfare Society by investing RM10,000 in financial and in-kind donations, these contributions aid the organisation's ongoing programmes and services which directly benefit the community, enhancing the well-being of those in need and supporting meaningful, long-term social impact.

Environmental Sustainability and Conservation *Restoration of Our Amazing Rainforest*



- Flexidynamic supports the ROAR (Restoration of Our Amazing Rainforest) Initiative, focusing on environmental conservation through tree planting and long-term maintenance. We contributed RM3,500, planting 100 saplings and committing to maintain them for four years, supporting reforestation efforts and promoting environmental sustainability for the future.



SUSTAINABILITY STATEMENT

(cont'd)

SHAPING OUR SUSTAINABLE FUTURE

Flexidynamic strives to embed sustainability across our operations by integrating responsible practices throughout our services. In line with our approach, we align with global sustainability goals, by adopting industry-leading climate-related best practices and integrated innovative ESG initiatives throughout our chlorination systems solution manufacturing line. These initiatives are designed to create enduring value for stakeholders and drive sustainable progress in our operations.

PERFORMANCE DATA TABLE

Governance

Indicator	Unit	FY2022	FY2023	FY2024
Corporate Governance and Anti-Corruption				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
• Senior Management	%	-	100	-
• Management	%	-	100	-
• Executive	%	-	82	-
• Non-Executive	%	-	19	-
Bursa C1(b) Percentage of operations assessed for corruption related risks	%	-	-	-
Bursa C1(c) Confirmed incidents of corruption and actions taken	Number	0	0	0
Bursa C3(b) Percentage of directors by gender and age				
Male	%	62	62	75
Female	%	38	38	25
<30	%	0	0	0
30-50	%	100	75	62
>50	%	0	25	38
Data Privacy and Security				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy or losses of customer data	Number	0	0	0
Supply Chain Management				
Bursa C7(a) Proportion of spending on local suppliers	%	86.6	96.4	99.5

SUSTAINABILITY STATEMENT

(cont'd)

Environment

Indicator	Unit	FY2022	FY2023	FY2024
Energy Management and Climate Action				
Bursa C4(a) Total energy consumption	GJ	3,741	2,883	2,518
Bursa C4(a) Total energy consumption	MWh	1,039	801	699
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	tCO ₂ e	240	189	163
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	tCO ₂ e	76	46	46
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (business travel and employee commuting)	tCO ₂ e	-	6.44	6.71
Waste and Pollution Management				
Bursa C10(a) Total waste generated	tonnes	-	11.76	28.86
Bursa C10(a)(i) Total waste diverted from disposal	tonnes	-	0.42	0.15
Bursa C10(a)(ii) Total waste directed to disposal	tonnes	-	11.34	28.71
Water Management				
Bursa C9(a) Total volume of water used	ML	2.21	2.06	1.20

Social

Indicator	Unit	FY2022	FY2023	FY2024
Health and Safety				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0	0	1.77
Bursa C5(c) Number of employees trained on health and safety standards	Number	18	13	9
Labour Practices and Standards				
Bursa C6(d) Number of substantiated complaints concerning human rights violation	Number	0	0	0
Bursa C6(a) Total hours of training by employee category				
• Senior Management	Hours	139.5	148	102
• Management	Hours	28	32	36
• Executive	Hours	267	388	268
• Non-Executive	Hours	246.5	149	95
Bursa C6(c) Total number of employee turnover by employee category				
• Senior Management	Number	0	0	1
• Management	Number	0	0	1
• Executive	Number	0	4	3
• Non-Executive	Number	17	17	7

SUSTAINABILITY STATEMENT

(cont'd)

Indicator	Unit	FY2022	FY2023	FY2024
Diversity, Equity and Inclusion				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Gender group by employee category				
• Senior Management (Male)	%	71	71	67
• Senior Management (Female)	%	29	29	33
• Management (Male)	%	100	100	100
• Management (Female)	%	0	0	0
• Executive (Male)	%	46	56	62
• Executive (Female)	%	54	44	38
• Non-Executive (Male)	%	94	90	89
• Non-Executive (Female)	%	6	10	11
Age group by employee category				
• Senior Management (<30)	%	0	0	0
• Senior Management (30-50)	%	100	100	83
• Senior Management (>50)	%	0	0	17
• Management (<30)	%	0	0	0
• Management (30-50)	%	50	50	100
• Management (>50)	%	50	50	0
• Executive (<30)	%	46	22	38
• Executive (30-50)	%	54	78	54
• Executive (>50)	%	0	0	8
• Non-Executive (<30)	%	28	16	18
• Non-Executive (30-50)	%	64	74	78
• Non-Executive (>50)	%	8	10	4
Bursa C6(b) Percentage of employees that are contractors or temporary staff	%	36	35	29
Community Engagement				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	28,151	11,000	13,500
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	2 organisations	2 organisations	2 organisations

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Flexidynamic Holdings Berhad ("**Flexidynamic**" or the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") acknowledges the importance of the principles and practices as set out in Malaysian Code on Corporate Governance ("**MCCG**") in managing the Group's business towards its mission of sustainable growth.

The Board will continuously evaluate the Group's corporate governance practices and procedures, and where appropriate will adopt and implement the best practices in the MCCG to the best interest of the shareholders of the Company.

The Corporate Governance Overview Statement is made pursuant to Rule 15.25(1) of the ACE Market Listing Requirements ("**AMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and the principles and practices as set out in MCCG.

This Corporate Governance Overview Statement should also be read in tandem with the Corporate Governance Report 2024 which is available on the Company's corporate website at <https://www.flexidynamic.com>.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. THE BOARD OF DIRECTORS

1.1 Roles and Responsibilities of the Board of Directors (the "Board")

The Board recognises the key role it plays in charting the strategic direction of the Company and has assumed the following principal responsibilities in discharging its fiduciary and leadership functions:

- provide leadership and oversee the overall conduct of our Group's businesses to ensure that our businesses are being properly managed;
- review and adopt strategic plans for our Group and to ensure that such strategic plans and the risk, performance and sustainability thereon are effectively integrated and appropriately balanced;
- review and adopt corporate governance best practices in relation to risk management, legal and compliance management and internal control systems to safeguard our Group's reputation, and our employees and assets and to ensure compliance with applicable laws and regulations;
- ensure that our Group has effective Board committees as required by the applicable laws, regulations, rules, directives and guidelines and as recommended by the MCCG;
- review the effectiveness and implementation of anti-bribery and anti-corruption policy and framework;
- monitor the relationship between our Group and our management, shareholders and stakeholders, and to develop and implement an investor relations programme or shareholders' communications policy for our Group; and
- appoint our Board committees, to delegate powers to such committees, to review the composition, performance and effectiveness of such committees, and to review the reports prepared by our Board committees and deliberate on the recommendations thereon.

To assist in the discharge of its stewardship role, the Board has established Board Committees, namely Audit and Risk Management Committee, Nomination Committee and Remuneration Committee to examine specific issues within their respective terms of reference as approved by the Board and to report to the Board with their recommendations. The ultimate responsibility for decision making, however, lies with the Board.

Board Charter

The Board Charter has been formalised and adopted by the Board. The Board Charter aims to ensure that all Board members understand their role, duties and responsibilities as well as the laws, regulations and best practices governing their conduct.

The Board Charter is to be reviewed periodically and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities. The Board Charter is accessible at the Company's website under the Corporate Governance section at <https://www.flexidynamic.com>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. THE BOARD OF DIRECTORS (CONT'D)

1.1 Roles and Responsibilities of the Board of Directors (the "Board") (cont'd)

Employee Code of Conduct Policy

The Board has established an Employee Code of Conduct Policy for its Directors and employees. The Employee Code of Conduct Policy sets out the standards of conduct expected from Directors and employees to advocate good corporate behaviour with the intention of achieving the following aims:

- To outlines the Company's expectations regarding employees' behaviour towards their colleagues, supervisors and overall organisation.
- To promote freedom of expression and open communication while expecting all employees to follow the Company's code of conduct.

The Board recognises the importance of adhering to the Employee Code of Conduct Policy and has taken measure to put in place a process to ensure:

- Compliance with law;
- Respect in the workplace;
- Protection of the Group's Property;
- Professionalism;
- Not engaging in Corruption;
- Job duties and authority;
- Monitoring absenteeism and tardiness;
- No conflict of interest;
- Collaboration among employees and management; and
- Communication.

Ethics and Compliance Whistleblowing Policy and Procedures

The Board has adopted the Ethics and Compliance Whistleblowing Policy and Procedures and is committed in conducting the business ethically, as well as complying with all applicable laws, which include compliance with the Malaysian Anti-Corruption Commission Act 2009, the Malaysian Anti-Corruption Commission (Amendment) Act 2018 and any of its amendments or re-enactments that may be made by the relevant authority from time to time. The Group is committed to conducting its business according to the highest ethical, moral and legal standards. In line with this commitment, and the Group's commitment to open communication, this Policy aims to provide an avenue for employees, third parties and other stakeholders, on an anonymous basis if appropriate, to raise concerns or report any known or potential misconduct, violation of Group policies or applicable laws and regulations, without retaliation or retribution.

Ethics and Compliance Whistleblowing Policy and Procedures is available on the Company's website under Corporate Governance section at <https://www.flexidynamic.com>.

Anti-Bribery and Corruption Policy

The Group has adopted and implemented the Anti-Bribery and Corruption Policy and the said Policy was designed in line with the government's commitment to tackling corruption, improving integrity and implementing good corporate governance pursuant to Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018.

The Group is committed to conduct its business and operations on the concept of transparency, integrity and accountability, in compliance with the applicable laws and regulation.

Anti-Bribery and Corruption Policy is available on the Company's website under Corporate Governance section at <https://www.flexidynamic.com>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. THE BOARD OF DIRECTORS (CONT'D)

1.1 Roles and Responsibilities of the Board of Directors (the "Board") (cont'd)

Sustainability

The Board ensures that the Company strategies on sustainability with attention given particularly to the environmental, social and Governance ("ESG") pillars of sustainability. The importance of sustainability as a key driver for long-term business growth and believes that business success should be measured in a holistic manner rather than just by financial profits. Therefore Board is mindful of the need to develop the Group's business by practising, preserving and promoting activities that contributes to the ESG pillars. The Company strives to achieve a sustainable long-term balance between meeting its business goals and compliance to relevant environmental and related legislation as well as ensuring a safe and healthy working environment.

1.2 Board Balance and Composition

The Board currently consists of eight (8) members, comprising of the Managing Director, three (3) Executive Directors and four (4) Independent Non-Executive Directors. The Board has achieved the target of at least half of the board comprises independent directors in compliance with the MCGG and exceeding the minimum one-third (1/3) requirement as out in the AMLR. In the event of any vacancy in the Board, resulting in the non-compliance of the above, the Company must fill the vacancy within 3 months. The Independent Non-Executive Directors do not participate in day-to-day management as well as the daily business of the Company. In staying clear of any potential conflict of interest situation, the Independent Directors remain in a position to fulfil their responsibility to provide a check and balance to the Board. They provide independent and objective views, advice and judgement that take into account the interests of the Group as well as shareholders and investors in the decision-making process of the Board.

The Profile of Board of Directors is set out in the Annual Report. The Directors, with their diverse backgrounds and specialisations, collectively bring with them a wide range of experience and expertise in areas such as accounting and audit; corporate affairs; marketing and operations.

All the Directors have given confirmations on an annual basis as to whether he/she has any family relationship with any director and/or major shareholder of the Company. All the Directors confirm that they do not have any conflict of interest with the Company and any convictions for offences within the past five (5) years and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year.

Gender Diversity Policy

The Board acknowledges the recommendations of the MCGG on the establishment of a gender diversity policy. The Board has adopted the Board Diversity Policy which sets out the Company's approach to diversity on the Board.

The Nomination Committee ("NC") reviews and assesses Board composition on behalf of the Board and recommends all the appointment to the Board. The NC ensures that all Board appointment process is conducted in a manner that promotes gender diversity.

The Board advocates non-discrimination of any form, whether based on age, race, religion or gender, throughout the Group, which includes the selection of Board members and key senior management. The Company believes in providing equal opportunity to candidates with merits.

Presently, there are two (2) female directors and six (6) male directors sitting on the Board that constitutes 25% female representation on the Board. The Board is of the view that the suitability of a candidate for the Board is dependent on the candidate's competency, skills, experience, expertise, time commitment, integrity and other qualities in meeting the needs of the Company.

Gender Diversity Policy is available on the Company's website under Corporate Governance section at <https://www.flexidynamic.com>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1. THE BOARD OF DIRECTORS (CONT'D)

1.2 Board Balance and Composition (cont'd)

Directors' Fit and Proper Policy

The Board has adopted a Directors' Fit and Proper Policy to ensure that Directors possess the character, integrity, relevant range of skills, knowledge, experience, competence and time commitment to carry out their roles and responsibilities effectively in the best interest of the Group.

Fit and Proper Policy is available on the Company's website under Corporate Governance section at <https://www.flexidynamic.com>.

1.3 Division of Roles and Responsibilities between the Chairman and Managing Director

The Board appreciates the distinct roles and responsibilities of the Chairman of the Board and the Managing Director to ensure a clear and proper balance of power and authority. The roles of the Chairman and the Managing Director are separated and distinguished with no overlapping of authority.

The Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspects of his role. Decisions of the Board are made collectively during Board meetings. In order to ensure that meetings are properly facilitated, and the Board is properly led, the Chairman plays a crucial and pivotal leadership role in ensuring that the Board works effectively. Additionally, the Chairman of the Board is usually the presiding Chairman during General Meetings of the Company.

Chairman of the Board endeavours to create an environment which promotes constructive deliberations leading to effective contributions by each Board member during Board meetings. Furthermore, the Chairman must be able to manage personal conflicts and help to focus the Board on what really matters as oppose to simply ploughing through the agenda.

The position of Chairman is currently led by Dr. Teh Chee Ghee, an Independent Non-Executive Director of the Company. He will chair every meeting of the Company.

The position of Managing Director is held by Mr. Tan Kong Leong. He is responsible for ensuring the adequacy and effectiveness of the Board's governance process and acts as facilitator at Board meetings to ensure all Directors participate and deliberate at all Board meetings and that no Board member dominates the discussion. As the Managing Director, supported by fellow Executive Directors, he implements the Group's strategies, policies and decisions adopted by the Board and oversees the operations and business development of the Group.

The roles and responsibilities of the Managing Director are prescribed in the Company's Board Charter which can be assessed at the corporate website under Corporate Governance section at <https://www.flexidynamic.com>.

2. BOARD MEETING AND ACCESS TO INFORMATION

Supply of Information

Directors are supplied with relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters, by way of Board reports or upon specific request, for decisions to be made on an informed basis and effective discharge of Board's responsibilities.

Good practices have been observed for timely dissemination of meeting agenda, including the relevant Board and Board Committee papers to all Directors prior to the Board and Board Committee meetings to facilitate informed Board decision and to deal with matters arising from such meetings. All Board members will be furnished with comprehensive board papers, to explain on pertinent issues and recommendations by Management. The issues are then deliberated and discussed in-depth by the Board prior to decision making.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. BOARD MEETING AND ACCESS TO INFORMATION (CONT'D)

Supply of Information (cont'd)

In addition, the Board members are updated on the Company's activities and its operations on a regular basis. All Directors have access to all information of the Company on a timely basis to enable them to discharge their duties and responsibilities.

The Directors are provided with agenda of meetings and Board papers which contain operational report and financial information to be discussed, in sufficient time prior to every Board meeting to enable them to obtain further explanation, where necessary, in order to be properly informed before the meeting.

The Chairperson of the Audit and Risk Management Committee, highlights to the Board at each Board meeting of any salient matters noted by the Audit and Risk Management Committee that may require the Board's attention or direction.

When necessary, the Directors may whether as a full Board or in their individual capacity, seek independent professional advice, including from internal and external auditors, at the Company's expense to enable the Directors to discharge their duties with adequate knowledge on the matters being deliberated, subject to approval by the Chairman of the Board, and depending on the quantum of the fees involved.

Time Commitment

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. This is evidenced by the attendance record of the Directors at Board and Board Committees meetings, as set out in the table below:

Name	Designation	Board
Dr. Teh Chee Ghee (Appointed on 1 July 2024)	Independent Non-Executive Chairman	2/2
Tan Kong Leong	Managing Director	5/5
Sin Kuo Wei	Deputy Managing Director	5/5
Liew Heng Wei	Executive Director	5/5
Lion Suk Chin	Executive Director	5/5
Noor Zaliza Yati Binti Yahya	Independent Non-Executive Director	5/5
Ir. Chong Kai Feng	Independent Non-Executive Director	5/5
Poh Chee Fong	Independent Non-Executive Director	4/5
Phang Sze Fui (Retired on 26 June 2024)	Independent Non-Executive Chairperson	3/3

All Board members are required to notify the Chairman on new directorships notwithstanding that the AMLR allow a director to sit on the boards of 5 listed issuers. Such notification is expected to include an indication of time that will be spent on the new appointment.

Company Secretaries

The Company Secretaries are qualified Chartered Secretaries, under the prescribed body as permitted by the Companies Act 2016. The Board members have direct access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Company Secretaries provide information and advice to the Board and its Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. BOARD MEETING AND ACCESS TO INFORMATION (CONT'D)

Company Secretaries (cont'd)

The Company Secretaries' roles are to:

- (a) Support the Board and Board Committees;
- (b) Update and advise the Board and its Committees in compliance with the Companies Act 2016, Company's Constitution, corporate governance and compliance with the AMLR of Bursa Securities and any other relevant authority;
- (c) Maintenance of statutory records;
- (d) As the Advisor to the Board to guide the Board on the compliance with AMLR; and
- (e) Ensure the quarterly financial results and all other relevant announcements are released to Bursa Securities on a timely basis.

The Company Secretaries play an essential role in the annual general and extraordinary general meetings in ensuring that due processes and proceedings are in place and properly managed. During the meeting, the Company Secretaries will assist the Chairman and the Board in the conduct of the meetings and ensure the minutes are properly recorded.

The appointment and removal of Company Secretaries are matters reserved for the Board.

3. BOARD SELECTION AND ASSESSMENT

A Nomination Committee has been established, with specific terms of reference, by the Board, comprising exclusively Independent Non-Executive Directors as follows:

Name of Directors	Directorship	Attendance
<u>Chairman</u>		
Poh Chee Fong	Independent Non-Executive Director	2/2
<u>Members</u>		
Noor Zaliza Yati Binti Yahya	Independent Non-Executive Director	2/2
Ir. Chong Kai Feng	Independent Non-Executive Director	2/2

The Nomination Committee is primarily responsible for recommending suitable appointments to the Board, taking into consideration the Board structure, size, composition and the required mix of expertise and experience which the Director should bring to the Board.

Appointments to the Board are based on merit guided by the Fit & Proper Policy adopted by the Company, having regards to the contribution of the candidates to the Board as a whole. The Board believes that merit-based appointments will best enable the Group to serve its shareholders and stakeholders. The final decision on the appointment of a candidate recommended by the Nomination Committee rests with the Board. The Board is entitled to the services of the Company Secretary who would ensure that all appointments are properly made upon obtaining all necessary information from the candidates.

The Nomination Committee reviews annually the effectiveness of the Board as a whole, the Board Committees and the contribution of each Director, including Independent Non-Executive Directors. The evaluation involves completing questionnaires regarding the processes of the Board and Committee members, their performances and where improvements could be considered. These assessments were summarised and discussed at the Nomination Committee meeting which gave recommendation to the Board at the Board Meeting.

The Board has assessed the independence of its Independent Non-Executive Directors on an annual basis based on the criteria set out in the AMLR.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

3. BOARD SELECTION AND ASSESSMENT (CONT'D)

All the Directors of the Company have attended the Mandatory Accreditation Programme as prescribed in the AMLR.

The Board is mindful of the importance for its members to undergo continuous training to keep abreast with changes in regulatory requirements and the impact of such regulatory requirements have on the Group.

During the financial year under review, the trainings attended by the Directors included briefings, seminars, workshops and conferences conducted by the relevant regulatory authorities and professional bodies. Details of the training programmes attended/participated by the Directors are as follows:

Name of Directors	Seminars/Conferences/Training Programmes Attended	Date of Attendance
Tan Kong Leong	<ul style="list-style-type: none"> AsiaWorks Basic Training Strategic Team-Building Challenge 	21 st February 2024 – 25 th February 2024 18 th October 2024
Sin Kuo Wei	<ul style="list-style-type: none"> Strategic Team-Building Challenge 	18 th October 2024
Liew Heng Wei	<ul style="list-style-type: none"> Strategic Team-Building Challenge Cost & Productivity Improvement for Production 	18 th October 2024 05 th November 2024
Lion Suk Chin	<ul style="list-style-type: none"> Strategic Team-Building Challenge e-Invoicing ISSB: Applying the IFRS Sustainability Disclosure Standards 	18 th October 2024 29 th October 2024 11 th November 2024
Dr. Teh Chee Ghee	<ul style="list-style-type: none"> JBL Consultancy – ISO9001:2015 Internal Audit Training Learnabee: Case Analysis on Federal Court's Decision on Apex Equity's Appeal Case with Mr Philip TN Koh MIA Town Hall 2023/2024 AI-Native SOC Summit: The Next Generation of SIEM Here Today Arcadia x Michael Page Exclusive Workshop: Finding Your Voice KPMG Empowerment through Awareness: Shining the Light on Human Rights in Malaysia MIA Valuation Webinar - Navigating the Updates on International Valuation Standards: Transforming Valuation Practices UN Global Compact Network Malaysia & Brunei - Sustainability TrendsWatch: How Can Businesses Build Sustainable Supply Chains? MIA – Understanding Financial Statements UN Global Compact Network Malaysia & Brunei Webinar – Anti-Corruption and Good Governance in Asian Supply Chains KPMG Webinar: Transfer Pricing Awareness – OECD Pillar 1 Amount B KPMG Webinar: Navigating Capital Gains Tax Climate Finance Summit 2024 – Mobilizing Capital for a Just Transition UN Global Compact Network Malaysia & Brunei Business Integrity Knowledge Session: Combating Corruption and Promoting Good Governance in Asian Supply Chains Monash University Alumni PD Masterclass: Ready-for-anything leadership – strengthening presence and self-certainty masterclass BDO e-Invoicing Compliance: Essential Guidelines MIT Sloan: Tapping Into the Hidden Consumer Demand for Sustainability 	20 th March 2024 – 21 st March 2024 29 th March 2024 23 rd May 2024 28 th May 2024 12 th June 2024 12 th June 2024 20 th June 2024 20 th June 2024 25 th June 2024 02 nd July 2024 10 th July 2024 17 th July 2024 01 st August 2024 27 th August 2024 05 th September 2024 24 th September 2024 03 rd October 2024

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

3. BOARD SELECTION AND ASSESSMENT (CONT'D)

During the financial year under review, the trainings attended by the Directors included briefings, seminars, workshops and conferences conducted by the relevant regulatory authorities and professional bodies. Details of the training programmes attended/participated by the Directors are as follows (cont'd):

Name of Directors	Seminars/Conferences/Training Programmes Attended	Date of Attendance
Dr. Teh Chee Ghee (cont'd)	<ul style="list-style-type: none"> ICDM x AON Chairman Roundtable & Networking: How Responsible & Responsive Are You in Strategic Risk Management? Bursa Malaysia: Board Ethics: Stakeholder Interests; Conflict of Interests & Growing Concerns from New Technology Fair Supply webinar: Calculating Scope 1, Scope 2, and Scope 3 Emissions ICDM Programme - ESG Updates Locally and Internationally; Climate-Related Litigation—What's Happening? and Sustainability Reporting Best Practices and Tips MIA Town Hall 2023/2024 MICPA Implementation of ISQM1 Journey: Challenges, Technique and Solutions Audit Oversight Board (AOB) Conversation with Audit Committees MICPA's Financial Statement Review Committee (FSRC): Accelerate Your Financial Reporting Excellence Fair Supply webinar: Building a Compliant Sustainability Report ICDM Powertalk Series: Strategic Data and Frameworks in Board Governance KPMG Webinar: MFRS Updates 2024 MIA Webinar: Navigating the Cyber Security Act 2024 MIA Bridging Research and Practice: Advancing Technology Adoption in SMEs and SMPs, and Shaping the Future of Accounting Education MIA Empowering Businesses through Integrated Reporting: Incorporating IFRS S1 & S2 	08 th October 2024 16 th October 2024 29 th October 2024 05 th November 2024 12 th November 2024 14 th November 2024 19 th November 2024 22 nd November 2024 26 th November 2024 02 nd December 2024 03 rd December 2024 09 th December 2024 10 th December 2024 11 th December 2024
Noor Zaliza Yati Binti Yahya	<ul style="list-style-type: none"> MIA International Accountants Conference 2024 Bursa Academy: Conflict of Interest ("COI") and Governance of COI Mandatory Accreditation Programme Part II: Leading for Impact ("LIP") Growing Concerns from New Technology, Stakeholder Interest & Conflict of Interest 	11 th June 2024 – 12 th June 2024 10 th July 2024 22 nd July 2024 – 23 rd July 2024 16 th October 2024
Ir. Chong Kai Feng	<ul style="list-style-type: none"> AFCM Technical Symposium & Exhibition Malaysia 2024 International Inorganic-Bonded Fibre Composite Conference Securities Commission Malaysia's AOB Conversation with Audit Committees 	04 th November 2024 19 th November 2024 20 th November 2024
Poh Chee Fong	<ul style="list-style-type: none"> Enterprise Project Management Feasibility Study on Biochar Microsoft Project Training 	22 nd July 2024 – 23 rd July 2024 4 th September 2024 – 5 th September 2024 12 th September 2024

In addition, the Directors' training also includes briefings by the Company Secretaries and the external auditors from time to time during the Board and ARMC meetings on the relevant updates pertaining to statutory and regulatory requirements.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

3. BOARD SELECTION AND ASSESSMENT (CONT'D)

Re-election of Directors

In accordance with the Company's Constitution, at least one-third (1/3) of the Board shall retire by rotation at each Annual General Meeting ("**AGM**") at least once in every three (3) years but shall be eligible for re-election. The Constitution further provides that a Director who is appointed during the year shall be subject to re-election at the next AGM to be held following his appointment. Directors who are due for retirement and subject to re-election at the AGM will be assessed by the Nomination Committee guided by the Fit & Proper Policy adopted by the Company, whose recommendations will be submitted to the Board for consideration, thereafter to be tabled to shareholders for approval at the AGM.

During the financial year ended 31 December 2024, none of the Independent Non-Executive Directors has served on the Board for more than nine (9) years.

4. BOARD REMUNERATION

A Remuneration Committee has been established by the Board, comprising exclusively of Independent Non-Executive Director as follows:

Name of Directors	Directorship	Attendance
<u>Chairman</u>		
Ir. Chong Kai Feng	Independent Non-Executive Director	1/1
<u>Members</u>		
Noor Zaliza Yati Binti Yahya	Independent Non-Executive Director	1/1
Poh Chee Fong	Independent Non-Executive Director	1/1

The Remuneration Committee has been entrusted by the Board to determine that the levels of remuneration are sufficient to attract and retain Directors of quality required to manage the business of the Group. The Remuneration Committee is entrusted under its terms of reference to assist the Board, amongst others, to recommend to the Board the remuneration of the Executive Directors. In the case of Independent Non-Executive Directors, the level of remuneration shall reflect the experience and level of responsibilities undertaken by the Independent Non-Executive Directors concerned.

Details of Directors' remuneration for the financial year ended 31 December 2024 in the Group are as follows:

Name of Directors	Fees RM	Salaries and Other Emoluments RM	EPF RM	Benefit-in-kind RM	Total RM
<u>Company</u>					
<u>Executive Directors:</u>					
Tan Kong Leong	12,000	-	-	-	12,000
Liew Heng Wei	12,000	-	-	-	12,000
Lion Suk Chin	12,000	-	-	-	12,000
Sin Kuo Wei	12,000	-	-	-	12,000

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

4. BOARD REMUNERATION (CONT'D)

Details of Directors' remuneration for the financial year ended 31 December 2024 in the Group are as follows:

Name of Directors	Fees RM	Salaries and Other Emoluments RM	EPF RM	Benefit-in-kind RM	Total RM
Company (cont'd)					
Dr. Teh Chee Ghee	30,000	1,000	-	-	31,000
Noor Zaliza Yati Binti Yahya	30,000	3,000	-	-	33,000
Ir. Chong Kai Feng	24,000	3,000	-	-	27,000
Poh Chee Fong	24,000	2,500	-	-	26,500
Phang Sze Fui	30,000	2,000	-	-	32,000
Grand Total	186,000	11,500	-	-	197,500
Subsidiary					
Executive Directors:					
Tan Kong Leong	-	370,360	44,450	41,350	456,160
Liew Heng Wei	-	307,000	36,840	13,650	357,490
Lion Suk Chin	-	293,100	35,172	-	328,272
Sin Kuo Wei	-	259,100	31,092	17,400	307,592
Grand Total	-	1,229,560	147,554	72,400	1,449,514

The aggregate remuneration of the key senior management of the Group during the financial year ended 31 December 2024 categorised into the various bands are as follows:

Key Senior Management	Remuneration band (In band of RM50,000)	
	Remuneration (RM)	Benefit-in-kind (RM)
Chen Li Chin	200,000 - 250,000	-

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

5. AUDIT AND RISK MANAGEMENT COMMITTEE

The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of each reporting period and financial year, primarily through the quarterly announcement of the Group's results to Bursa Securities and the annual financial statements of the Group and Company. The Board is assisted by the Audit and Risk Management Committee to oversee the Group's financial reporting processes and the quality of its financial reporting.

The Audit and Risk Management Committee assists the Board to discharge its duties on financial reporting. The composition of the Audit and Risk Management Committee, including its roles and responsibilities, are set out in the Audit and Risk Management Committee Report of this Annual Report. One of the key responsibilities of the Audit and Risk Management Committee in its specific terms of reference is to ensure that the financial statements of the Group and Company comply with applicable financial reporting standards in Malaysia. Such financial statements comprise the quarterly financial report announced to Bursa Securities and the annual statutory financial statements.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

5. AUDIT AND RISK MANAGEMENT COMMITTEE (CONT'D)

The Board is committed in upholding the integrity of the group financial reporting. The Audit and Risk Management Committee is responsible to assess, evaluate and recommend the External Auditors to ensure they are of the right calibre with professional ethics and integrity. The Audit and Risk Management Committee also reviews the types of non-audit services permitted to be provided by the External Auditors of the Company so as not to compromise their independence and objectivity.

In assessing the independence of the External Auditors, the Audit and Risk Management Committee will require written assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out by the International Federation of Accountants and the Malaysian Institute of Accountants.

6. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Audit Committee was merged together with the Risk Management Committee to form the Audit and Risk Management Committee.

The Board has authorised the Audit and Risk Management Committee to review the effectiveness of the internal audit function and to provide oversight on the establishment and implementation of the risk management framework in identifying and managing risks and internal processes which include but not limited to ensuring the adequacy of risk management policy.

As an effort to enhance the system of internal control, the Board, together with the assistance of external professional Internal Audit firm adopted on-going monitoring and review of the existing risk management process in place within the various business operations, with the aim of formalising the risk management functions across the Group. This function also acts as a source to assist the Audit and Risk Management Committee and the Board to strengthen and improve current management and operating style in pursuit of best practices.

As an on-going process, significant business risks faced by the Group are identified and evaluated, and consideration is given to the potential impact of achieving the business objectives. This includes examining principal business risks in critical area, assessing the likelihood of material exposures and identifying the measures taken to mitigate, avoid or eliminate these risks. The Statement of Risk Management and Internal Control is set out in this Annual Report which provides an overview of the management of risks and state of Internal Control within the Group.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

7. CONTINUOUS COMMUNICATION BETWEEN COMPANY AND STAKEHOLDERS

The Board recognises the importance of being transparent and accountable to the Company's investors and, as such, has various channels to maintain communication with them. The various channels of communications are through the quarterly announcements on financial results to Bursa Securities, relevant announcements and circulars, when necessary, the Annual and Extraordinary General Meetings and through the Group's website where shareholders can access pertinent information concerning the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

8. SHAREHOLDERS PARTICIPATION AT GENERAL MEETINGS

The Company's AGM serves as a principal forum for shareholders dialogue, allows shareholders to review the Group's performance via the Company's Annual Report and pose questions to the Board for clarification. Shareholders are encouraged to communicate with the Board at the AGM and to vote on all resolutions.

The forthcoming AGM will be the sixth AGM of the Company.

A notice period of at least 28 days was given prior to the fifth AGM in line with Practice 13.1 of the MCCG to enable shareholders to go through the Annual Report and papers supporting the resolutions proposed.

In line with the AMLR, all resolutions tabled at general meetings was voted by way of poll. An independent scrutineer was appointed to validate the votes cast.

The fifth AGM was conducted on a fully virtual basis on 26 June 2024. All the Directors together with the Key Management team and External Auditors attended the fifth AGM to answer queries from the shareholders. The outcome of the fifth AGM was announced to Bursa Securities on the same day the meeting was held.

COMPLIANCE STATEMENT

Saved as disclosed above, the Board is satisfied that throughout the financial year ended 31 December 2024, the Company has applied the principles and recommendations of the corporate governance set out in MCCG, where necessary and appropriate.

This Corporate Governance Overview Statement is made by a resolution of the Directors dated 25 April 2025.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The principal objective of the Audit and Risk Management Committee (“**ARMC**”) is to assist the Board in discharging its statutory duties and responsibilities relating to accounting and reporting practices of Flexidynamic Holdings Berhad and its subsidiaries (“**Group**”).

COMPOSITION AND DESIGNATION OF ARMC MEMBERS

The ARMC comprises of independent non-executive directors. The ARMC members are as below:-

Designation	Name of Directors	Directorship
Chairperson	Noor Zaliza Yati Binti Yahya	Independent Non-Executive Director
Member	Ir. Chong Kai Feng	Independent Non-Executive Director
Member	Poh Chee Fong	Independent Non-Executive Director

COMPOSITION COMPLIANCE

The ARMC Chairperson, Pn. Noor Zaliza Yati Binti Yahya, is a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants. The ARMC, therefore, meets the requirement of Rule 15.09 of the ACE Market Listing Requirements.

None of the members of the ARMC were former audit partners of the External Auditors appointed by the Group.

MEETINGS AND ATTENDANCE

During the financial year ended 31 December 2024, the ARMC held five (5) meetings. Details of the attendance of ARMC members are as follow:-

Name of Committee Member	Attendance
Noor Zaliza Yati Binti Yahya	5/5
Ir. Chong Kai Feng	5/5
Poh Chee Fong	4/5

The Managing Director, the other Executive Directors, key management personnel, external auditors and outsourced internal auditors also attended the meetings when invited by the ARMC to provide information and present reports during the deliberation of matters pertaining to their respective areas.

TERMS OF REFERENCE

The Terms of Reference of the ARMC can be viewed at the Company’s website under Corporate Governance section at <https://www.flexidynamic.com>.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(cont'd)

SUMMARY OF ACTIVITIES OF THE AUDIT AND RISK MANAGEMENT COMMITTEE DURING THE FINANCIAL YEAR

During the financial year ended 31 December 2024, the ARMC carried out the following activities and discharged its duties as outlined in the Terms of Reference:-

(a) FINANCIAL REPORTING

- (i) Reviewed the quarterly unaudited financial results of the Group for announcement to Bursa Securities before recommending them for the Board's approval. The review was to ensure that the unaudited quarterly financial results were prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134, International Accounting Standard 34: Interim Financial Reporting, and provisions of the Listing Requirement of Bursa Securities.
- (ii) Reviewed the audited financial statements of the Group and the Company for the financial year ended 31 December 2023 prior to their submission for consideration and approval by the Board. The review was to ensure that the audited financial statements were drawn up in accordance with the requirements of the Companies Act 2016 and the applicable MFRS and IFRS Accounting Standards.
- (iii) Reviewed the Annual Report for the financial year ended 31 December 2023 prepared by the management before submission to the Board for approval, and ensuring its timely announcements to the Bursa Securities.

(b) ANNUAL REPORTING

- (i) Reviewed the ARMC Report, Corporate Governance Overview Statement and Statement of Risk Management and Internal Control before recommending to the Board for approval, for inclusion in the Annual Report.

(c) RELATED PARTY TRANSACTIONS

- (i) Reviewed the related party transactions entered into by the Group on quarterly basis to ensure such transactions are undertaken on arm's length basis and on normal commercial terms not more favourable to related party than those generally available to the public, and proper disclosures are made pursuant to the Listing Requirements, as and when necessary.

(d) EXTERNAL AUDIT

- (i) Reviewed and discussed with the external auditors on the results of the audit, audit report and areas of concern highlighted in the management letter, including management's responses to the concerns raised by the external auditors on the financial statements of the Group for the financial year ended 31 December 2023.
- (ii) Reviewed and discussed with the external auditors on their audit planning memorandum for the financial year ended 31 December 2024 covering of their scope of audit, methodology, timetable, areas of focus prior to the commencement of their annual audit and proposed audit fee.
- (iii) Assessed the performance and independence of the external auditors.

(e) INTERNAL AUDIT

- (i) Reviewed and discussed with the internal auditor on the results of the audit reports which outlined the recommendations towards correcting areas of weaknesses and ensured that management action plans were established for the implementation of the internal auditors' recommendations.
- (ii) Reviewed and followed up on the actions taken by Management in addressing the issues and recommendations raised by internal auditors.

(f) CONFLICT OF INTEREST

During the financial year under review, the ARMC has not received any reports from the Directors or key senior management relating to conflict of interest or potential conflict of interest situations that they have with the Group.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(cont'd)

PERFORMANCE OF ARMC

The nomination Committee assessed and evaluated the performance of the ARMC and its members for the financial year ended 31 December 2024. Based on the outcome of the assessment, the Board was satisfied with the performance of the ARMC and its member and concluded that they have effectively discharged their functions, duties and responsibilities in accordance with terms of reference of the ARMC.

INTERNAL AUDIT FUNCTION

The internal audit function is outsourced to Sterling Business Alignment Consulting Sdn. Bhd., an independent professional consulting firm, assisted the ARMC and the Board in providing independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control system.

During the financial year under review, the Internal Auditors carried out the following activities:-

- (a) Reviewed the Finance and Accounts functions of Flexidynamic Engineering Sdn Bhd.
- (b) Reviewed the Production and Inventory Management functions of Flexidynamic Engineering Sdn Bhd.
- (c) Presented the report on the internal control reviews highlighting the key audit findings together with the recommendations for improvement as well as management responses and action plans, to the ARMC for deliberation.
- (d) Performed follow-up reviews in assessing the progress of the agreed management's action plans and report to the ARMC.

The Internal Auditors report directly to the ARMC on its activities based on the approved internal audit plans.

The fees incurred by the Group in relation to the outsourced internal audit function for the financial year ended 31 December 2024 were RM39,220.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("**Board**") of Flexidynamic Holdings Berhad ("**Flexidynamic**" or "**the Company**") is pleased to present the Statement on Risk Management and Internal Control ("**Statement**") which outlines the nature and scope of risk management and internal control system of Flexidynamic Holdings Berhad and its subsidiaries ("**the Group**") for the financial year ended 31 December 2024 ("**FYE 2024**"). This Statement has been prepared in compliance with Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and Principle B of the Malaysian Code on Corporate Governance ("**MCCG**") with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITY

The Board acknowledges its overall responsibility for maintaining a sound risk management framework and internal control system to safeguard shareholders' investments and the Group's assets, as well as reviewing its effectiveness, adequacy and integrity on a regular basis. In acknowledging that having a sound risk management and internal control system is imperative, the Board has established a governance structure that ensures effective oversight of risks and internal controls within the Group at all levels.

The Board focuses on effective risk oversight which is critical in setting the tone and culture towards effective risk management and internal control. The Board has established an ongoing process for identifying, evaluating, managing and monitoring the significant risks faced by the Group, and this process includes enhancing the system of risk management and internal controls as and when there are changes to the business environment or regulatory guidelines.

The system is designed to manage the Group's key areas of risk within an acceptable risk profile, rather than eliminate the risk of failure to achieve the business objectives. Accordingly, the system of risk management and internal controls of the Group can only provide reasonable and not absolute assurance against material misstatement, loss or fraud.

RISK MANAGEMENT FRAMEWORK

The Board regards the management of core risks as an integral and critical part of the day-to-day operations of the Group. The experience, knowledge and expertise to identify and manage such risks throughout the financial year under review enables the Group to make cautious, mindful and well-informed decisions through formulation and implementation of requisite action plans and monitoring regime which are imperative in ensuring the accomplishment of the Group's objectives.

The Board is assisted by the Audit and Risk Management Committee ("**ARMC**") to provide oversight, direction and counsel to the Group's risk management process by identifying and assessing risks, and making recommendations to monitor, evaluate, manage and mitigate such risks throughout the business operations particularly in respect of key risks which the Group faces on a regular basis. In addition, the Management Team is responsible for implementing the Group's policies and procedures on risk and internal control to identify, evaluate, measure, monitor and report risks as well as deficiencies and non-compliance with internal controls, and for taking appropriate and timely remedial actions as required.

The responsibilities of the ARMC in relation to risk management are as follows:-

1. To oversee and recommend the risk management policies and procedures of the Group;
2. To review and recommend changes as needed to ensure that the Group has in place at all times a risk management policy which address the strategies, operational, financial and compliance risk;
3. To implement and maintain a sound risk management framework which identifies, assesses, manages and monitors the Group's business risks;
4. To set reporting guidelines for Management to report to the ARMC on the effectiveness of the Group's management of its business risks;
5. To review the risk profile of the Group and to evaluate the measure taken to mitigate the business risks;
6. To review the adequacy of Management's response to issues identified to risk registers, ensuring that the risks are managed within the Group's risk appetite;

The Board regards risk management as an integral part of the Group's business operations and has oversight over this critical area through the ARMC. This helps to reduce the uncertainties surrounding the Group's internal and external environment, thus allowing it to maximise opportunities and minimise adverse incidences that may arise.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(cont'd)

INTERNAL AUDIT FUNCTION

The Board acknowledges the importance of internal audit function. The Group had engaged an independent professional consulting firm, Sterling Business Alignment Consulting Sdn Bhd as its Internal Control Consultant to provide independent assurance to the Board and ARMC in providing an independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control system.

The Internal Auditor reports directly to the ARMC during the ARMC meeting. The Internal Auditor is free from any relationship with the Board and Management or any conflict of interest in the operations and activities of the Group, which could impair their objectivity and independence. The Board will continue to outsource its internal audit function to the independent consulting firm to provide independent evaluation of the system of internal control of the Group.

Internal audits are carried out based on the annual audit plan approved by the ARMC. The internal auditors use the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Controls – Integrated Framework as a basis in evaluating the effectiveness of internal control systems of the Group. The components of the COSO framework encompasses Control Environment, Risk Assessment, Control Activities, Information & Communication and Monitoring Activities.

The consulting firm presents to the ARMC the internal audit reports on a quarterly basis. The assessment of the adequacy and effectiveness of internal control established in mitigating risks is carried out through interviews and discussion with the Management team, review of relevant established policies and procedures and authority limits, and observing and testing of the internal control on a sampling basis.

During the financial year ended 31 December 2024, the consulting firm undertook internal control audits covering 2 internal audit reviews and 2 follow up status reviews on the subsidiary, Flexidynamic Engineering Sdn Bhd:

Reporting month	Audit period	Audit areas
May 2024	1 st Quarter (January 2024 – March 2024)	Finance and Accounts
August 2024	2 nd Quarter (April 2024 – June 2024)	Follow up status review
November 2024	3 rd Quarter (July 2024 – September 2024)	Production and Inventory Management
February 2025	4 th Quarter (October 2024 – December 2024)	Follow up status review

The consulting firm has presented its audit findings and recommendations together with Management's responses and action plans to the ARMC. Subsequent review will be carried out to follow up on the status of implementation of Management's action plans and report to the ARMC accordingly.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(cont'd)

OTHER KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL

The other key elements of the Group's internal control system include:

1. Well-defined organisational structure with clear lines of authority, limits of authority, accountability and responsibilities of the Managing Director, Executive Directors and Senior Management;
2. Clearly defined terms of reference, authorities and responsibilities of the various Board committees which include the ARMC, Remuneration Committee and Nomination Committee;
3. Clearly defined and formalised policies and procedures and guidelines are in place to support the Group in achieving its corporate objectives. These policies and procedures including Anti-Bribery and Anti-Corruption Policy provide a basis for ensuring compliance with applicable laws and regulations, and also internal controls with respect to the conduct of business;
4. Clearly documented internal procedures in respect of operational processes as set out in the ISO 9001:2015 for Quality Management System; and
5. The Management Committee meets regularly to discuss key operational and management issues. Under the purview of the Managing Director, the heads of the respective operational units of the Group are empowered with the responsibilities of managing their respective operations and business.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Rule 15.23 of the Listing Requirements, the external auditors have reviewed this Statement for inclusion in the Annual Report for the financial year ended 31 December 2024. The external auditors have reported to the Board that, based on their review procedures performed and evidence obtained, nothing has come to their attention that causes them to believe that this Statement intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by Paragraphs 41 and 42 of the Guidelines, nor is the Statement factually inaccurate.

ASSURANCE TO THE BOARD MEMBERS

The Board is of the opinion that the Group's risk management and internal control systems are satisfactory and has no internal control failure nor any significant weaknesses that resulted in any loss to the Group during the financial year under review. The Board is also cognizant that the Group's risk management framework and system of internal control must be continuously reviewed and evolved to meet the changing and challenging business environment. The Group is committed to continuing to take all necessary measures to strengthen the risk management and internal control system to further enhance its effectiveness to ensure all identified risks are managed on a timely basis and are within tolerance limits.

The Board is satisfied that the Group's risk management framework and system of internal control are operating adequately and effectively in all material aspects for the financial year ended 31 December 2024.

The Managing Director and Financial Controller of the Group have given the Board the assurance that the Group's risk management and internal control system have been operating adequately and effectively in all critical aspects.

The Statement was approved by the Board on 25 April 2025.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Board is responsible to ensure that the financial statements are properly drawn up in accordance with the provisions of the Companies Act 2016, Malaysian Financial Reporting Standards and IFRS Accounting Standards so as to give a true and fair view of the financial position of the Group as at the end of the financial year and of the financial performance and cash flows of the Group for the financial year then ended.

The Directors are satisfied that in preparing the financial statements of the Group for the financial year ended 31 December 2024, the Group has adopted suitable accounting policies and applied them consistently, prudently and reasonably. The Directors also consider that all applicable approved accounting standards have been followed in the preparation of the financial statements, subject to any material departures being disclosed and explained in the notes to the financial statements. The financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Group keeps sufficient accounting records to disclose with reasonable accuracy, the financial position of the Group and which enable them to ensure that the financial statements comply with the Companies Act 2016.

ADDITIONAL COMPLIANCE INFORMATION

1. AUDIT AND NON-AUDIT FEES

Details of statutory audit, audit-related and non-audit fees paid/payable in the financial year ended 31 December 2024 to the external auditors are set out below:

Fees paid/payable to Messrs TGS TW PLT (RM'000)

Description	Company	Subsidiary	Total
Audit fees	30	55	85

2. MATERIAL CONTRACTS

There were no material contracts entered into by the Group which involves directors and major shareholders' interest during the financial year.

3. UTILISATION OF PROCEEDS

On 2 January 2024, the Company announced a Proposed Private Placement of up to 28,467,900 new ordinary shares in the Company ("**Flexidynamic Shares**" or "**Shares**"), representing approximately 10% of the total number of issued shares of the Company to independent third-party investors ("**Proposed Private Placement**").

As at the date of this report, the Company had issued a total of 15,000,000 Placement Shares at RM0.145 per Placement Shares, raising total proceeds of RM2.175 million.

The status of utilisation of the gross proceeds raised from the Private Placement is as follows:

Proposed Utilisation of Proceeds	Proposed Utilisation ⁽¹⁾ RM'000	Actual Proceeds ⁽²⁾ RM'000	Actual Utilisation RM'000	Balance Unutilised RM'000	Intended Timeframe for Utilisation
Working capital	2,667	2,092	(2,092)	-	Within 6 months
Future business expansion	2,500	-	-	-	Within 18 months
Estimated expenses for the Private Placement	100	83	(83)	-	Within 1 month
Total	5,267	2,175	(2,175)	-	

Notes:

- (1) The utilisation of proceeds as disclosed above should be read in conjunction with the Announcement for the Private Placement dated 2 January 2024.
- (2) The Private Placement had lapsed on 31 July 2024 and was deemed completed on even date.

ADDITIONAL COMPLIANCE INFORMATION

(cont'd)

4. RECURRENT RELATED PARTY TRANSACTIONS ("RRPT")

The breakdown of the aggregate value of the RRPT made during the financial year ended 31 December 2024 is as follows:

Transacting parties	Interested persons	Nature of transaction	Aggregate value of RRPT as at 31 December 2024 (RM'000)
Phitchaya Arsangku and Flexidynamic Thailand	(i) Tan Kong Leong, our Promoter, substantial shareholder and Managing Director, is the husband of Phitchaya Arsangku	Lease payment	25
		Interest payment	4
ZYL Dynamic Sdn Bhd ("ZYL") and Flexidynamic Engineering	(i) Tan Kong Kee, the Director and shareholder of ZYL, is the brother of Tan Kong Leong	Rental expenses of premise	66
	(ii) Chin Nyuk Fong, the Director and shareholder of ZYL, is the sister-in-law of Tan Kong Leong		
Mega Surplus Sdn Bhd ("Mega Surplus") and Flexidynamic Engineering	The Directors and shareholders of Mega Surplus, namely:	Purchase of timber	206
	(i) Tan Eng Cheong is the father of Tan Kong Leong; and		
	(ii) Tan Kong Wee and Tan Kon How are the brothers of Tan Kong Leong, our Promoter		

5. EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The ESOS of the Company is governed by the ESOS By-Laws and was approved by shareholders on 29 October 2021. The ESOS is in force for a period of five (5) years effective from 1 November 2021 and may be extended for a further period of up to five (5) years at the discretion of the Board upon recommendation from the ESOS Committee, provided always that the ESOS shall not in aggregate exceed a duration of ten (10) years.

A brief detail on the number of ESOS Options granted, exercised, forfeited and outstanding since commencement to 31 December 2024 are set out in the table below:

Description	Number of Options	
	Grand Total	Directors and Senior Management
Granted	15,013,300	5,890,000
Exercised	(788,725)	(220,000)
Forfeited	(4,045,500)	(120,000)
Outstanding	10,179,075	5,550,000

ADDITIONAL COMPLIANCE INFORMATION

(cont'd)

5. EMPLOYEES' SHARE OPTION SCHEME ("ESOS") (CONT'D)

There were no options granted nor exercised during the financial year.

	Options Outstanding	
	1 January 2024	31 December 2024
Directors	5,310,000	5,190,000
Senior Management	360,000	360,000
Management	4,850,000	2,200,000
Employees	2,777,275	2,429,075

The percentages of options applicable to Directors and Senior Management under the ESOS during the financial year and since its commencement up to 31 December 2024 are set out below:

Description	Percentages	
	During the financial year	Since commencement up to 31 December 2024
Aggregate maximum allocation	-	39%
Actual options granted	-	39%

The details of the options offered to and exercised by the Non-Executive Directors of the Company pursuant to the ESOS in respect of the financial year are as follows:

Name	Number of Options	
	Number of Option Granted	Number of Options Exercised
Noor Zaliza Yati Binti Yahya	100,000	-
Ir. Chong Kai Feng	100,000	-
Poh Chee Fong	-	-

FINANCIAL

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DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding services.

The principal activities of its subsidiaries are disclosed in Note 5 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Profit/(Loss) for the financial year	1,313,219	(252,412)
Attributable to:-		
Owners of the Company	1,527,004	(252,412)
Non-controlling interests	(213,785)	-
	1,313,219	(252,412)

DIVIDEND

There was no dividend proposed, declared or paid by the Company since the end of the previous financial year.

The Directors do not recommend the payment of any dividend in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

DIRECTORS

The Directors in office during the financial year until the date of this report are:

Tan Kong Leong
 Liew Heng Wei
 Lion Suk Chin
 Chong Kai Feng
 Noor Zaliza Yati Binti Yahya
 Poh Chee Fong
 Sin Kuo Wei
 Dr. Teh Chee Ghee (Appointed on 1 July 2024)
 Phang Sze Fui (Retired on 26 June 2024)

DIRECTORS' REPORT

(cont'd)

DIRECTORS (CONT'D)

Subsidiaries of Flexidynamic Holdings Berhad (excluding those Directors listed above)

Boonjing Boongrajang
Lim You Sheng
Lim Jing Jie
Phitchaya Arsangku

DIRECTORS' BENEFITS

During the financial year, the fees and other benefits received and receivable by the Directors of the Company are as follows:

	Incurring by the Company RM	Incurring by the subsidiaries RM	Group RM
Salaries, bonuses and allowances	11,500	1,416,162	1,427,662
Fees	186,000	-	186,000
Defined contribution plan	-	147,554	147,554
Social security contribution	-	4,868	4,868
Share options granted under Employees Share Option Scheme ("ESOS")	32,423	-	32,423
	229,923	1,568,584	1,798,507

The estimated value of benefits-in-kind provided to Directors during the financial year for the Group amounted to RM72,400.

Neither during nor at the end of the financial year, was the Company a party to any arrangements whose object was to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate, other than as may arise from the ESOS.

DIRECTORS' INTERESTS

According to the register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests and deemed interests in the ordinary shares and options over ordinary shares of the Company of those who were Directors as at year end are as follows:

The Company	Number of ordinary shares		
	At 1 January 2024	Bought Sold	At 31 December 2024
Direct interests:			
Tan Kong Leong	117,892,900	-	117,892,900
Liew Heng Wei	53,208,300	-	53,208,300
Lion Suk Chin	130,000	-	130,000
Sin Kuo Wei	8,346,400	-	8,346,400

DIRECTORS' REPORT

(cont'd)

DIRECTORS' INTERESTS (CONT'D)

According to the register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests and deemed interests in the ordinary shares and options over ordinary shares of the Company of those who were Directors as at year end are as follows (cont'd):

The Company	Number of ordinary shares			
	At 1 January 2024	Bought	Sold	At 31 December 2024
Deemed interests:				
Tan Kong Leong ^(#)	9,198,100	-	-	9,198,100
Liew Heng Wei ^(#)	130,000	-	-	130,000
Lion Suk Chin ^(#)	53,208,300	-	-	53,208,300

^(#) Deemed interests by virtue of shares held by spouse

^(*) Deemed interests by virtue of the shareholdings in TECS Properties Sdn. Bhd.

	Number of share options				
	At 1 January 2024	Granted	Exercised	Expired	At 31 December 2024
The Company					
Lion Suk Chin	2,370,000	-	-	-	2,370,000
Chong Kai Feng	100,000	-	-	-	100,000
Noor Zaliza Yati Binti Yahya	100,000	-	-	-	100,000
Phang Sze Hui [^]	120,000	-	-	(120,000)	-

^(^) Retired during the financial year

By virtue of the direct interests of Tan Kong Leong in the Company, he is also deemed to have interests in the ordinary shares of all the subsidiaries to the extent that the Company has an interest under Section 8(4) of the Companies Act 2016.

None of the other Directors holding office at the end of the financial year had any interests in the ordinary shares and options over ordinary shares of the Company and of its related corporations during the financial year.

ISSUANCE OF SHARES AND DEBENTURES

During the financial year, the Company has issued 15,000,000 new ordinary shares at RM0.145 each for a total consideration of RM2,175,000 pursuant to a private placement for working capital purposes.

The new ordinary shares issued shall rank pari passu in all respects with the existing ordinary shares of the Company.

There was no issuance of debentures during the financial year.

DIRECTORS' REPORT

(cont'd)

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issue of options pursuant to the ESOS.

At an extraordinary general meeting held on 29 October 2021, the Company's shareholders approved the establishment of an ESOS of up to 25% of the total number of issued share capital of the Company to eligible Directors and employees of the Group.

As at 31 December 2024, the options offered to take up unissued ordinary shares and the exercise prices are as follows:

Date of offer	Exercise price	Number of options over ordinary shares				At 31 December 2024
		At 1 January 2024	Granted	Exercised	Expired/ Lapsed	
13 December 2021	RM0.28	13,297,275	-	-	(3,118,200)	10,179,075

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose in this report the names of option holders, other than Directors, who have been granted for options during the financial year and details of their holdings as required by Section 5 of Schedule 5 (Part 1) of the Companies Act 2016. This information has been separately filed with the Companies Commission of Malaysia.

The salient features and other terms of the ESOS are disclosed in Note 17 to the financial statements.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Company effected Directors' and officers' liability insurance during the financial year to protect the Directors and officers of the Company against potential costs and liabilities arising from claims brought against the Directors and officers.

The amount of indemnity coverage and insurance premium paid for Directors and Officers of the Company during the financial year amounted to RM10,000,000 and RM19,231 respectively.

No indemnity was given to or insurance effected for the auditors of the Group and of the Company in accordance with Section 289 of the Companies Act 2016.

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their value as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

DIRECTORS' REPORT

(cont'd)

OTHER STATUTORY INFORMATION (CONT'D)

- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading; or
 - (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.
- (d) In the opinion of the Directors:
- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
 - (ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
 - (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS

The auditors, TGS TW PLT (202106000004 (LLP0026851-LCA) & AF002345), have expressed their willingness to continue in office.

Auditors' remuneration for the Group and the Company for the financial year ended 31 December 2024 amounted to RM119,729 and RM30,000 respectively.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors.

TAN KONG LEONG

LIEW HENG WEI

KUALA LUMPUR

25 April 2025

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 87 to 138 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors.

TAN KONG LEONG

KUALA LUMPUR

25 April 2025

LIEW HENG WEI

STATUTORY DECLARATION

Pursuant to Section 251(1) of the Companies Act 2016

I, Chen Li Chin, being the Officer primarily responsible for the financial management of Flexidynamic Holdings Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 87 to 138 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur in the)
Federal Territory on)
25 April 2025)

Before me,

SHI' ARATUL AKMAR BINTI SAHARI
(NO. W788)
Commissioner for Oaths

CHEN LI CHIN
(MIA No: 43772)
CHARTERED ACCOUNTANT

INDEPENDENT AUDITORS' REPORT

to the members of Flexidynamic Holdings Berhad
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Flexidynamic Holding Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 87 to 138.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and of their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the Group

Key audit matters	How we addressed the key audit matters
<p>Recoverability of trade receivables</p> <p>As at 31 December 2024, gross trade receivables of the Group was RM31.7 million with past due debts amounting to RM27.5 million as disclosed in Note 9 to the financial statements.</p> <p>We determined this to be a key audit matter because it requires management to exercise significant judgements in determining the collectability and probability of default of trade receivables, while considering appropriate forward-looking information.</p>	<p>We obtained an understanding of the Group's credit risk policy and tested the processes used by management to assess credit exposures.</p> <p>We assessed and evaluated the appropriateness of probability of default based on historical data and forward-looking information applied by the Group.</p> <p>We evaluated the basis and assumptions applied by management for determining cash flows recoverable in credit impaired scenarios, evaluating past payment trends and credit history of the customers.</p>

INDEPENDENT AUDITORS' REPORT

to the members of Flexidynamic Holdings Berhad
(Incorporated in Malaysia)
(cont'd)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (cont'd)

Key audit matters of the Group (cont'd)

Key audit matters	How we addressed the key audit matters
<p>Revenue recognition</p> <p>During the financial year ended 31 December 2024, the revenue of the Group amounted to RM52.7 million as disclosed in Note 23 to the financial statements.</p> <p>We determined this as a key audit matter due to the presumption of fraud risk in the area of revenue recognition in accordance with ISA 240 <i>The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements</i>.</p>	<p>We understood and reviewed the appropriateness of revenue recognition policies in accordance with MFRS 15 <i>Revenue from Contracts with Customers</i>.</p> <p>We have evaluated and tested the internal controls over the occurrence, accuracy and timing of revenue recognised in the financial statements.</p> <p>We have verified based on a sampling basis, the revenue captured by vouching to the sales invoices, acknowledged delivery orders and bank and/or cash receipts.</p> <p>We performed cut-off test on sampling basis around the financial year end to check whether revenue is recognised in the correct accounting period.</p> <p>We understood and reviewed the appropriateness of revenue recognition policies.</p>

We have determined that there are no other key audit matters to be communicated in our auditors' report in respect of the audit of the separate financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Group and of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT

to the members of Flexidynamic Holdings Berhad
(Incorporated in Malaysia)
(cont'd)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

to the members of Flexidynamic Holdings Berhad
(Incorporated in Malaysia)
(cont'd)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Report on other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors is disclosed in Note 5 to the financial statements.

Other Matters

1. The financial statements of the Company as at 31 December 2023, were audited by another firm of Chartered Accountants who expressed an unmodified opinion on the financial statements dated 24 April 2024.
2. This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

TGS TW PLT
202106000004 (LLP0026851-LCA) & AF002345
Chartered Accountants

KUALA LUMPUR

25 April 2025

SEAH BOON CHIM
03782/08/2025 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
ASSETS					
Non-current assets					
Property, plant and equipment	3	8,633,178	9,347,083	-	-
Investment properties	4	12,914,743	13,063,036	-	-
Investments in subsidiaries	5	-	-	23,406,629	22,271,217
Deferred tax assets	6	3,670,805	3,493,838	-	-
Other receivables	7	1,667	-	-	-
Total non-current assets		25,220,393	25,903,957	23,406,629	22,271,217
Current assets					
Inventories	8	7,732,779	4,546,783	-	-
Trade receivables	9	27,249,633	17,238,235	-	-
Other receivables	7	12,336,138	10,137,977	178,203	62,522
Contract assets	10	5,737,266	-	-	-
Contract costs	10	337,200	-	-	-
Amount owing by a subsidiary	11	-	-	11,852,287	11,752,378
Current tax assets		3,012,431	2,908,312	-	4,309
Fixed deposits with a licensed financial institution	12	450,594	439,115	450,594	439,115
Cash and bank balances and short-term investments	13	9,778,291	7,709,051	2,817,190	2,191,845
Total current assets		66,634,332	42,979,473	15,298,274	14,450,169
TOTAL ASSETS		91,854,725	68,883,430	38,704,903	36,721,386
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to holders of the Company					
Share capital	14	37,739,013	35,623,055	37,739,013	35,623,055
Merger deficit	15	(20,431,412)	(20,431,412)	-	-
Capital reserve	16	631,154	631,154	-	-
Share-based payment reserve	17	1,525,102	1,398,083	1,525,102	1,398,083
Foreign exchange reserve		5,628	2,410	-	-
Retained earnings/(Accumulated losses)		22,341,600	20,814,596	(620,878)	(368,466)
		41,811,085	38,037,886	38,643,237	36,652,672
Non-controlling interests	5	212,934	(175,454)	-	-
TOTAL EQUITY		42,024,019	37,862,432	38,643,237	36,652,672

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2024

(cont'd)

		Group		Company	
		2024	2023	2024	2023
	Note	RM	RM	RM	RM
EQUITY AND LIABILITIES (CONT'D)					
LIABILITIES					
Non-current liabilities					
Lease liabilities	18	415,095	640,630	-	-
Bank borrowings	19	12,372,396	6,466,309	-	-
Employees' benefits	20	78,538	7,798	-	-
Total non-current liabilities		12,866,029	7,114,737	-	-
Current liabilities					
Trade payables	21	16,151,520	7,341,899	-	-
Other payables and accruals	22	1,698,732	1,349,343	49,100	68,714
Contract liabilities	10	16,163,811	14,072,118	-	-
Lease liabilities	18	275,444	411,723	-	-
Bank borrowings	19	2,662,604	731,178	-	-
Current tax liabilities		12,566	-	12,566	-
Total current liabilities		36,964,677	23,906,261	61,666	68,714
TOTAL LIABILITIES		49,830,706	31,020,998	61,666	68,714
TOTAL EQUITY AND LIABILITIES		91,854,725	68,883,430	38,704,903	36,721,386

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial year ended 31 December 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Revenue	23	52,685,085	38,260,731	-	-
Cost of sales		(42,637,345)	(27,780,437)	-	-
Gross profit		10,047,740	10,480,294	-	-
Other income		1,007,480	838,255	620,993	518,150
Allowance for expected credit losses on trade receivables		(368,500)	-	-	-
Selling and distribution expenses		(610,818)	(614,490)	-	-
Administrative expenses		(6,582,971)	(6,982,613)	(820,968)	(681,942)
Other operating expenses		(1,786,830)	(1,610,407)	-	-
Profit/(Loss) from operations		1,706,101	2,111,039	(199,975)	(163,792)
Finance costs	24	(358,056)	(240,112)	-	-
Finance income	24	37,907	93,826	12,283	11,687
Profit/(Loss) before tax	25	1,385,952	1,964,753	(187,692)	(152,105)
Tax expenses	26	(72,733)	(1,587,938)	(64,720)	(14,330)
Profit/(Loss) for the financial year		1,313,219	376,815	(252,412)	(166,435)
Other comprehensive income:					
Items that will be reclassified subsequently to profit or loss					
Foreign currency translation		6,567	22,126	-	-
Other comprehensive income for the financial year, net of tax		6,567	22,126	-	-
Total comprehensive income/(loss) for the financial year		1,319,786	398,941	(252,412)	(166,435)
Profit/(Loss) for the financial year attributable to:					
Owners of the Company		1,527,004	909,167	(252,412)	(166,435)
Non-controlling interests		(213,785)	(532,352)	-	-
		1,313,219	376,815	(252,412)	(166,435)
Total comprehensive income/(loss) for the financial year attributable to:					
Owners of the Company		1,530,222	920,009	(252,412)	(166,435)
Non-controlling interests		(210,436)	(521,068)	-	-
		1,319,786	398,941	(252,412)	(166,435)
Earnings per share					
- Basic (sen)	27	0.51	0.32		
- Diluted (sen)	27	0.51	0.32		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 December 2024

<div> <div>←</div> <div>Attributable to the owners of the Company</div> <div>→</div> </div> <div> <div>←</div> <div>Non-distributable</div> <div>→</div> </div>										
Group	Note	Share capital RM	Merger deficit RM	Capital reserve RM	Share-based payment reserve RM	Foreign exchange reserve RM	Distributable retained earnings RM	Non-controlling interests		Total RM
								Total	RM	
Balance at 1 January 2023		35,623,055	(20,431,412)	631,154	1,114,149	(8,431)	19,905,429	36,833,944	345,613	31,179,557
Profit/(Loss) for the financial year		-	-	-	-	-	909,167	909,167	(532,352)	376,815
Other comprehensive income, net of tax		-	-	-	-	10,841	-	10,841	11,285	22,126
Total comprehensive income/(loss)		-	-	-	-	10,841	909,167	920,008	(521,067)	398,941
Transaction with owners										
Share-based payment relating to ESOS	17	-	-	-	283,934	-	-	283,934	-	283,934
Total transaction with owners		-	-	-	283,934	-	-	283,934	-	283,934
Balance at 31 December 2023		35,623,055	(20,431,412)	631,154	1,398,083	2,410	20,814,596	38,037,886	(175,454)	37,862,432
Balance at 1 January 2024		35,623,055	(20,431,412)	631,154	1,398,083	2,410	20,814,596	38,037,886	(175,454)	37,862,432
Profit/(Loss) for the financial year		-	-	-	-	-	1,527,004	1,527,004	(213,785)	1,313,219
Other comprehensive income, net of tax		-	-	-	-	3,218	-	3,218	3,349	6,567
Total comprehensive income/(loss)		-	-	-	-	3,218	1,527,004	1,530,222	(210,436)	1,319,786
Transactions with owners										
Issuance of ordinary shares	14	2,175,000	-	-	-	-	-	2,175,000	-	2,175,000
Share issuance expenses	14	(59,042)	-	-	-	-	-	(59,042)	-	(59,042)
Share-based payment relating to ESOS	17	-	-	-	127,019	-	-	127,019	-	127,019
Subscription of shares in a subsidiary by non-controlling interest		-	-	-	-	-	-	-	598,824	598,824
Total transactions with owners		2,115,958	-	-	127,019	-	-	2,242,977	598,824	2,841,801
Balance at 31 December 2024		37,739,013	(20,431,412)	631,154	1,525,102	5,628	22,341,600	41,811,085	212,934	42,024,019

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 December 2024

(cont'd)

Company	Note	Share capital RM	Share-based payment reserve RM	Accumulated losses RM	Total RM
At 1 January 2023		35,623,055	1,114,149	(202,031)	36,535,173
Loss for the financial year		-	-	(166,435)	(166,435)
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive loss		-	-	(166,435)	(166,435)
Transaction with owners					
Share-based payment relating to ESOS	17	-	283,934	-	283,934
Total transaction with owners		-	283,934	-	283,934
At 31 December 2023		35,623,055	1,398,083	(368,466)	36,652,672
Loss for the financial year		-	-	(252,412)	(252,412)
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive loss		-	-	(252,412)	(252,412)
Transactions with owners					
Issuance of ordinary shares	14	2,175,000	-	-	2,175,000
Share issuance expenses	14	(59,042)	-	-	(59,042)
Share-based payment relating to ESOS	17	-	127,019	-	127,019
Total transactions with owners		2,115,958	127,019	-	2,242,977
At 31 December 2024		37,739,013	1,525,102	(620,878)	38,643,237

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2024

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
OPERATING ACTIVITIES				
Profit/(Loss) before tax	1,385,952	1,964,753	(187,692)	(152,105)
Adjustments for:				
Allowance for expected credit losses on trade receivables	368,500	-	-	-
Depreciation of property, plant and equipment	1,019,100	1,305,437	-	-
Depreciation of investment properties	148,293	111,317	-	-
Finance costs	358,056	240,112	-	-
Finance income	(37,907)	(93,826)	(12,283)	(11,687)
Gain on disposal of property, plant and equipment	(138,276)	(166,966)	-	-
Unrealised loss/(gain) on foreign exchange	194,190	(60,347)	-	-
Dividend income	(107,427)	(74,893)	(96,276)	(40,942)
Employees' benefits	70,366	-	-	-
Property, plant and equipment written off	27,930	42,566	-	-
Right-of-use assets written off	-	27,855	-	-
Bad debts written off	21,456	6,964	-	-
Share-based payment expenses	127,019	283,934	32,423	59,503
Loss on acquisition of subsidiary's assets	417,550	-	-	-
Operating profit/(loss) before working capital changes	3,854,802	3,586,906	(263,828)	(145,231)
Changes in working capital:				
Inventories	(3,185,996)	1,836,860	-	-
Receivables	(11,433,516)	5,025,444	(115,681)	(127,444)
Payables	8,803,633	(9,818,127)	(19,614)	(13,186)
Contract assets/liabilities	(3,982,773)	-	-	-
Cash (used in)/generated from operations	(5,943,850)	631,083	(399,123)	(285,861)
Tax refunded	13,285	-	13,285	-
Tax paid	(354,538)	(817,950)	(61,130)	(24,916)
Net cash flows used in operating activities	(6,285,103)	(186,867)	(446,968)	(310,777)

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2024

(cont'd)

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
INVESTING ACTIVITIES					
Acquisition of property, plant and equipment	A	(96,178)	(144,082)	-	
Dividend received		107,427	74,893	96,276	40,942
Interests received		37,693	93,809	12,283	11,687
Advances to a subsidiary		-	-	(99,909)	(334,140)
Acquisition of a subsidiary's assets		(845,801)	-	(1,040,816)	-
Proceeds from disposal of property, plant and equipment		213,800	448,954	-	-
Net cash flows (used in)/from investing activities		(583,059)	473,574	(1,032,166)	(281,511)
FINANCING ACTIVITIES					
Interests paid		(358,056)	(240,112)	-	-
Proceeds from issuance of shares		2,175,000	-	2,175,000	-
Share issuance expenses		(59,042)	-	(59,042)	-
Net drawdown/(repayment) of short-term borrowing		1,356,000	(2,379,000)	-	-
Drawdown of term loans		8,450,000	10,976,000	-	-
Repayment of term loans		(1,968,487)	(11,361,480)	-	-
Repayment of lease liabilities		(464,014)	(658,331)	-	-
Net cash flows from/(used in) financing activities		9,131,401	(3,662,923)	2,115,958	-
CASH AND CASH EQUIVALENTS					
Net changes		2,263,239	(3,376,216)	636,824	(592,288)
Effect on foreign exchange translation		(182,520)	44,158	-	-
At beginning of financial year		8,148,166	11,480,224	2,630,960	3,223,248
At end of financial year	C	10,228,885	8,148,166	3,267,784	2,630,960

NOTES TO THE STATEMENTS OF CASH FLOWS

A. ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Total acquisition	413,378	330,082	-	-
Acquisition through lease	(102,200)	(186,000)	-	-
Acquisition through other payables	(215,000)	-	-	-
	96,178	144,082	-	-

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2024
(cont'd)

NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

B. TOTAL CASH OUTFLOW FROM LEASE

	Group	
	2024	2023
	RM	RM
Included in net cash used in operating activities		
Payment relating to short-term leases and low value assets	329,266	220,461
Included in net cash from/(used in) financing activities		
Payment of lease liabilities	502,446	716,499
	831,712	936,960

C. CASH AND CASH EQUIVALENTS

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Cash and bank balances	7,008,365	4,372,374	47,264	23,558
Income funds with a licensed financial institution	2,769,926	3,336,677	2,769,926	2,168,287
Fixed deposits with a licensed financial institution	450,594	439,115	450,594	439,115
	10,228,885	8,148,166	3,267,784	2,630,960

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group	Long term borrowing RM	Short term borrowing RM	Lease liabilities RM
At 1 January 2023	7,582,967	2,379,000	1,524,684
Cash flows	(385,480)	(2,379,000)	(716,499)
Non-cash flows			
- addition	-	-	186,000
- unwinding on interest	-	-	58,168
At 31 December 2023	7,197,487	-	1,052,353
At 1 January 2024	7,197,487	-	1,052,353
Cash flows	6,481,513	1,356,000	(502,446)
Non-cash flows			
- addition	-	-	102,200
- unwinding on interest	-	-	38,432
At 31 December 2024	13,679,000	1,356,000	690,539

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the ACE Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur. The principal place of business of the Company is located at A-3A-28, IOI Boulevard, Jalan Kenari 5, Bandar Puchong Jaya, 47170 Puchong, Selangor Darul Ehsan.

The principal activities of the Company are investment holding services.

The principal activities of its subsidiaries are disclosed in Note 5 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the material accounting policies below.

The Group and the Company have consistently applied the accounting policy throughout all periods presented in the financial statements unless otherwise stated.

Adoption of new amendments to MFRSs during the financial year

The Group and the Company have adopted the following new amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

The adoption of the above amendments to MFRSs did not have any material effect on the financial performance or position of the Company.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

(cont'd)

2. BASIS OF PREPARATION (CONT'D)

2.1 Statement of compliance (cont'd)

Standards issued but not yet effective

The Group and the Company have not applied the following new Standards and amendments to the MFRSs that have been issued by the MASB but are not yet effective for the Group and the Company:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 1 Amendments to MFRS 7 Amendments to MFRS 9 Amendments to MFRS 10 Amendments to MFRS 107	Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026
Amendments to MFRS 7 and MFRS 9	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 101 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The Group and the Company intend to adopt the above new Standards and amendments to MFRSs when they become effective.

The initial application of the above-mentioned new Standards and amendments to MFRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company.

2.2 Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to nearest RM except when otherwise stated.

2.3 Significant accounting judgements, estimates and assumptions

The preparation of the Group's and of the Company's financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

(cont'd)

2. BASIS OF PREPARATION (CONT'D)

2.3 Significant accounting judgements, estimates and assumptions (cont'd)

Judgements

The following are the judgements made by management in the process of applying the Group's and the Company's accounting policies that have the most significant effect on the amount recognised in the financial statements:

Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on MFRS 140 *Investment Property* in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes.

If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are significant that a property does not qualify as investment property.

Revenue from contract with customers

The Group applies judgements that significantly affect the determination of the amount and timing of revenue from contract with customers by identifying performance obligations in the design, engineering, installation and commissioning services and bundled sale of products.

The Group provides the design, engineering, installation and commissioning services that are either sold separately or bundled together with sale of products to customers. The services are a promise to transfer services in the future and are part of the negotiated exchange between the Group with the customers.

The Group determines that both of the sale of products and services are capable of being distinct. The fact that the Group regularly sells both products and services on a stand-alone basis indicate that the customer can benefit from both product and services on their own. The Group also determined that the promises to transfer the product and to provide services are distinct within the context of the contract.

The product and services are not inputs to a combined item in the contract. The Group is not providing a significant integration service because the presence of the products and services together in this contract do not result in any additional or combined functionality and neither the product nor the services modify or customise the other.

In addition, the products and services are not highly interdependent or highly interrelated, because the Group would be able to transfer the products even if the customer declined services and would be able to provide services in relation to products sold by other distributors. Consequently, the Group allocated a portion of the transaction price to the products and the services based on relative stand-alone selling prices.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

(cont'd)

2. BASIS OF PREPARATION (CONT'D)

2.3 Significant accounting judgements, estimates and assumptions (cont'd)

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

Useful lives of property, plant and equipment and investment properties

The Group and the Company regularly reviews the estimated useful lives of property, plant and equipment and investment properties based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment and investment properties would increase the recorded depreciation and decrease the value of property, plant and equipment and investment properties. The carrying amount at the reporting date for property, plant and equipment, right-of-use assets and investment properties are disclosed in Notes 3 and 4 to the financial statements respectively.

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected selling prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 8 to the financial statements.

Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

Provision for expected credit loss of financial assets

The Group and the Company review the recoverability of their receivables, include trade and other receivables at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables are based on assumptions about risk of default and expected loss rates. The Group and the Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's and the Company's past history, existing market conditions at the end of each reporting period.

The Group and the Company use a simplified method to calculate expected credit loss for trade receivables and general approach to calculate expected credit loss for other receivables as disclosed in Note 7(c) to the financial statements. The provision rates are based on number of days past due.

The provision matrix is initially based on the Group's and the Company's historical observed default rates. The Group and the Company will calibrate the matrix to adjust the historical credits loss experience. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

(cont'd)

2. BASIS OF PREPARATION (CONT'D)

2.3 Significant accounting judgements, estimates and assumptions (cont'd)

Key sources of estimation uncertainty (cont'd)

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets

Deferred tax assets are recognised for all unabsorbed tax losses, unutilised capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unabsorbed tax losses, unutilised capital allowances and other deductible temporary differences can be utilised.

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of recognised deferred tax assets are disclosed in Note 6 to the financial statements.

Impairment of non-financial assets

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the Group's and to the Company's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustments to market risk and the appropriate adjustment to asset-specific risk factors.

Employee share options

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and the condition of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The assumptions and model used for estimating fair value for share-based payment transactions, and the carrying amounts are disclosed in Note 17 to the financial statements.

2.4 Material accounting policy information

The material accounting policy information of the Group and of the Company is disclosed in the respective notes to the financial statements where relevant.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

(cont'd)

3. PROPERTY, PLANT AND EQUIPMENT

Group	Electrical and fittings			Freehold building		Freehold land		Furniture and fittings		Machinery		Motor vehicles		Right-of-use assets - motor vehicles		Mould equipment		Renovations		Signboards		Right-of-use assets - office		Total
	Computers	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM		
Cost																								
At 1 January 2023	312,344	213,140	6,460,339	4,028,799	426,834	1,364,626	864,902	3,119,927	626,990	572,463	937,775	26,502	64,695	19,019,336										
	78,607	1,085	-	-	-	690	-	203,660	-	228	20,800	-	25,012	330,082										
	-	-	-	-	-	-	32,410	(32,410)	-	-	-	-	-	-										
	Transfer to investment properties													-	-	-	-	-	-	(4,106,986)				
	Disposals													-	-	-	-	-	-	(942,733)				
At 31 December 2023	(7,475)	(17,030)	-	-	(4,250)	(1,160)	-	-	(51,150)	(8,248)	(11,530)	(3,500)	(93,323)	(197,666)										
	Exchange differences													-	-	9,085	19,619	-	6,325	4,420	-	3,616	43,065	
	383,476	197,195	3,995,331	2,386,821	422,584	1,178,766	715,475	2,744,375	575,840	570,768	951,465	23,002	-	14,145,098										
	Additions													-	-	29,999	376,315	-	7,064	-	-	413,378		
	Disposals													-	-	-	(362,315)	-	(3,010)	-	-	(433,825)		
At 31 December 2024	(915)	-	-	-	(7,098)	(91,830)	-	-	(20,800)	(93,945)	-	-	-	(214,588)										
	Exchange differences													-	-	(1,366)	(9,817)	-	(3,251)	(2,268)	-	(16,702)		
	382,561	197,195	3,995,331	2,386,821	415,486	1,048,435	714,109	2,748,558	555,040	477,626	949,197	23,002	-	13,893,361										

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

(cont'd)

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Electrical and fittings			Freehold building and land			Furniture and fittings			Machinery			Motor vehicles			Right-of-use assets - motor vehicles			Mould equipment			Office equipment			Renovations			Signboards			Right-of-use assets - office			Total
	Computers	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM				
Accumulated depreciation																																		
At 1 January 2023																																		
Charge for the financial year																																		
Reclassification																																		
Transfer to investment properties																																		
Disposals																																		
Written off																																		
Exchange differences																																		
At 31 December 2023																																		
Charge for the financial year																																		
Disposals																																		
Written off																																		
Exchange differences																																		
At 31 December 2024																																		
Net carrying amount																																		
At 31 December 2024																																		
At 31 December 2023																																		

NOTES TO THE FINANCIAL STATEMENTS

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(cont'd)

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (a) Property, plant and equipment (excluding right-of-use assets) are initially measured at cost. After initial recognition, property, plant and equipment (excluding right-of-use assets) are stated at cost less any accumulated depreciation and any accumulated impairment losses.
- (b) Depreciation is recognised in the profit or loss on straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land with indefinite useful lives are not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Computers	20%
Electrical and fittings	20%
Freehold building	2%
Furniture and fittings	10%
Machineries	10%
Motor vehicles	20%
Mould	10%
Office equipment	20%
Renovations	10 - 20%
Signboards	10%

- (c) The Group leases an office and motor vehicles with fixed periodic rent over the lease term. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.
- (d) The right-of-use assets under property, plant and equipment are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases. After initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any remeasurement of the lease liabilities. The right-of-use assets are depreciated based on useful life of 5 years.
- (e) The Group has elected not to recognise right-of-use assets and liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.
- (f) The motor vehicles of the Group with net carrying amount of RM1,007,257 (2023: RM1,150,059) were acquired under lease arrangements.
- (g) The freehold land and building of the Group with net carrying amount of RM2,386,821 (2023: RM2,386,821) and RM3,349,418 (2023: RM3,429,325) respectively have been pledged to bank as security for the banking facilities granted to the Group as disclosed in Note 19 to the financial statements.

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4. INVESTMENT PROPERTIES

	Group	
	2024	2023
	RM	RM
At cost		
Balance at 1 January	13,292,778	9,185,792
Transfer from property, plant and equipment	-	4,106,986
Balance at 31 December	13,292,778	13,292,778
Less: Accumulated depreciation		
Balance at 1 January	229,742	46,110
Charge for the financial year	148,293	111,317
Transfer from property, plant and equipment	-	72,315
Balance at 31 December	378,035	229,742
Net carrying amount	12,914,743	13,063,036
Comprised of:		
Freehold land	5,878,142	5,878,142
Freehold buildings	7,036,601	7,184,894
	12,914,743	13,063,036

- (a) Investment properties are properties which are held to earn rental yields or for capital appreciation or for both and are not occupied by the Group. Investment properties are initially measured at cost, including transaction costs and borrowing costs if the investment properties meet the definition of qualifying asset. After initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.
- (b) In the previous financial year, a property was transferred from property, plant and equipment to investment properties, since the building was not utilised immediately due to negative market conditions in the short-term by the Group and was leased to a third party.
- (c) Depreciation is calculated to write off the cost of the investment property to its residual value on a straight-line basis over its estimated useful life. Freehold land is not depreciated. Freehold buildings are depreciated based on the estimated useful life of 2% per annum.
- (d) The Level 2 fair values of investment properties of the Group is RM15,000,000 (2023: RM21,332,486). The fair values of investment properties have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties. There is no transfer between levels in the hierarchy during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

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4. INVESTMENT PROPERTIES (CONT'D)

(e) The amounts recognised in profit or loss is as follows:

	2024 RM	2023 RM
Rental income	745,960	480,000
<u>Direct operating expenses:</u>		
Income generating investment properties	51,373	30,418
Non-income generating investment properties	-	25,844

(f) As at 31 December 2024, the investment properties of the Group with a total carrying amount of RM12,914,743 (2023: RM13,063,036) have been charged to licensed banks for banking facilities as disclosed in Note 19 to the financial statements.

5. INVESTMENTS IN SUBSIDIARIES

	2024 RM	2023 RM
At cost		
Unquoted shares in Malaysia	23,312,033	21,796,786
Contributions to a subsidiary		
ESOS granted to employees of a subsidiary	94,596	224,431
Capitalisation of amount owing by a subsidiary	-	250,000
	23,406,629	22,271,217

(a) Details of the subsidiaries are as follows:

Name of subsidiaries	Place of business/ Country of incorporation	Effective interest (%)		Principal activities
		2024	2023	
Flexidynamic Engineering Sdn. Bhd. ("FESB")	Malaysia	100	100	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
Gammatech Sdn. Bhd.	Malaysia	51	-	Provision of sterilisation services using gamma radiation
Subsidiary of FESB				
Flexidynamic Engineering Company Limited**	Thailand	49	49	Installation and maintenance of glove chlorination systems, storage tanks and process tanks for the glove manufacturing industry

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(cont'd)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (a) Details of the subsidiaries are as follows: (cont'd)

* *Subsidiary not audited by TGS TW PLT.*

Although FESB owns less than half of the ownership interest and less than half of the voting power of Flexidynamic Engineering Company Limited, the Directors have determined that FESB controls the entity. FESB has the power to exercise control through a casting vote given to the Managing Director of FESB who is also the Chairman of the Board of Directors of the subsidiary.

- (b) On 18 July 2024, the Company has subscribed for 1,040,816 new ordinary shares in Gammatech Sdn. Bhd., representing 51% of its enlarged issued share capital for a total cash consideration of RM1,040,816. The transaction was recognised as an asset acquisition instead of business combination as the acquired entity did not constitute a business as defined in MFRS 3 *Business Combination*. Consequently, the management regards Gammatech Sdn. Bhd. as a subsidiary of the Group.

- (c) Non-controlling interests in subsidiaries

The subsidiaries of the Group that have material non-controlling interests ("NCI") are as follows:

	Flexidynamic Engineering Company Limited	Gammatech Sdn. Bhd.*	Total
2024	RM	RM	RM
NCI percentage of ownership interest and voting interest (%)	51	49	
Carrying amount of NCI	(342,189)	555,123	212,934
Loss allocated to NCI	(170,084)	(43,701)	(213,785)
Total comprehensive loss allocated to NCI	(166,735)	(43,701)	(210,436)

* *Being NCI's share of Gammatech Sdn. Bhd.'s total comprehensive loss from 1 August 2024 to 31 December 2024 amounted to RM89,185.*

	Flexidynamic Engineering Company Limited
2023	RM
NCI percentage of ownership interest and voting interest (%)	51
Carrying amount of NCI	(175,454)
Loss allocated to NCI	(532,352)
Total comprehensive loss allocated to NCI	(521,068)

NOTES TO THE FINANCIAL STATEMENTS

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(cont'd)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(c) Non-controlling interests in subsidiaries (cont'd)

The summarised financial information before intra-group elimination of the subsidiaries that have material NCI as at the end of each reporting period are as follows:

	Flexidynamic Engineering Company Limited	Gammatech Sdn. Bhd.	Total
2024	RM	RM	RM
Financial position			
Non-current assets	71,172	-	71,172
Current assets	620,802	1,256,963	1,877,765
Non-current liabilities	(78,538)	-	(78,538)
Current liabilities	(1,284,396)	(124,058)	(1,408,454)
Net (liabilities)/assets	(670,960)	1,132,905	461,945
Summary of financial performance			
Revenue	1,910,177	-	1,910,177
Loss for the financial year	(333,499)	(133,900)	(467,399)
Other comprehensive income	6,567	-	6,567
Total comprehensive loss	(326,932)	(133,900)	(460,832)
Summary of cash flows			
Net cash used in operating activities	(19,857)	(775,190)	(795,047)
Net cash used in investing activities	(6,328)	-	(6,328)
Net cash (used in)/from financing activities	(27,514)	936,921	909,407
Net cash (outflow)/inflow	(53,699)	161,731	108,032

NOTES TO THE FINANCIAL STATEMENTS

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(cont'd)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(c) Non-controlling interests in subsidiaries (cont'd)

The summarised financial information before intra-group elimination of the subsidiaries that have material NCI as at the end of each reporting period are as follows (cont'd):

	Flexidynamic Engineering Company Limited
2023	RM
Financial position	
Non-current assets	149,470
Current assets	235,364
Non-current liabilities	(13,767)
Current liabilities	(715,095)
Net liabilities	(344,028)
Summary of financial performance	
Revenue	852,652
Loss for the financial year	(1,043,827)
Other comprehensive income	22,126
Total comprehensive loss	(1,021,701)
Summary of cash flows	
Net cash used in operating activities	(418,183)
Net cash from investing activities	34,801
Net cash used in financing activities	(98,763)
Net cash outflow	(482,145)

6. DEFERRED TAX ASSETS

	Group	
	2024	2023
	RM	RM
At beginning of financial year	3,493,838	5,068,079
Recognised in profit or loss (Note 26)	176,967	(1,574,241)
At end of financial year	3,670,805	3,493,838

NOTES TO THE FINANCIAL STATEMENTS

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(cont'd)

6. DEFERRED TAX ASSETS (CONT'D)

The components and movements of deferred tax assets/(liabilities) are made up of temporary differences arising from:

	Group	
	2024	2023
	RM	RM
Property, plant and equipment	(208,124)	(249,952)
Unrealised loss/(gain) on foreign exchange	34,634	(14,297)
Deferred income	2,775,824	2,778,056
Impairment loss of financial assets	1,068,471	980,031
	3,670,805	3,493,838

7. OTHER RECEIVABLES

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Non-current				
Non-trade receivable	1,667	-	-	-
	1,667	-	-	-
Current				
Non-trade receivables	202,020	22,720	-	-
Deposits	1,191,073	130,416	1,000	1,000
Prepayments	1,312,582	248,590	177,203	61,522
Deferred expenses	9,628,900	9,735,974	-	-
GST/VAT receivable, net	1,563	277	-	-
	12,336,138	10,137,977	178,203	62,522
	12,337,805	10,137,977	178,203	62,522

(a) Deferred expenses refer to expenses related to down payment made for future project costs.

(b) GST is defined as Good and Services Tax and VAT is defined as Value-added Taxes.

(c) Recognition and measurement of impairment loss

Impairment for other receivables and amount owing by a subsidiary are recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

(cont'd)

7. OTHER RECEIVABLES (CONT'D)

(c) Recognition and measurement of impairment loss (cont'd)

At the end of the reporting period, the Group and the Company assessed whether there has been a significant increase in credit risk for financial assets by comparing the risk of default since initial recognition. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve-months expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group and the Company defined significant increase in credit risk based on changes to contractual terms, payment delays and past due information.

The probability of non-payment by other receivables and amount owing by a subsidiary are adjusted by forward-looking information and multiplied by the amount of the expected loss arising from default to determine the 12-month or lifetime expected credit loss for other receivables and amount owing by a subsidiary. The Group and the Company believe that the financial impacts to the forward-looking information are inconsequential for the purpose of impairment calculation of other receivables and amount owing by a subsidiary due to their relatively short-term nature.

It requires management to exercise significant judgement in determining the probability of default by other receivables and amount owing by a subsidiary, appropriate forward-looking information and significant increase in credit risk.

No expected credit loss is recognised arising from other receivables during the financial year as it is negligible.

8. INVENTORIES

	Group	
	2024	2023
	RM	RM
At cost		
Raw materials	7,562,022	3,718,545
Finished goods	170,757	828,238
	7,732,779	4,546,783
Recognised in profit or loss		
Inventories recognised in cost of sales	30,786,958	26,014,325

- (a) Inventories are stated at the lower of cost and net realisable value.
- (b) Cost of raw material is determined using the first-in, first-out formula. Cost comprises all costs of purchase, cost of conversion plus other costs incurred in bringing the inventories to their present condition and location. Cost of finished goods include the cost of raw materials, direct labour and an appropriate portion of production overheads based on normal operating capacity of the production facilities.

NOTES TO THE FINANCIAL STATEMENTS

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9. TRADE RECEIVABLES

	Group	
	2024	2023
	RM	RM
Trade receivables	31,685,381	21,321,697
Retention sums for Mechanical and Electrical engineering works ("M&E works")	16,214	-
	31,701,595	21,321,697
Less: Allowance for expected credit losses	(4,451,962)	(4,083,462)
	27,249,633	17,238,235

- (a) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group ranged from 30 to 90 days (2023: 30 to 90 days). Other credit terms are assessed and approved by the management on a case-by-case basis. They are recognised at their original invoiced amounts, which represent their fair values on initial recognition.
- (b) The currency exposure profile of trade receivables are disclosed in Note 33(b) to the financial statements.
- (c) Aging analysis of the trade receivables is as follows:

	Group		
	Gross	Impaired	Total
	RM	RM	RM
2024			
Collective assessment			
Current (Not past due)	4,240,482	-	4,240,482
Past due			
1 to 30 days	3,408,861	-	3,408,861
31 to 60 days	2,335,219	-	2,335,219
61 to 90 days	351,436	-	351,436
	6,095,516	-	6,095,516
Individual assessment			
More than 90 days	21,365,597	(4,451,962)	16,913,635
	31,701,595	(4,451,962)	27,249,633
2023			
Collective assessment			
Current (Not past due)	1,747,265	-	1,747,265
Past due			
1 to 30 days	3,791,903	-	3,791,903
31 to 60 days	486,548	-	486,548
61 to 90 days	182,680	-	182,680
	4,461,131	-	4,461,131
Individual assessment			
More than 90 days	15,113,301	(4,083,462)	11,029,839
	21,321,697	(4,083,462)	17,238,235

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9. TRADE RECEIVABLES (CONT'D)

(d) Recognition and measurement of impairment loss

Impairment for trade receivables and contract assets that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

The Group uses an allowance matrix to measure the expected credit loss of trade receivables from individual customers. Expected loss rates are calculated using the average historical bad debts write-offs rate and general rate based on the length of time invoices are overdue. During this process, the probability of non-payment by the trade receivables is adjusted by forward-looking information. The Group believes that the financial impacts to the forward-looking information are inconsequential for the purpose of impairment calculation of trade receivables due to their relatively short-term nature.

For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised distinctly in the statement of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

It requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward-looking information.

The reconciliation of movements in allowance for impairment accounts in trade receivables is as follows:

	Group	
	2024	2023
	RM	RM
Lifetime ECL – credit impaired		
At 1 January	4,083,462	4,083,462
Allowance for expected credit losses	368,500	-
At 31 December	4,451,962	4,083,462

Trade receivables are not secured by any collateral or credit enhancement.

During the financial year, the Group did not renegotiate the terms of any trade receivables.

10. CONTRACT ASSETS/(LIABILITIES) AND CONTRACT COSTS

		2024	2023
	Note	RM	RM
Contract assets	(a)	5,737,266	-
Contract costs	(b)	337,200	-
Contract liabilities	(c)	(16,163,811)	(14,072,118)

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10. CONTRACT ASSETS/(LIABILITIES) AND CONTRACT COSTS (CONT'D)

(a) Contract assets arising from M&E works

Contract assets represent the Group's right to consideration for work partially completed but not yet billed at the reporting date.

The changes to the net contract assets are as follows:

	Group	
	2024	2023
	RM	RM
At beginning of the financial year	-	-
Revenue recognised during the financial year	9,532,144	-
Progress billings for the financial year	(3,794,878)	-
At the end of the financial year	5,739,266	-

(b) Contract costs

	Group	
	2024	2023
	RM	RM
Cost to fulfil contracts	337,200	-

Cost to fulfil a contract comprises costs incurred in M&E works that are used to fulfil the contracts in future. These costs are to be recognised in profit or loss over the specific contract it relates to, consistent with the pattern of recognition of the associated revenue.

The amount of contract costs amortised in profit or loss are as follows:

	Group	
	2024	2023
	RM	RM
Contract fulfilment costs for M&E work	9,436,822	-

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(cont'd)

10. CONTRACT ASSETS/(LIABILITIES) AND CONTRACT COSTS (CONT'D)

(c) Contract liabilities

Contract liabilities include down payment made by the customers for the initiation of the projects. The contract liabilities were mainly due to the customer deposits received.

The movement of contract liabilities related to customer deposits is as follows:

	Group	
	2024	2023
	RM	RM
<u>Customer deposits</u>		
At 1 January	11,575,233	18,574,822
Deferred	1,533,736	2,221,277
Reversal	-	(4,694,976)
Recognised as revenue during the year	(1,543,036)	(4,525,890)
At 31 December	11,565,933	11,575,233
<u>Customer deposits - refundable</u>		
At 1 January	2,496,885	1,920,848
Addition	6,539,387	2,587,161
Reversal	(4,438,394)	(2,011,124)
At 31 December	4,597,878	2,496,885
Analysed as:-		
- Current	16,163,811	14,072,118

11. AMOUNT OWING BY A SUBSIDIARY

- The amount owing by a subsidiary is non-trade in nature, unsecured, bears interest at 4.45% (2023: from 3.12% to 4.45%) per annum and payable upon demand in cash and cash equivalents.
- Impairment for amount owing by a subsidiary is recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model as disclosed in Note 7(c) to the financial statements.

No expected credit loss is recognised arising from amount owing by a subsidiary during the financial year as it is negligible.

12. FIXED DEPOSITS WITH A LICENSED FINANCIAL INSTITUTION

The fixed deposits with a licensed financial institution of the Group and of the Company at the end of the reporting period bear effective interest rates at 2.45% (2023: 2.65%) per annum.

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13. CASH AND BANK BALANCES AND SHORT-TERM INVESTMENTS

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Cash and bank balances	7,008,365	4,372,374	47,264	23,557
Income funds with a licensed financial institution	2,769,926	3,336,677	2,769,926	2,168,288
	9,778,291	7,709,051	2,817,190	2,191,845

- (a) Short-term investments of the Group and of the Company are classified as financial assets at fair value through profit or loss and are categorised as Level 1 in the fair value hierarchy. Fair value of short-term investments is determined by reference to the quoted prices at the close of business at the end of each reporting period.
- (b) The currency exposure profile of cash and bank balances are disclosed in Note 33(b) to the financial statements.
- (c) No expected credit loss is recognised arising from the cash and bank balances and short-term investments because the probability of default by these financial institutions were negligible.
- (d) Short-term investments of the Group and of the Company represent investments in highly liquid income funds instruments, which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

14. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2024	2023	2024	2023
	Unit	Unit	RM	RM
Issued and fully paid with no par value				
At beginning of the financial year	284,679,925	284,679,925	35,623,055	35,623,055
Issuance of ordinary shares	15,000,000	-	2,175,000	-
Share issuance expenses	-	-	(59,042)	-
At end of the financial year	299,679,925	284,679,925	37,739,013	35,623,055

- (a) During the financial year, the Company has issued 15,000,000 new ordinary shares at RM0.145 each for a total consideration of RM2,175,000 pursuant to a private placement for working capital purposes.

The new ordinary shares issued shall rank pari passu in all respects with the existing ordinary shares of the Company.

- (b) The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share without restrictions. All ordinary rank pari passu with regard to the residual assets of the Company.

15. MERGER DEFICIT

The merger deficit arises as and when the combination takes place, where the net asset value exceeds the cost of merger of the share capital of subsidiary acquired.

16. CAPITAL RESERVE

Capital reserve represents employees benefit through transfer of the subsidiaries' shares to its employees.

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17. SHARE BASED PAYMENT RESERVE

The share-based payment reserve arose from the granting of options under the ESOS to eligible employees.

At an extraordinary general meeting held on 29 October 2021, the Company's shareholders approved the establishment of an ESOS of up to 25% of the total number of issued share capital of the Company to eligible Directors and employees of the Group.

The salient features of the ESOS are as follows:

- (a) The maximum number of new shares of the Company, which may be allotted and issued pursuant to the ESOS shall not exceed in aggregate 25% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time during the duration of the ESOS.
- (b) The maximum number of new Flexidynamic Shares that may be offered to an Eligible Person under the Proposed ESOS shall be determined at the sole and absolute discretion of the ESOS Committee after taking into consideration, amongst other relevant factors, the Eligible Person's performance, seniority, number of years in service and such other factors that the ESOS Committee may deem relevant in its discretion and shall be subject to the following:
 - (i) That the total number of new Flexidynamic Shares to be issued under the Proposed ESOS shall not exceed in aggregate 25% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time during the duration of the Proposed ESOS;
 - (ii) The allocation to any individual Eligible Person, who either individually or collectively, through persons connected with him/her, holds 20% or more of the total number of issued shares of Flexidynamic, must not exceed 10% of the total number of new Flexidynamic Shares to be issued under the Proposed ESOS;
 - (iii) The Directors and senior management of Flexidynamic Group (excluding dormant subsidiaries, if any) do not participate in the deliberation or discussion of their own allocation of ESOS Options as well as allocation to persons connected with them, if any; and
 - (iv) Not more than 70% of the total number of new Flexidynamic Shares to be issued under the ESOS shall be allocated, in aggregate, to the eligible directors and senior management of the Group (excluding dormant subsidiaries, if any) who are Eligible Persons ("Maximum Allocation"). The Maximum Allocation was determined after taking into consideration, the number of Eligible Persons falling within the grading of directors and senior management of the Group, as well as their position, seniority, length of service, performance and contribution to the Group, provided always that it is in accordance with any prevailing requirements issued by Bursa Securities and the Listing Requirements as amended from time to time.
- (c) The ESOS will be made available for participation by eligible persons of the Group who meet the following criteria on the Date of Offer:
 - (i) The Eligible Person shall have attained the age of 18 years on the Date of Offer;
 - (ii) The Eligible Person is employed on a full time basis (inclusive of employee with fixed term contract) and is on the payroll of any company within the Group (excluding dormant companies, if any) and his/her employment has been confirmed or such employee is serving in a specific designation under an employment contract for a fixed duration of not less than 1 year;
 - (iii) The Eligible Person is neither an undischarged bankrupt nor subject to any bankruptcy proceedings;
 - (iv) Such Eligible Person who is a director (including non-executive directors) has been appointed as a director of Flexidynamic or any company in the Group, which is not dormant; and
 - (v) The Eligible Person has fulfilled any other eligibility criteria and/or falls within such grade/category set by the Group (excluding dormant companies, if any) as may be determined by the ESOS Committee at its sole discretion from time to time.
- (d) The ESOS shall be in force for a period of 5 years and may be extended (as the case may be), at the sole and absolute discretion of the Board of Directors of the Company upon the recommendation by the ESOS Committee, provided always that the initial ESOS period stipulated above and such extension of the ESOS shall not in aggregate exceed a duration of 10 years from the effective date; and

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17. SHARE BASED PAYMENT RESERVE (CONT'D)

- (e) An option price shall not be at a discount of more than 10% (or such discount as the relevant authorities shall permit) from the 5-day weighted average market price of the shares of the Company preceding the date of offer.

A summary of the movement in the number ESOS and the weighted average exercise prices ("WAEP") is as follow:

	2024		2023	
	Number of share option	Weighted average exercise price RM	Number of share option	Weighted average exercise price RM
Group				
At 1 January	13,297,275	3,982,881	14,224,575	3,982,881
Lapsed	(3,118,200)	-	(927,300)	-
At 31 December	10,179,075	3,982,881	13,297,275	3,982,881

	Group	
	2024	2023
Options exercisable at 31 December	10,179,075	13,297,275

The options outstanding at 31 December 2024 have an exercise price of RM0.28 (2023: RM0.28) and a weighted average contractual live of 1 year (2023: 1 year).

The fair value of services received in return for share options granted is based on the fair value of share options granted, measured using a Black-Scholes Model, with the following inputs:-

	Group	
	2024	2023
	RM	RM
Fair value at grant date		
- Key Senior Management		
Year 1	0.0880	0.0880
Year 2	0.1122	0.1122
Year 3	0.1272	0.1272
Year 4	0.1372	0.1372
Year 5	0.1439	0.1439
Fair value at grant date		
- Non-Senior Management		
Year 1	0.0382	0.0382
Year 2	0.0906	0.0906
Year 3	0.1137	0.1137
Year 4	0.1282	0.1282
Year 5	0.1379	0.1379

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17. SHARE BASED PAYMENT RESERVE (CONT'D)

A summary of the movement in the number ESOS and the weighted average exercise prices ("WAEP") is as follow: (cont'd)

	Group	
	2024	2023
Weighted average share price	0.25	0.27
Share price at grant date	0.33	0.33
Weighted average volatility (%)	68.38%	68.38%
Expected weighted average option life (year)	1 year	1 year
Expected dividends (%)	3.79%	3.79%
Risk-free interest rate (%)	3.13%	3.13%

The value of employee services received for issue of share options is summarised as below:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
At 1 January	1,398,083	1,114,149	1,398,083	1,114,149
Addition	127,019	283,934	127,019	283,934
At 31 December	1,525,102	1,398,083	1,525,102	1,398,083

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Total expenses recognised as share based payment in profit or loss	127,019	283,934	32,423	59,503

18. LEASE LIABILITIES

	Group	
	2024	2023
	RM	RM
Current liabilities		
- less than 1 year	275,444	411,723
Non-current liabilities		
- more than 1 year but less than 2 years	232,475	302,688
- more than 2 years but less than 5 years	182,620	337,942
	415,095	640,630
	690,539	1,052,353

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18. LEASE LIABILITIES (CONT'D)

The Group as a lessee

- (a) The lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the Group measure the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications.
- (b) Set out below are the movements of the lease liabilities during the financial year:

	Group	
	2024	2023
	RM	RM
At 1 January	1,052,353	1,524,684
Additions	102,200	186,000
Accretion of interest	38,432	58,168
Payment of principal and interest	(502,446)	(716,499)
At 31 December	690,539	1,052,353

- (c) The weighted average incremental borrowing rate applied to the lease liabilities of the Group ranges from 3.62% to 6.38% (2023: 3.62% to 6.38%) per annum.
- (d) The following are the amounts recognised in profit or loss:

	Group	
	2024	2023
	RM	RM
Interest expense on lease liabilities	38,432	58,168
Expenses relating to short-term leases	120,800	145,800
Expenses relating to lease of low-value assets	208,466	74,661
	367,698	278,629

The Group as a lessor

The Group has entered into lease agreements with third parties for a number of its freehold land and buildings. Each lease contains a cancellable period of 1 year. Subsequent renewals are negotiated with the lessee on renewable period of 1 year.

Future minimum rentals receivable under the above agreement at the reporting date are as follows:

	Group	
	2024	2023
	RM	RM
Less than 1 year	452,400	745,960
More than 1 year but less than 5 years	315,000	767,400
	767,400	1,513,360

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19. BANK BORROWINGS

	Group	
	2024	2023
	RM	RM
Non-current liabilities		
Secured term loan:		
- later than 1 year but not later than 2 years	1,222,391	453,567
- later than 2 years but not later than 5 years	3,937,137	1,487,580
- later than 5 years	7,212,868	4,525,162
	12,372,396	6,466,309
Current liabilities		
Secured:		
- term loan	1,306,604	731,178
- bankers' acceptance	1,356,000	-
	2,662,604	731,178
	15,035,000	7,197,487

- (a) The borrowings of the Group are secured by a legal charge over the Group's freehold land and building as disclosed in Notes 3 and 4 to the financial statements respectively and corporate guarantee provided by the Company.
- (b) The effective interest rates of the term loans and bankers' acceptance are 4.20% to 4.52% (2023: 4.32% to 4.52%) and 4.40% (2023: 4.11%) per annum respectively.
- (c) The fair value of term loan is categorised as Level 3 in the fair value hierarchy, which is estimated based on expected future cash flows discounted at the market rate of interest as at the end of the reporting period. There is no transfer between levels in the fair value hierarchy during the financial year.

20. EMPLOYEES' BENEFITS

	Group	
	2024	2023
	RM	RM
At 1 January	7,798	7,385
Recognised in profit or loss	70,366	-
Exchange difference	374	413
At 31 December	78,538	7,798

- (a) The retirement benefits obligation is a post-employment benefit plan under which the Group is obligated to pay eligible employees a fixed percentage on the average annual salary for each completed year of service.

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20. EMPLOYEES' BENEFITS (CONT'D)

(b) The significant assumptions based on actuarial techniques as at financial year end as follows:

	Group	
	2024	2023
Discount rate	5.94% per annum	3.72% per annum
Salary growth rate	0.00% per annum	0.00% per annum
Normal retirement age	60 years	60 years
Mortality rate	Thai Mortality Table 2017	Thai Mortality Table 2017

Thai Mortality Table 2017 refers to Thai basis mortality table of the year 2017.

The management believes that no reasonably possible changes in any of the above key assumptions would lead to significant changes to the present value of the retirement obligations.

(c) Sensitivity analysis for provision for retirement benefits is not disclosed as it is immaterial to the Group.

21. TRADE PAYABLES

	Group	
	2024	2023
	RM	RM
Trade payables	16,125,824	7,341,899
Retention sums for M&E works	25,696	-
	16,151,520	7,341,899

The normal credit terms granted to the Group ranges from 30 to 120 days (2023: 30 to 120 days).

22. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Non-trade payables	297,752	173,341	-	14,614
Accruals	1,157,973	1,020,238	49,100	54,100
Deposits received	206,900	139,400	-	-
Withholding tax	1,908	4,135	-	-
Sales tax	34,199	12,229	-	-
At 31 December	1,698,732	1,349,343	49,100	68,714

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23. REVENUE

	Group	
	2024	2023
	RM	RM
Revenue from contracts with customers:		
Glove chlorination system	7,567,097	12,717,096
Repair, refurbishment and maintenance	3,749,055	2,230,265
Trading of replacement parts	15,859,630	13,974,493
Storage and process tanks	9,439,734	4,196,528
Other products and services	6,537,425	5,142,349
M&E works	9,532,144	-
	52,685,085	38,260,731
Timing of revenue recognition		
Goods and services transferred at a point in time	43,152,941	38,260,731
M&E works transferred over time	9,532,144	-
	52,685,085	38,260,731

(a) Sale of goods

Revenue from the sale of goods is recognised when the goods has been transferred, being when the goods have been shipped to the customer's specific location (delivery). Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when selling the goods and bears the risks of obsolescence and loss in relation to the goods.

(b) Services rendered

Revenue in respect of the rendering of services is recognised when performance obligation is satisfied.

24. FINANCE COSTS AND FINANCE INCOME

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Finance costs				
- Term loan interest	242,091	171,301	-	-
- Bankers' acceptance interest	73,192	10,643	-	-
- Lease liabilities	38,432	58,168	-	-
- Others	4,341	-	-	-
	358,056	240,112	-	-
Finance income				
- Fixed deposits placed with a licensed financial institution	11,478	36,466	11,478	11,179
- Current account	26,215	57,343	805	508
- Others	214	17	-	-
	37,907	93,826	12,283	11,687

Interest income is recognised as on a time proportion basis that reflects the effective yield on assets.

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25. PROFIT/(LOSS) BEFORE TAX

Profit/(Loss) before tax is determined after charging/(crediting), amongst others, the following items:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Auditors' remuneration				
Statutory audit				
- TGS TW PLT	85,000	-	30,000	-
- Grant Thornton Malaysia PLT	-	88,000	-	35,000
- Other auditor	34,729	25,948	-	-
Non-audit services				
- TGS TW PLT	1,200	-	-	-
- Grant Thornton Taxation Sdn. Bhd.	15,100	15,100	3,600	3,600
Dividend income	(107,427)	(74,893)	(96,276)	(40,942)
Expenses relating to lease of low value assets				
- Hire of backhoe	-	1,000	-	-
- Hire of cranes	171,952	64,011	-	-
- Hire of forklift	36,514	9,650	-	-
Expenses relating to short-term leases				
- Rental of office	66,000	81,000	-	-
- Rental of hostel	54,800	64,800	-	-
Unrealised loss/(gain) on foreign exchange	194,190	(60,347)	-	-
Realised loss on foreign exchange	6,658	274,391	-	-

26. TAX EXPENSE

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Current tax:				
- Current financial year	249,290	30,642	64,273	30,642
- Under/(Over) provision in prior financial years	410	(16,945)	447	(16,312)
	249,700	13,697	64,720	14,330
Deferred tax (Note 6):				
- Current financial year	(192,135)	1,587,610	-	-
- Over/(Under) provision in prior financial years	15,168	(13,369)	-	-
	(176,967)	1,574,241	-	-
	72,733	1,587,938	64,720	14,330

- (a) The Malaysian income tax is calculated at the statutory tax rate of 24% (2023: 24%) of the estimated taxable profit for the fiscal year.
- (b) Tax expense for other taxation authorities are calculated at the rates prevailing in the respective jurisdictions.

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26. TAX EXPENSE (CONT'D)

- (c) A numerical reconciliation of income tax expense on profit/(loss) before tax at statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Profit/(Loss) before tax	1,385,952	1,964,753	(187,692)	(152,105)
Tax at statutory income tax rate of 24%	332,628	471,541	(45,046)	(36,505)
Tax effect in respect of:				
Income not subject to tax	(38,191)	(20,941)	(23,106)	(9,826)
Tax at different rate	13,340	41,753	-	-
Non-allowance expenses	564,857	572,679	132,425	76,973
Deferred tax assets not recognised	-	553,220	-	-
Utilisation of unabsorbed tax losses and unutilised capital allowances	(815,479)	-	-	-
Under/(Over) provision of current tax in prior financial years	410	(16,945)	447	(16,312)
Over/(Under) provision of deferred tax in prior financial years	15,168	(13,369)	-	-
	72,733	1,587,938	64,720	14,330

- (d) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group	
	2024	2023
	RM	RM
Unabsorbed tax losses:		
- expires by year of assessment 2032	10,048,066	10,048,066
- expires by year of assessment 2033	2,786,807	4,902,520
Unutilised capital allowances	-	1,282,115
	12,834,873	16,232,701

Deferred tax assets of the Group have not been recognised in respect of these items as it is not certain that the Group will have future taxable profits to offset the unabsorbed tax losses and unutilised capital allowances.

Unabsorbed tax losses of the Group can be carried forward up to ten (10) consecutive years of assessment immediately following the year of assessment under the tax legislation of Inland Revenue Board.

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27. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is calculated by dividing profit for the financial year attributable to owners of the Company over the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2024	2023
Profit for the financial year attributable to owners of the Company (RM)	1,527,004	909,167
Weighted average number of ordinary shares in issue (unit)	296,975,007	284,679,925
Basic earnings per share (sen)	0.51	0.32

Diluted earnings per share

For the purpose of calculating diluted earnings per share, the profit for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares, i.e. share options granted to employees.

	Group	
	2024	2023
Profit for the financial year attributable to owners of the Company (RM)	1,527,004	909,167
Weighted average number of ordinary shares for diluted earnings per share (unit)	296,975,007	284,679,925
Diluted earnings per share (sen)	0.51	0.32

Diluted earnings per share of the Company for the financial year ended 31 December 2024 was equivalent to the basic earnings per share as the share option had an anti-dilutive effect of the basic earnings per share and the Company has no other dilutive potential ordinary shares in issue at the end of the financial year.

28. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Salaries, bonuses and allowances	3,559,314	3,525,237	11,500	12,000
Fee	186,000	198,000	186,000	198,000
Defined contribution plan	385,450	418,832	-	-
Social security contribution	51,728	38,419	-	-
Employee insurance system	3,280	3,383	-	-
Share option granted under ESOS	127,019	283,934	32,423	59,503
Other benefits	92,085	86,616	-	-
	4,404,876	4,554,421	229,923	269,503

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28. EMPLOYEE BENEFITS EXPENSE (CONT'D)

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
<u>Executive Director</u>				
Salaries, bonuses and allowances	1,416,162	1,403,289	-	-
Fee	48,000	60,000	48,000	60,000
Defined contribution plan	147,554	164,354	-	-
Social security contribution	4,369	4,159	-	-
Employee insurance system	499	475	-	-
Share option granted under ESOS	31,540	52,751	31,540	52,751
	1,648,124	1,685,028	79,540	112,751
<u>Non-Executive Director</u>				
Allowance	11,500	12,000	11,500	12,000
Fee	138,000	138,000	138,000	138,000
Share option granted under ESOS	883	6,752	883	6,752
	150,383	156,752	150,383	156,752
Total	1,798,507	1,841,780	229,923	269,503

The estimated value of benefits-in-kind of the Group provided to the Directors during the financial year amounted to RM72,400 (2023: RM92,100).

29. FINANCIAL GUARANTEES

The Company has financial guarantee contracts of RM15,035,000 (2023: RM7,197,487) in respect of financial guarantees given to financial institutions for banking facilities granted to a subsidiary. The Company monitors the ability of the subsidiary to service their loans regularly.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of the amount of the loss allowance; and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15 *Revenue from Contracts with Customers*.

The Company assumes that there is significant increase in credit risk when the subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when the subsidiary is unlikely to repay its credit obligation to the bank in full or the subsidiary is continuously loss making and has a deficit shareholder's fund. The Company determines the probability of default of the guaranteed loans individually using internal information available.

Financial guarantees have not been recognised since the fair value was not material on initial recognition. As at the end of the reporting period, there was no indication that the subsidiary would default on repayment.

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30. CAPITAL COMMITMENTS

	Group	
	2024	2023
	RM	RM
Authorised and contracted for:		
Property, plant and equipment	6,296,789	16,800

31. RELATED PARTY DISCLOSURES

(a) Identifying related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other entities.

The Group has related party relationship with its subsidiaries, related parties and persons connected to the Director.

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group are as follows:

	Group	
	2024	2023
	RM	RM
Lease payment charged by Directors' spouse	24,553	24,831
Interest charged by Directors' spouse	4,342	-
Rental charged by a related party ⁽¹⁾	66,000	66,000
Sales to a related party ⁽²⁾	-	(3,990)
Purchases from a related party ⁽²⁾	205,935	-

⁽¹⁾ An entity in which the Director's brother and sister-in-law have interest.

⁽²⁾ An entity in which the Director's father and brothers have interest.

(c) Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly and entity that provides key management personnel services to the Group.

The remuneration of key management personnel is same as the Directors' remuneration as disclosed in Note 28 to the financial statements. The Group have no other members of key management personnel apart from the Board of Directors.

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32. SEGMENTAL REPORTING - GROUP

For management purposes, the Group is organised into business units based on its products and services, and has three reportable segments as follows:

Engineering	- Design, engineering, installation and commissioning of glove chlorination systems, as well as design and for the installation of storage tanks and process tanks for the glove manufacturing industry
Trading and services	- Installation and maintenance of glove chlorination systems, storage tanks and process tanks for the glove manufacturing industry
Sterilisation	- Provision of sterilisation services using gamma radiation
Other	- Investment holding

The Managing Director monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation. Transfer prices between business segments are established on terms and conditions that are mutually agreed upon.

	Note	Engineering RM	Trading and services RM	Sterilisation RM	Other RM	Elimination RM	Consolidated RM
2024							
Revenue:							
External customers		50,774,908	1,910,177	-	-	-	52,685,085
Inter-segment		750,652	-	-	-	(750,652)	-
Results:							
Finance income		24,946	678	-	12,283	-	37,907
Finance costs		(872,445)	(4,959)	-	-	519,348	(358,056)
Dividend income		11,151	-	-	96,276	-	107,427
Depreciation of property, plant and equipment		(938,468)	(80,632)	-	-	-	(1,019,100)
Depreciation of investment properties		(148,293)	-	-	-	-	(148,293)
Tax expense		(7,983)	-	(30)	(64,720)	-	(72,733)
Other non-cash expenses	(a)	(551,768)	(86,994)	-	(32,423)	-	(671,185)
Segment profit/(loss)		2,405,865	(333,499)	(133,900)	(252,412)	(372,835)	1,313,219
Assets:							
Additions to non-current asset							
- property, plant and equipment		406,314	7,064	-	-	-	413,378
Segment assets	(b)	81,297,531	594,486	1,256,963	38,704,903	(36,682,394)	85,171,489
Liabilities:							
Segment liabilities	(c)	45,508,037	1,357,164	124,058	49,100	(12,945,758)	34,092,601

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32. SEGMENTAL REPORTING - GROUP (CONT'D)

	Note	Engineering RM	Trading and services RM	Other RM	Elimination RM	Consolidated RM
2023						
Revenue:-						
External customers		38,057,363	395,207	-	(191,839)	38,260,731
Inter-segment		-	457,445	-	(457,445)	-
Results:-						
Finance income		81,499	640	11,687	-	93,826
Finance costs		(675,157)	(3,306)	-	438,351	(240,112)
Dividend income		33,950	-	40,943	-	74,893
Depreciation of property, plant and equipment		(1,154,292)	(151,144)	-	-	(1,305,436)
Depreciation of investment properties		(111,317)	-	-	-	(111,317)
Tax expense		(1,573,608)	-	(14,330)	-	(1,587,938)
Other non-cash expenses	(a)	(46,648)	-	(59,503)	-	(106,151)
Segment profit/(loss)		1,916,002	(1,043,827)	(166,435)	(328,925)	376,815
Assets:-						
Additions to non-current asset						
- property, plant and equipment		304,842	25,240	-	-	330,082
Segment assets	(b)	60,342,775	322,084	36,717,077	(34,900,656)	62,481,280
Liabilities:-						
Segment liabilities	(c)	34,302,322	699,554	68,714	(12,299,432)	22,771,158

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:

(a) Other material non-cash income/(expenses) consist of the following items:

	2024 RM	2023 RM
Gain on disposal of property, plant and equipment	138,276	166,966
Unrealised (loss)/gain on foreign exchange	(194,190)	60,347
Property, plant and equipment written off	(27,930)	(42,566)
Impairment of financial assets	(368,500)	-
Share-based payment expenses	(127,019)	(283,934)
Bad debt written off	(21,456)	(6,964)
Employee benefits	(70,366)	-
	(671,185)	(106,151)

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32. SEGMENTAL REPORTING - GROUP (CONT'D)

- (b) The following items are added to segment assets to arrive at total assets reported in the statements of financial position:

	2024 RM	2023 RM
Segment assets	85,171,489	62,481,280
Deferred tax assets	3,670,805	3,493,838
Current tax assets	3,012,431	2,908,312
Total assets	91,854,725	68,883,430

- (c) The following items are added to segment liabilities reported in the statements of financial position:

	2024 RM	2023 RM
Segment liabilities	34,092,601	22,771,158
Lease liabilities	690,539	1,052,353
Bank borrowings	15,035,000	7,197,487
Current tax liabilities	12,566	-
Total liabilities	49,830,706	31,020,998

- (d) Additions to non-current assets other than financial instruments consist of:

	2024 RM	2023 RM
Property, plant and equipment	413,378	330,082

Geographical segments

The Group operates in Malaysia, Thailand, Vietnam, Indonesia, Sri Lanka, United States of America. Revenue from external customers disclosed in geographical segments are based on the geographical location of its customers. Non-current assets are based on the geographical location of the assets.

	Revenue		Non-current assets	
	2024 RM	2023 RM	2024 RM	2023 RM
Malaysia	49,430,275	14,614,511	8,562,006	9,197,613
Thailand	1,910,177	5,676,619	71,172	149,470
Vietnam	1,100,078	4,074,142	-	-
Indonesia	34,844	-	-	-
Sri Lanka	209,711	115,692	-	-
United States of America	-	13,779,767	-	-
	52,685,085	38,260,731	8,633,178	9,347,083

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

(cont'd)

32. SEGMENTAL REPORTING - GROUP (CONT'D)

Major customers

The following are major customer with revenue equal or more than 10 percent of the Group's revenue:

	2024 RM	2023 RM
Revenue from external customers		
Customer A	15,917,558	13,779,767
Customer B	8,981,727	5,871,444
Customer C	6,868,851	5,239,760
Customer D	-	4,065,340

33. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (i) Financial assets measured at fair value through profit or loss ("FVTPL"); and
- (ii) Financial assets and liabilities measured at amortised cost ("AC")

	Carrying amount RM	FVTPL RM	AC RM
Group			
2024			
Financial assets			
Trade receivables	27,249,633	-	27,249,633
Other receivables	1,394,760	-	1,394,760
Fixed deposits with a licensed financial institution	450,594	-	450,594
Cash and bank balances and short-term investments	9,778,291	2,769,926	7,008,365
	38,873,278	2,769,926	36,103,352
Financial liabilities			
Trade payables	16,151,520	-	16,151,520
Other payables and accruals	1,662,625	-	1,662,625
Bank borrowings	15,035,000	-	15,035,000
	32,849,145	-	32,849,145

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

(cont'd)

33. FINANCIAL INSTRUMENTS (CONT'D)

(a) Categories of financial instruments (cont'd)

The table below provides an analysis of financial instruments categorised as follows: (cont'd)

	Carrying amount RM	FVTPL RM	AC RM
Group			
2023			
Financial assets			
Trade receivables	17,238,235	-	17,238,235
Other receivables	153,136	-	153,136
Fixed deposits with a licensed financial institution	439,115	-	439,115
Cash and bank balances and short-term investments	7,709,051	3,336,676	4,372,375
	25,539,537	3,336,676	22,202,861
Financial liabilities			
Trade payables	7,341,899	-	7,341,899
Other payables and accruals	1,332,979	-	1,332,979
Bank borrowings	7,197,487	-	7,197,487
	15,872,365	-	15,872,365
Company			
2024			
Financial assets			
Other receivables	1,000	-	1,000
Amount owing by a subsidiary	11,852,287	-	11,852,287
Fixed deposits with a licensed financial institution	450,594	-	450,594
Cash and bank balances and short-term investments	2,817,190	2,769,926	47,264
	15,121,071	2,769,926	12,351,145
Financial liability			
Other payables and accruals	49,100	-	49,100
2023			
Financial assets			
Other receivables	1,000	-	1,000
Amount owing by a subsidiary	11,752,378	-	11,752,378
Fixed deposits with a licensed financial institution	439,115	-	439,115
Cash and bank balances and short-term investments	2,191,845	2,168,287	23,558
	14,384,338	2,168,287	12,216,051
Financial liability			
Other payables and accruals	68,714	-	68,741

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

(cont'd)

33. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies

Financial risks

The Group and the Company are mainly exposed to financial risks arising from their operations and the use of financial instruments. Financial risk management policy is established to ensure that adequate resources are available for the development of the Group's and of the Company's business whilst managing its credit risk, liquidity risk, foreign currency risk, interest rate risk and equity price risk. The Group and the Company operate within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activities are set out as follows:

Credit risks

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group's exposure to credit risk arises principally from its operating activities. The Company's exposure to credit risk arises principally from advances to a subsidiary and financial guarantees given to banks for credit facilities granted to a subsidiary.

In respect of the cash and bank balances and fixed deposits placed with major financial institutions, the Directors believe that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

Following are the areas where the Group and the Company are exposed to credit risk:-

(i) Receivables

The Group's and the Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's and the Company's standard payment and delivery terms and conditions are offered. The Group's and the Company's review includes external rating, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed quarterly.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a wholesale or retail, their geographic location, industry, trading history with the Group and the Company and existence of previous financial difficulties.

Generally, the gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets as disclosed in Note 33(a) to the financial statements.

The Group and the Company do not hold collateral as security.

The Group and the Company do not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

(cont'd)

33. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

Financial risks (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activities are set out as follows: (cont'd)

Credit risks (cont'd)

(ii) Amount owing by a subsidiary

For amount owing by a subsidiary, the Directors have taken into account information that it has available internally about the subsidiary's past, current and expected operating performance and cash flow position. The Directors monitor and assess at each reporting date for any indicator of significant increase in credit risk on the amount owing by a subsidiary, by considering its performance ratio and any default in external debts.

(iii) Financial guarantee contract

The maximum credit risk exposure of the financial guarantees issued is limited to the credit amount utilised of RM15,035,000 (2023: RM7,197,487). The financial guarantees have low credit risk at the end of the financial year as the financial guarantee is unlikely to be called by the financial institutions.

(iv) Cash and cash equivalents

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Liquidity risks

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as and when they fall due as a result of shortage of funds.

In managing its exposures to liquidity risk, the Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as and when they fall due.

The Group and the Company aim at maintaining a balance of sufficient cash and deposits and flexibility in funding by keeping diverse sources of committed and uncommitted credit facilities from various banks.

The liquidity risks are principally from its trade payables, other payables and accruals, lease liabilities and bank borrowings.

Group	Carrying amount RM	Contractual cash flow RM	On demand and within 1 year RM	1 to 2 years RM	2 to 5 years RM	More than 5 years RM
2024						
Trade payables	16,151,520	16,151,520	16,151,520	-	-	-
Other payables and accruals	1,662,625	1,662,625	1,662,625	-	-	-
Lease liabilities	690,539	736,514	300,025	246,227	190,262	-
Bank borrowings	15,035,000	18,536,149	3,226,649	1,732,536	5,133,062	8,443,902
	33,539,684	37,086,808	21,340,819	1,978,763	5,323,324	8,443,902

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

(cont'd)

33. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

Financial risks (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activities are set out as follows (cont'd):

Liquidity risks (cont'd)

The summary of the maturity profile based on the contractual undiscounted repayment obligation are set out as follows:-

Group	Carrying amount RM	Contractual cash flow RM	On demand and within 1 year RM	1 to 2 years RM	2 to 5 years RM	More than 5 years RM
2023						
Trade payables	7,341,899	7,341,899	7,341,899	-	-	-
Other payables and accruals	1,332,979	1,332,979	1,332,979	-	-	-
Lease liabilities	1,052,353	1,125,039	449,526	323,619	351,894	-
Bank borrowings	7,197,487	9,593,991	1,031,637	729,012	2,187,036	5,646,306
	16,924,718	19,393,908	10,156,041	1,052,631	2,538,930	5,646,306

Company	Carrying amount RM	Contractual cash flow RM	On demand and within one (1) year RM
2024			
Other payables and accruals	49,100	49,100	49,100
2023			
Other payables and accruals	68,714	68,714	68,714

Maturity profile of financial guarantee contracts of the Company at the end of each reporting period based on contractual undiscounted repayment obligations is repayable upon any default by the subsidiary in respect of the guaranteed bank facilities of RM15,035,000 (2023: RM7,197,487).

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

To mitigate the Group's exposure to foreign currency risk, the Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the functional currency of the Group. The currencies giving rise to this risk are primarily United States Dollar ("USD") and Thai Baht ("THB").

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

(cont'd)

33. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

Financial risks (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activities are set out as follows (cont'd):

Foreign currency risk (cont'd)

	USD RM	THB RM
Group		
2024		
Trade receivables	5,917,912	438,416
Other receivables	-	56,978
Cash and bank balances	1,032,456	9,411
Trade payables	-	(70,695)
Other payables	-	(119,131)
Net exposure	6,950,368	314,979
2023		
Trade receivables	6,730,177	42,979
Other receivables	-	35,976
Cash and bank balances	923,900	65,332
Other payables	-	(160,172)
Net exposure	7,654,077	(15,885)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

(cont'd)

33. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

Financial risks (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activities are set out as follows (cont'd):

Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit for the financial year and equity to a reasonably possible change in the USD and THB exchange rates against the functional currency of the Group, with all other variables held constant.

Group	Profit for the financial year and equity	
	RM 2024	RM 2023
USD/RM		
- Strengthen by 0.16% (2023: 0.41%)	8,452	23,850
- Weaken by 0.16% (2023: 0.41%)	(8,452)	(23,850)
THB/RM		
- Strengthen by 0.22% (2023: 0.47%)	527	(57)
- Weaken by 0.22% (2023: 0.47%)	(527)	57

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's instruments will fluctuate because of changes in market interest rates.

Fixed rate borrowing is exposed to a risk of change in its fair value due to changes in interest rates. Variable rate borrowing is exposed to a risk of change in cash flows due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

The Group's interest rate management objective is to manage the interest expense consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order to achieve this objective, the Group targets a mix of fixed and floating debt based on assessment of its existing exposure and desired interest rate profile.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

(cont'd)

33. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

Financial risks (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activities are set out as follows (cont'd):

Interest rate risk (cont'd)

The interest rate profile of the Group's significant interest bearing financial instruments, based on carrying amounts as at the end of the reporting period is as follows:

	Group	
	2024	2023
	RM	RM
Fixed rate instrument		
Bankers' acceptances	1,356,000	-
Floating rate instrument		
Term loans	13,679,000	7,197,487

Sensitivity analysis for interest rate risk

A 100 basis point increase in interest rates based on currently observable market environment with all other variables held constant, would have the following effect on the Group's profit for the financial year and equity:

	Group	
	2024	2023
	RM	RM
Floating rate instrument		
- Strengthen by 1%	(103,960)	(54,701)
- Weaken by 1%	103,960	54,701

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024

(cont'd)

33. FINANCIAL INSTRUMENTS (CONT'D)

(c) Determination of fair value

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

Fair value hierarchy

Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1 fair value measurements are those derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.
- Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group and the Company recognises transfers between levels of the fair value hierarchy as of the date of the event of change in circumstances that causes the transfers.

There has been no transfer between Level 1 and 2 fair values during the financial year (2023: no transfer in either direction).

34. CAPITAL MANAGEMENT

Total capital managed at the Group level is the shareholders' funds as shown in the statements of financial position.

The primary objective of the Group's and the Company's capital management is to ensure that it maintains a strong credit and financially prudent capital ratios in order to support its current business as well as future expansion so as to maximise the shareholders' value.

The Group manages its capital structure and make adjustment to it, in light of changes in economic condition. To maintain and adjust capital structure, the Company adjusts dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group and the Company monitor capital using a gearing ratio, which is total external borrowings and divided by total equity. The policy of the Group and of the Company is to keep the gearing ratio within manageable levels. At the end of the reporting period, the Group's and the Company's gearing ratio are 0.38 times (2023: 0.22 times) and nil (2023: nil) respectively.

There were no changes in the Group's and the Company's approach to capital management during the financial year ended 31 December 2024.

35. DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 25 April 2025.

LIST OF PROPERTIES

No.	Title details/ Postal address	Description/ Existing use	Land area (sq. ft.)	Tenure	Approximate age of building (years)	Net carrying amount as at 31 December 2024 (RM'000)	Date acquired
1	Individual title held under GRN 124476, Lot 226, Seksyen 2, Pekan Bukit Changgang, Daerah Kuala Langat, Negeri Selangor 7, Jalan 1/1, Kawasan Perusahaan Olak Lempit, 42700 Banting, Selangor Darul Ehsan.	Industrial land with single-storey detached factory annexed with 3-storey office building	45,746	Freehold	11	5,736	1 June 2016
2	Individual title held under H.S.(D) 48997, PT 51478, Mukim Tanjong Duabelas, Daerah Kuala Langat, Negeri Selangor 12, Jalan 1/3, Kawasan Perusahaan Olak Lempit, 42700 Banting, Selangor Darul Ehsan.	Industrial land with a semi-detached factory comprising of 2 storey office	19,742	Freehold	3	3,965	30 August 2019
3	Individual title held under H.S.(D) 48998, PT 51479, Mukim Tanjong Duabelas, Daerah Kuala Langat, Negeri Selangor 12A, Jalan 1/3, Kawasan Perusahaan Olak Lempit, 42700 Banting, Selangor Darul Ehsan.	Industrial land with a semi-detached factory comprising of 2 storey office	19,805	Freehold	3	3,973	30 August 2019
4	Individual title held under H.S.(D) 48996, PT 51477, Mukim Tanjong Duabelas, Daerah Kuala Langat, Negeri Selangor 10, Jalan 1/3, Kawasan Perusahaan Olak Lempit, 42700 Banting, Selangor Darul Ehsan.	Industrial land with a semi-detached factory comprising of 2 storey office	19,676	Freehold	3	4,976	5 July 2022

ANALYSIS OF SHAREHOLDINGS

as at 28 March 2025

Total number of issued shares : 299,679,925
 Class of shares : Ordinary shares
 Voting rights : 1 vote per ordinary share

SHAREHOLDINGS DISTRIBUTION

Size of Holdings	No. of Shareholders/ Depositors	% of Shareholders/ Depositors	No. of Shares Held	% of Issued Capital
Less than 100	2	0.15	100	0.00
100 to 1,000	221	16.78	103,710	0.03
1,001 to 10,000	514	39.03	3,068,100	1.02
10,001 to 100,000	430	32.65	17,044,500	5.69
100,001 to less than 5% of issued shares	146	11.09	113,362,315	37.83
5% and above of issued shares	4	0.30	166,101,200	55.43
Total	1,317	100.00	299,679,925	100.00

SUBSTANTIAL SHAREHOLDERS

as per Register of Substantial Shareholders as at 28 March 2025

	No. of Shares Held			
	Direct	%	Indirect	%
Tan Kong Leong	117,892,900	39.34	9,198,100 *	3.07
Liew Heng Wei	53,208,300	17.76	130,000 **	0.04
Phitchaya Arsangku	6,259,800	2.09	120,831,200 ***	40.32
Lion Suk Chin	130,000	0.04	53,208,300 **	17.76

Notes:

* Deemed interest via spouse's shareholding and his shareholding in TECS Properties Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

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

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

ANALYSIS OF SHAREHOLDINGS

as at 28 March 2025

(cont'd)

DIRECTORS' INTEREST

as per Register of Directors' Shareholdings as at 28 March 2025

	No. of Shares Held			
	Direct	%	Indirect	%
Dr. Teh Chee Ghee	-	-	-	-
Tan Kong Leong	117,892,900	39.34	9,198,100 *	3.07
Sin Kuo Wei	8,346,400	2.79	-	-
Liew Heng Wei	53,208,300	17.76	130,000 **	0.04
Lion Suk Chin	130,000	0.04	53,208,300 **	17.76
Noor Zaliza Yati Binti Yahya	-	-	-	-
Ir. Chong Kai Feng	-	-	-	-
Poh Chee Fong	-	-	-	-

Notes:

* Deemed interest via spouse's shareholding and his shareholding in TECS Properties Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

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

TOP 30 SHAREHOLDERS/ DEPOSITORS

No.	Name of Shareholder	No. of Shares Held	% of Issued Capital
1.	Tan Kong Leong	61,192,900	20.42
2.	Liew Heng Wei	53,208,300	17.76
3.	TA Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Tan Kong Leong</i>	28,000,000	9.34
4.	Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Tan Kong Leong</i>	23,700,000	7.91
5.	Sin Kuo Wei	8,346,400	2.79
6.	Phitchaya Arsangku	6,259,800	2.09
7.	Loh Wei Keat	5,483,800	1.83
8.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. <i>Pledged securities account for Tan Kong Leong</i>	5,000,000	1.67
9.	RHB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Wong Hoong Ton</i>	3,781,600	1.26
10.	Lim Khin Choong	3,473,000	1.16
11.	Yee Voon Hon	3,420,000	1.14
12.	Chong Chee Keong	3,067,800	1.02
13.	TECS Properties Sdn Bhd	2,938,300	0.98
14.	Yee Choon Kiat	2,749,400	0.92
15.	Ting Kai Ming	2,259,100	0.75
16.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. <i>Pledged securities account for Timothy Tai Lik Siang</i>	2,239,000	0.75
17.	Lim Hong Jun	2,000,000	0.67
18.	Wong Huey Kee	2,000,000	0.67

ANALYSIS OF SHAREHOLDINGS

as at 28 March 2025

(cont'd)

TOP 30 SHAREHOLDERS/ DEPOSITORS (CONT'D)

No.	Name of Shareholder	No. of Shares Held	% of Issued Capital
19.	Tan Lui Ken	1,859,200	0.62
20.	Soh Swee See	1,801,000	0.60
21.	Kenanga Nominees (Tempatan) Sdn Bhd <i>Rakuten Trade Sdn Bhd for Lim Khin Choong</i>	1,785,000	0.60
22.	Kenanga Nominees (Tempatan) Sdn Bhd <i>Rakuten Trade Sdn Bhd for Loh Wei Keat</i>	1,722,400	0.57
23.	Kenanga Nominees (Tempatan) Sdn Bhd <i>Rakuten Trade Sdn Bhd for Wong Fook Loong</i>	1,672,000	0.56
24.	Pang Ko Yoek	1,615,600	0.54
25.	Lim Soon Guan	1,500,000	0.50
26.	Maybank Nominees (Tempatan) Sdn Bhd <i>- Ong Teong Siang</i>	1,500,000	0.50
27.	Pua Siew Peng	1,500,000	0.50
28.	Yeow Koh Chye	1,387,000	0.46
29.	Wong Fook Loong	1,386,600	0.46
30.	Kenanga Nominees (Tempatan) Sdn Bhd <i>Rakuten Trade Sdn Bhd for Chong Chee Keong</i>	1,336,600	0.45

NOTICE OF SIXTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Sixth ("6th") Annual General Meeting ("AGM") of the Company will be held at **Seminar Room, Kelab Golf Negara Subang, Jalan SS 7/2, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan** on **Friday, 30 May 2025 at 2.00 p.m.** for the purpose of transacting the following businesses: -

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Directors' and Auditors' Reports thereon.
2. To approve the payment of Directors' fees and allowances up to RM255,000.00 for the period from this 6th AGM until the next AGM of the Company. **(Resolution 1)**
3. To re-elect the following Directors retiring pursuant to the Company's Constitution and being eligible, offer themselves for re-election: -

(i) Sin Kuo Wei (Article 92)	(Resolution 2)
(ii) Poh Chee Fong (Article 92)	(Resolution 3)
(iii) Dr. Teh Chee Ghee (Article 98)	(Resolution 4)
4. To re-appoint Messrs TGS TW PLT as Auditors of the Company to hold office until the conclusion of the next AGM and to authorise the Board of Directors to fix their remuneration. **(Resolution 5)**

AS SPECIAL BUSINESS

To consider, and if thought fit, to pass the following as ordinary resolutions: -

5. **AUTHORITY TO ISSUE SHARES AND WAIVER OF PRE-EMPTIVE RIGHTS** **(Resolution 6)**

"THAT pursuant to Section 75 and 76 of the Companies Act 2016 ("**Act**"), and subject to the approvals from the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue shares in the Company from time to time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares of the Company at the time of submission to the authority AND THAT the Directors be and are also hereby empowered to obtain the approval from the Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company.

AND THAT pursuant to Section 85 of the Act to be read together with Article 55 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new Company shares ranking equally to the existing issued Company shares arising from any issuance of the new Company shares pursuant to Sections 75 and 76 of the Act."

NOTICE OF SIXTH ANNUAL GENERAL MEETING

(cont'd)

6. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE") (Resolution 7)

"THAT subject always to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and/or its subsidiaries ("**Flexidynamic Group**") to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.5 of the Circular to Shareholders dated 30 April 2025, which are necessary for the day-to-day operations of Flexidynamic Group provided that the transaction are in the ordinary course of business, and are carried out at arms' length basis on normal commercial terms which are not more favourable to the related party than those generally available to the public as well as are not detrimental to the minority shareholders' of the Company and such approval, shall continue to be in force until; -

- i) the conclusion of the next AGM of the Company following the 6th AGM at which the Proposed Renewal of Shareholders' Mandate is passed, at which time it will lapse, unless by a resolution passed at the meeting, the Proposed Renewal of Shareholders' Mandate authority is renewed;
- ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2)(b) of the Companies Act, 2016 ("**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 the shareholders in general meeting;

whichever is earlier.

AND THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, things and to execute all necessary documents as they may consider necessary or expedient in the best interest of the Company with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted under relevant authorities and to deal with all matters in relation thereto and to take such steps and do all acts and things in any manner as they may deem necessary of expedient to implement, finalise and give full effect to the transactions contemplated and/or authorised by this Ordinary Resolution"

7. PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

(Special Resolution)

"THAT the proposed amendments to the existing Constitution of the Company as set out in Appendix A be and is hereby approved and adopted with immediate effect AND THAT the Board of Directors of the Company be and is hereby authorised to assent to any conditions, modifications and/or amendments as may be required by any relevant authorities, and to do all acts things and take all such steps as may be considered necessary to give full effect to the foregoing."

- 8. To transact any other business which may properly be transacted at an AGM for which due notice shall have been given.

By Order of the Board

LIM SECK WAH (MAICSA NO. 0799845) (SSM PC NO: 202008000054)

TANG CHI HOE (KEVIN) (MAICSA NO. 7045754) (SSM PC NO: 202008002054)

Company Secretaries

Kuala Lumpur

Dated: 30 April 2025

NOTICE OF SIXTH ANNUAL GENERAL MEETING

(cont'd)

Notes :-

Explanatory Notes to Special Business

Ordinary Resolution 6– Authority to issue shares and waiver of pre-emptive rights

The effect of the Ordinary Resolution if passed, will give the Directors of the Company, from the date of the 6th AGM, authority to allot and issue shares up to 10% of the total number of issued shares of the Company for such purposes as the Directors may deem fit and in the interest of the Company. The authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next AGM of the Company.

The Board of Directors is of the view that the 10% General Mandate is in the best interest of the Company and its shareholders as the authority will facilitate any possible fundraising activities, including but not limited to placing of shares, for purpose of funding future investment project(s), working capital, repayment of bank borrowings and/or acquisitions.

The waiver of pre-emptive rights pursuant to Section 85 of the Act will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer new shares to all the existing shareholders of the Company prior to issuance of new shares in the Company under the mandate.

The previous mandate granted by the shareholders had not been utilised and hence no proceed was raised therefrom.

Ordinary Resolution 7 – Proposed Renewal of Shareholders' Mandate

The explanatory note on Ordinary Resolution 7 is set out in the Circular to Shareholders dated 30 April 2025.

Special Resolution – Proposed Amendments to the Constitution of the Company

The proposed amendments to the existing Constitution of the Company are made mainly to provide clarity and consistency with the Companies Act 2016.

NOTICE OF SIXTH ANNUAL GENERAL MEETING

(cont'd)

Notes: -

General Meeting Record of Depositors

1. For the purpose of determining a member who shall be entitled to attend, speak and vote at the 6th AGM, the Company shall be requesting the Record of Depositors as at 23 May 2025. Only a depositor whose name appears on the Record of Depositors as at 23 May 2025 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.
2. A proxy may but need not be a member of the Company. A member may appoint up to 2 proxies to attend and vote at the same meeting. Where a member appoints 2 proxies, the appointment of 2 proxies shall be invalid unless the proportion of the shareholding to be represented by each proxy is specified.
3. Where a member is an authorised nominee as defined under the Central Depositories Act 1991, it may appoint at least 1 proxy but not more than 2 proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or by his attorney duly authorised in writing, and in the case of a corporation, shall be executed under its Common Seal or under the hand of an officer or attorney of the corporation duly authorised.
6. The Form of Proxy shall be deposited with 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 the drop box located at 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 set for holding the meeting or any adjournment thereof. Kindly refer to the Administrative Guide for the 6th AGM for further information on the electronic submission of Form of Proxy.
7. By submitting the duly executed Form of Proxy, a member and his/her proxy consent to the Company (and/or its agents/ service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for this meeting and any adjournment thereof.

APPENDIX A

PROPOSED AMENDMENTS TO THE CONSTITUTION OF FLEXIDYNAMIC HOLDINGS BERHAD

Article No.	Existing Articles	Amended Articles*	Rationale
7 Repayment of Preference capital.	Notwithstanding Article 9 hereof the repayment of preference share capital other than redeemable preference shares or any alteration of preference shareholder rights shall only be made pursuant to a special resolution of the preference shareholders concerned PROVIDED ALWAYS that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing obtained from the holders of three-fourths (3/4) of the preference shares concerned within two (2) months of the meeting shall be as valid and effectual as a special resolution carried at the meeting.	Notwithstanding Article 9 hereof the repayment of preference share capital other than redeemable preference shares or any alteration of preference shareholder rights shall only be made pursuant to a special resolution of the preference shareholders concerned PROVIDED ALWAYS that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing obtained from the holders of three-fourths (3/4) seventy-five per centum (75%) of the preference shares concerned within two (2) months of the meeting shall be as valid and effectual as a special resolution carried at the meeting.	The replacement of the term “three-fourths (3/4)” with “seventy-five per centum (75%)” is to be consistent with the Companies Act, 2016 (“CA 2016”)
9 Modification of class rights.	Whenever the capital of the Company is divided into different classes of shares or groups the special rights attached to any class or group may subject to the provisions of the Constitution (unless otherwise provided by the terms of issue of the shares of the class), either with the consent in writing of the holders of three-quarters (3/4) of the issued shares of the class or group, or with the sanction of any special resolution passed at a separate general meeting of such holders (but not otherwise), be modified or abrogated, and may be so modified or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up, and such writing or resolution shall be binding upon all the holders of shares of the class. To every such separate general meeting all the provisions of this Constitution relating to general meetings or to the proceedings thereat shall, mutatis mutandis, apply, except that the necessary quorum shall be two persons at least holding or representing by proxy one-tenth (1/10) in nominal amount of the issued shares of the class or group (but so that if an adjourned meeting of such holders a quorum as above defined is not present those Members who are present shall be a quorum), that any holder of shares in the class present in person or by proxy may demand a poll and that the holders of shares of the class or group shall, on a poll, have one vote in respect of every share of the class or group held by them respectively.	Whenever the capital of the Company is divided into different classes of shares or groups the special rights attached to any class or group may subject to the provisions of the Constitution (unless otherwise provided by the terms of issue of the shares of the class), either with the consent in writing of the holders of three-quarters (3/4) seventy-five per centum (75%) of the issued shares of the class or group, or with the sanction of any special resolution passed at a separate general meeting of such holders (but not otherwise), be modified or abrogated, and may be so modified or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up, and such writing or resolution shall be binding upon all the holders of shares of the class. To every such separate general meeting all the provisions of this Constitution relating to general meetings or to the proceedings thereat shall, mutatis mutandis, apply, except that the necessary quorum shall be two persons at least holding or representing by proxy one-tenth (1/10) in nominal amount of the issued shares of the class or group (but so that if an adjourned meeting of such holders a quorum as above defined is not present those Members who are present shall be a quorum), that any holder of shares in the class present in person or by proxy may demand a poll and that the holders of shares of the class or group shall, on a poll, have one vote in respect of every share of the class or group held by them respectively.	The replacement of the term “three-fourths (3/4)” with “seventy-five per centum (75%)” is to be consistent with Section 91 of the CA 2016

* Additions as bold and deletions as struck through

APPENDIX A

(cont'd)

PROPOSED AMENDMENTS TO THE CONSTITUTION OF FLEXIDYNAMIC HOLDINGS BERHAD (CONT'D)

Article No.	Existing Articles	Amended Articles*	Rationale
21 Directors may make calls.	The Directors may, subject to the provision of the Constitution, from time to time make such calls upon the Members in respect of any money unpaid on their shares as they think fit (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times, provided that no call shall be payable at less than one (1) month from the date fixed for the payment of the last preceding call, and each Member shall (subject to receiving at least fourteen (14) days notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine.	The Directors may, subject to the provision of the Constitution, from time to time make such calls upon the Members in respect of any money unpaid on their shares as they think fit (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times, provided that no call shall be payable at less than one (1) month from the date fixed for the payment of the last preceding call, and each Member shall (subject to receiving at least fourteen (14) days notice specifying the date , time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine.	The amendment is made in line with the abolishment of the concepts of par value and premium for shares under Section 74 of the CA 2016. This amendment is consistent with Section 82(3) of the CA 2016, which states that the notice shall specify the date, time and place of payment.
23 Interest on unpaid calls	If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate not exceeding ten per cent (10%) per annum as the Directors may determine, but the Directors shall be at liberty to waive payment of the interest wholly or in part.	If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest or compensation on the sum from the day appointed for payment thereof to the time of actual payment at such rate not exceeding ten eight per cent (10%) per annum as the Directors may determine, but the Directors shall be at liberty to waive payment of the interest or compensation wholly or in part.	The inclusion of the word "compensation" is to reflect the wording used in Section 82(6) of the CA 2016. The reduction in the interest rate that the Company may impose from 10% to 8% per annum is in line with the maximum interest rate chargeable under Section 82(7) of the CA 2016.
24 Sum payable on allotment	Any sum which by the terms of issue of a share is payable on allotment on a fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of this Constitution be deemed to be a call duly made and payable on the date on which by the terms of issue of the same become payable, and in case of non-payment all the relevant provisions of this Constitution as to payment of interest and expenses forfeiture and the like, and all the relevant provisions of this Constitution shall apply as if the sum had become payable by virtue of a call duly made and notified.	Any sum which by the terms of issue of a share is payable on allotment on a fixed date; whether on account of the nominal value of the share or by way of premium ; shall for the purposes of this Constitution be deemed to be a call duly made and payable on the date on which by the terms of issue of the same become payable, and in case of non-payment all the relevant provisions of this Constitution as to payment of interest and expenses forfeiture and the like, and all the relevant provisions of this Constitution shall apply as if the sum had become payable by virtue of a call duly made and notified.	The amendment is made in line with the abolishment of the concepts of par value and premium for shares under Section 74 of the CA 2016.

* Additions as bold and deletions as struck through

APPENDIX A

(cont'd)

PROPOSED AMENDMENTS TO THE CONSTITUTION OF FLEXIDYNAMIC HOLDINGS BERHAD (CONT'D)

Article No.	Existing Articles	Amended Articles*	Rationale
59 Power to reduce capital	The Company may by special resolution reduce its share capital and any capital redemption reserve fund in any manner subject to any conditions and any consent required by law. The Company shall give notice to the Registrar in accordance with Section 84 of the Act of such alteration in capital.	The Company may by special resolution reduce its share capital and any capital redemption reserve fund in any manner subject to any conditions and any consent required by law. permitted or authorised under and in compliance with the Applicable Laws. The Company shall give notice to the Registrar in accordance with Section 84 of the Act of such alteration in capital.	The deletion of the terms “capital redemption reserve fund” and “share premium account” in line with the abolishment of the concepts of par value and premium for shares under Section 74 of the CA 2016. Under the CA 2016, the Company may reduce its share capital either by special resolution and confirmation by the Court in accordance with Section 116 or by special resolution supported by a solvency statement in accordance with Section 117. The extension of capital reduction to such manner as may be permitted under any Applicable Law is to enable the Company to carry out such reduction of share capital so long as it is permitted under the Applicable Laws.
61 Annual general meeting	The ordinary business of an annual general meeting shall mean and consist of the receiving of the Company's audited financial statements and the reports of the Directors and the Auditors thereon, the approval of Directors' fees and benefits payable to Directors, the re-election of the Directors who retire by rotation or otherwise, the declaration of dividend (if any) and the appointment of the Auditors and the determination of their remuneration. Any other business to be transacted at an annual general meeting shall be deemed to be special.	The ordinary business of an annual general meeting shall mean and consist of the receiving of the Company's audited financial statements and the reports of the Directors and the Auditors thereon, the approval of Directors' fees and benefits payable to Directors, the re-election of the Directors who retire by rotation or otherwise, the declaration of dividend (if any) and the appointment of the Auditors and the determination of their remuneration. Any other business to be transacted at an annual general meeting shall be deemed to be special.	The phrase “the declaration of dividend (if any)” is deleted as the declaration of dividend no longer requires the approval of shareholders in the annual general meeting under Section 132 of the CA 2016.

* Additions as bold and deletions as struck through

ADMINISTRATIVE GUIDE FOR THE SIXTH ANNUAL GENERAL MEETING (“6TH AGM”)

Day & Date	: Friday, 30 May 2025
Time	: 2.00 p.m.
Venue	: Seminar Room, Kelab Golf Negara Subang, Jalan SS 7/2, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan

1. REGISTRATION ON THE DAY OF THE 6TH AGM

- Registration will commence at 1.00 p.m. on Friday, 30 May 2025 and will remain open until the conclusion of the 6th AGM or such time as may be determined by the Chairman of the meeting.
- Please present your original National Registration Identity Card (NRIC) or Passport (for non-Malaysian) to the registration staff for verification.
- Upon verification, an identification wristband will be given to you for voting purposes thereafter. No one will be allowed to enter the meeting hall without an identification wristband. There will be no replacement for the identification wristband if it is lost or misplaced.
- Registration must be done in person. No person is allowed to register on behalf of another even with the original NRIC or Passport of the other person.
- The registration counter will handle verification of identity, registration and revocation of proxy/proxies.

2. ENTITLEMENT TO PARTICIPATE AND APPOINTMENT OF PROXY

- Only members whose names appear on the Record of Depositors as at 23 May 2025 shall be eligible to attend, speak and vote at the 6th AGM or appoint a proxy(ies) and/or the Chairman of the meeting to attend and vote on his/her behalf.
- If a member is unable to participate in 6th AGM, he/she may appoint the Chairman of the meeting as his/her proxy and indicate the voting instruction in the Form of Proxy.
- If you wish to participate in the 6th AGM yourself, please do not submit any Proxy of Form for the 6th AGM. You will not be allowed to participate in the 6th AGM together with a proxy appointed by you.
- Accordingly, Form of Proxy and/or documents relating to the appointment of proxy/corporate representative/ attorney for the 6th AGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner not later than **Wednesday, 28 May 2025 at 2.00 p.m** or any adjournment thereof, otherwise the Form of Proxy shall not be treated as valid:-.

(i) In Hard copy form:

By hand or post to the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or the drop box located at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur

(ii) By Electronic means:

You may also submit the proxy appointment electronically via TIIH Online and the steps to submit are summarised below:

ADMINISTRATIVE GUIDE FOR THE SIXTH ANNUAL GENERAL MEETING (“6TH AGM”)

(cont'd)

3. PROCEDURES FOR ELECTRONIC SUBMISSION OF FORM OF PROXY

Procedure	Action
I. Steps for Individual Shareholders	
Register as a User with TIIH Online	<ul style="list-style-type: none"> Using your computer, please access the website at https://tiih.online. Register as a user under the “e-Services Login”. Please refer to the tutorial guide posted on the homepage for assistance. If you are already a user with TIIH Online, you are not required to register again.
Proceed with submission of Proxy Form	<ul style="list-style-type: none"> After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password. Select the corporate event: “FLEXIDYNAMIC HOLDINGS BERHAD 6TH AGM - Submission of Proxy Form”. Read and agree to the Terms and Conditions and confirm the Declaration. Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf. Appoint your proxy/proxies and insert the required details of your proxy/proxies or appoint the Chairman as your proxy. Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes. Review and confirm your proxy(s) appointment. Print the form of proxy for your record.
II. Steps for corporate or institutional shareholders	
Register as a User with TIIH Online	<ul style="list-style-type: none"> Access TIIH Online at https://tiih.online Under e-Services Login, the authorised or nominated representative of the corporation or institutional shareholder selects “Create Account by Representative of Corporate Holder”. Complete the registration form and upload the required documents. Registration will be verified, and you will be notified by email within one (1) to two (2) working days. Proceed to activate your account with the temporary password given in the email and re-set your own password. <p><i>Note : The representative of a corporate or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.</i></p>
Proceed with submission of Proxy Form	<ul style="list-style-type: none"> Login to TIIH Online at https://tiih.online Select the corporate event: “FLEXIDYNAMIC HOLDINGS BERHAD 6TH AGM - SUBMISSION OF PROXY FORM” Agree to the Terms & Conditions and Declaration. Proceed to download the file format for “Submission of Proxy Form” in accordance with the Guidance Note set therein. Prepare the file for the appointment of proxies by inserting the required data. Login to TIIH Online, select corporate event: “FLEXIDYNAMIC HOLDINGS BERHAD 6TH AGM - SUBMISSION OF PROXY FORM”. Proceed to upload the duly completed proxy appointment file. Select “Submit” to complete your submission. Print the confirmation report of your submission for your record.

ADMINISTRATIVE GUIDE FOR THE SIXTH ANNUAL GENERAL MEETING (“6TH AGM”)

(cont’d)

4. POLL VOTING

- The voting at the 6th AGM will be conducted by poll in accordance with Rule 8.31A(1) of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor Investor & Issuing House Services Sdn Bhd as Poll Administrator to conduct the poll voting electronically.
- Upon completion of the voting session for the 6th AGM, the Scrutineers will verify the poll results followed by the Chairman’s declaration whether the resolutions are duly passed.

5. NO RECORDING OR PHOTOGRAPHY

- Strictly no recording or photography of the 6th AGM proceedings is allowed.

6. NO DOOR GIFT/VOUCHER

- There will be no distribution of door gift or voucher for the 6th AGM.

We thank you for your continuous support to the Company.

7. ENQUIRY

If you have any enquiry prior to the meeting, you may contact the Share Registrar at:

Tricor Investor & Issuing House Services Sdn Bhd <i>Registration No. 197101000970 (11324-H)</i> Unit 32-01, Level 32, Tower A Vertical Business Suite, Avenue 3, Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur, Malaysia		Telephone Number
	General Line	603-2783 9299
	Mr Muhammad Amirul Iskandar	603-2783 9279 mohammad.amirul@vistra.com
	Mr Syafiquel Hafidz	603-2783 9024 Syafiquel.hafidz@vistra.com
	Fax Number	603-2783 9222
	Email	is.enquiry@vistra.com



FLEXIDYNAMIC HOLDINGS BERHAD
Registration No. 201901010656 (1319984-V)
(Incorporated in Malaysia)

PROXY FORM

(Before completing this form please refer to the notes below)

No. of shares held	
CDS Account No.	

I/We _____

of _____

with email: _____ and mobile phone no. _____

being a member / members of **Flexidynamic Holdings Berhad**, hereby appoint(s):-

Full Name (in Block) [Proxy 1]	NRIC/Passport No.	Percentage of Shareholdings
		%
Address		
Email Address		
Mobile Phone No.		

And/or*

Full Name (in Block) [Proxy 2]	NRIC/Passport No.	Proportion of Shareholding
		%
Address		
Email Address		
Mobile Phone No.		

or failing him/her, THE CHAIRMAN OF THE MEETING as *my/our proxy to vote for *me/us on *my/our behalf at the Sixth ("6th") Annual General Meeting ("AGM") of the Company to be held at Seminar Room, Kelab Golf Negara Subang, Jalan SS 7/2, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan on Friday, 30 May 2025 at 2.00 p.m. and at any adjournment thereof (as the case may be) and to vote as indicated below:

RESOLUTIONS		FOR	AGAINST
Ordinary Resolution 1	Approval of Director's fees and allowances up to RM255,000.00 from this 6 th AGM until the next AGM		
Ordinary Resolution 2	Re-election of Sin Kuo Wei as Director		
Ordinary Resolution 3	Re-election of Poh Chee Fong as Director		
Ordinary Resolution 4	Re-election of Dr. Teh Chee Ghee as Director		
Ordinary Resolution 5	Re-appointment of Messrs TGS TW PLT as Auditors of the Company		
Ordinary Resolution 6	Authority to Issue Shares and waiver of pre-emptive rights		
Ordinary Resolution 7	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		
Special Resolution	Proposed Amendments to the Constitution of the Company		

Please indicate with an "X" in the above columns how you wish your vote to be casted. In the absence of specific direction, your proxy(ies) may vote or abstain at his/her discretion.

* Delete if not applicable

Dated this day of 2025

.....
Signature/Common Seal of member

Fold this flap for sealing

NOTES:

1. For the purpose of determining a member who shall be entitled to attend, speak and vote at the 6th AGM, the Company shall be requesting the Record of Depositors as at 23 May 2025. Only a depositor whose name appears on the Record of Depositors as at 23 May 2025 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.
2. A proxy may but need not be a member of the Company. A member may appoint up to 2 proxies to attend and vote at the same meeting. Where a member appoints 2 proxies, the appointment of 2 proxies shall be invalid unless the proportion of the shareholding to be represented by each proxy is specified.
3. Where a member is an authorised nominee as defined under the Central Depositories Act 1991, it may appoint at least 1 proxy but not more than 2 proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or by his attorney duly authorised in writing, and in the case of a corporation, shall be executed under its Common Seal or under the hand of an officer or attorney of the corporation duly authorised.

Then fold here

Affix
Stamp

The Share Registrar

FLEXIDYNAMIC HOLDINGS BERHAD

Registration No. 201901010656 (1319984-V)

c/o TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD

Registration No. 197101000970 (11324-H)

Unit 32-01, Level 32, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No.8, Jalan Kerinchi,
59200 Kuala Lumpur,
Malaysia.

1st fold here

6. The Form of Proxy shall be deposited 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 the drop box located at 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 set for holding the meeting or any adjournment thereof. Kindly refer to the Administrative Guide for 6th AGM for further information on electronic submission of Form of Proxy.
7. By submitting the duly executed Form of Proxy, a member and his/her proxy consent to the Company (and/or its agents/ service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for this meeting and any adjournment thereof.



www.flexidynamic.com

FLEXIDYNAMIC HOLDINGS BERHAD

Registration No. 201901010656 (1319984-V)
(Incorporated in Malaysia under the Companies Act 2016)

A-3A-28, IOI Boulevard, Jalan Kenari 5,
Bandar Puchong Jaya, 47170 Puchong,
Selangor, Malaysia.

Tel: +603 8079 1878 Fax: +603 8079 1898