

FLEXIDYNAMIC HOLDINGS BERHAD

TYPE: GENERAL Announcement

SUBJECT: TRANSACTIONS (CHAPTER 10 OF LR) – NON-RELATED PARTY TRANSACTION

DESCRIPTION: PROPOSED ACQUISITION OF 100% EQUITY INTEREST IN FORMTECH ENGINEERING (M) SDN BHD

1. INTRODUCTION

The Board of Directors of Flexidynamic Holdings Berhad ("**Flexidynamic**" or "**the Company**" or "**Purchaser**") wishes to announce that the Company has on 19 June 2025 entered into two (2) Share Sale Agreements ("**SSAs**") for the proposed acquisition of 100% equity interest in Formtech Engineering (M) Sdn Bhd (Registration No: 201001006521 (891138-K)) ("**Target Company**" or "**Formtech**") as follows:

- (i) A share sale agreement with HARPS INVESTMENT ASIA PTE LTD (Registration No: 201221964N) ("**HARPS**" or "**Vendor 1**") for the acquisition of 5,800,000 ordinary shares in the Target Company, representing 69.88% of its issued share capital, for a total purchase consideration of RM8,388,000.00 ("**SSA 1**").
- (ii) A share sale agreement with Dietmar Trumm ("**DT**") and Valluvan A/L A. Peramuthu ("**Paul**") (collectively, referred to as "**Vendor 2**") for the acquisition of 2,100,000 ordinary shares and 400,000 ordinary shares in the Target Company, representing 25.30% and 4.82% of its issued share capital, respectively. The total purchase consideration for the acquisition of 2,500,000 ordinary shares is RM2,000,000.00 ("**SSA 2**").

(collectively, referred to as "**Proposed Acquisitions**" and the Vendor 1 and Vendor 2, collectively, referred to as "**the Vendors**")

Under the SSAs, Flexidynamic will acquire a total of 8,300,000 ordinary shares, representing 100% of the issued share capital of the Target Company, for a total aggregate purchase consideration of RM10,388,000.00. Upon completion of the Proposed Acquisitions, Formtech shall become the wholly-owned subsidiary of Flexidynamic.

2. INFORMATION ON THE TARGET COMPANY

Formtech was incorporated in Malaysia on 1 March 2010 as a private company limited by shares under the Companies Act, 1965 and shall be deemed registered under the Companies Act 2016 ("**Act**"). Its registered and business address is Lot 135, Jalan Permata ¼, Arab Malaysian Industrial Park, 71800 Nilai, Negeri Sembilan.

As at the date of the SSAs, the issued share capital of the Formtech is RM8,300,000.00, comprising 8,300,000 ordinary shares of RM 1.00 each. The principal business of the Target Company is the manufacturing of glove formers. The directors of the Target Company are Dietmar Trumm, Ng Thian Hong and Veronica How Mei Yen.

The shareholders of Target Company and their respective shareholdings in Target Company as at the date of this announcement are as follows:

Name	Designation	Country of incorporation / Nationality	No. of shares	%
HARPS	Shareholder	Singapore	5,800,000	69.88
Dietmar Trumm	Director/ Shareholder	German	2,100,000	25.30
Valluvan A/L A. Peramuthu	Shareholder	Malaysian	400,000	4.82

Details of HARPS

HARPS was incorporated in Singapore on 5 September 2012 as a private company limited by shares under the Singapore Companies Act 1967 with its registered and business address at 9 Straits View #08-10A, Marina One West Tower, Singapore 018937.

The issued share capital of HARPS is Euro Dollar 55,398,191.00, comprising 55,398,191 ordinary shares. The Directors of HARPS are Lee Pei Pei, Haziq Bin Zairel Oh, Veronica How Mei Yen and Tan Cheng Shun.

The shareholder of HARPS is Harps Global Pte Ltd.

2.1 Summary of Financial Information

A summary of the financial information of Formtech based on its audited financial statements for the past 5 financial years up to the financial year ended ("FYE") 31 December 2024 are as follows: -

	FYE 31 December				
	Audited				
	2020	2021	2022	2023	2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	18,419	27,465	16,629	3,368	8,965
Profit after taxation ("PAT") / (Loss after taxation ("LAT"))	950	3,951	(740)	(8,887)	(828)
NA	12,284	14,235	13,495	4,608	3,780
No. of Share	8,300	8,300	8,300	8,300	8,300
EPS (RM)	0.11	0.48	(0.09)	(1.07)	(0.10)
NA/Share	1.48	1.72	1.63	0.56	0.45

2.2 Liabilities to be assumed

There are no liabilities, including contingent liabilities and guarantees, to be assumed by Flexidynamic pursuant to the Proposed Acquisition.

3. SALIENT TERMS OF SSA 1

The salient terms of the SSA 1 are set out in Appendix I of this Announcement.

4. SALIENT TERMS OF SSA 2

The salient terms of the SSA 2 are set out in Appendix II of this Announcement.

5. BASIS OF AND JUSTIFICATION FOR THE PURCHASE CONSIDERATION

The purchase consideration was arrived at based on a willing buyer, willing seller basis after taking into consideration the following:

- (i) The audited profit after taxation PAT/LAT of the Target Company in the past 10 financial years as follows:

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Audited (LAT)/PAT in FYE	RM'000
2024	(828)
2023	(8,887)
2022	(739)
2021	3,951
2020	950
2019	2,727
2018	1,133
2017	2,425
2016	3,599
2015	2,576
2014	1,339

The Board noted that the Target Company was in loss making position for FYEs 31 December 2022 to 2024 as a consequence of the industry-wide overexpansion of glove production capacity during the COVID-19 pandemic. Notwithstanding this, the Target Company recorded healthy profits prior to FYE 2022. The LAT narrowed to RM0.83 million in FYE 2024 (FYE 2023: RM8.89 million) as the result of increased demand for glove formers in FYE 2024 which increased its revenue by 166.18%.

Flexidynamic group's current principal activities involves in provision of design, engineering, installation and commissioning of glove chlorination systems, as well as design and installation of storage tanks and process tanks for the glove manufacturing industry. The Group shall tap into its existing clientele to offer additional products (i.e. glove formers) and is confident to turnaround the financial results of Formtech.

- (ii) Formtech has an installed production capacity of 180,000 pieces per month with utilisation rate of 30% in FYE 2024. Formtech is able to cater to any increase in demand for glove formers due to the excess capacity of Formtech's existing manufacturing facility for glove formers thus avoiding the time and cost of building a new facility. This shall enable Formtech to leverage on Flexidynamic's existing customer network to offer the additional untapped capacity.
- (iii) Notwithstanding that Formtech is currently a loss-making entity with accumulated losses of RM4.5 million as at 31 December 2024, its audited net asset ("NA") position is RM3.8 million. Based on this, the purchase consideration of RM10.4 million represents a price to NA ratio of 2.75 times. As this acquisition is a strategic investment that offers significant long-term value and growth opportunities, the premium paid over Formtech's NA is justified by its operational readiness, synergistic potential, and future contribution to the financial performance of the Group.

After considering the above, the Board is of the view that the purchase consideration of RM10.4 million is reasonable.

6. SOURCE OF FUNDING

The Subscription Price shall be fully satisfied in cash and will be fully funded through the internally generated funds of the Group.

7. RATIONALE AND BENEFITS FOR THE PROPOSED ACQUISITION

The Proposed Acquisition of 100% equity interest in Formtech is aligned with Flexidynamic's strategic objectives. Given Formtech's specialisation in the manufacturing of glove formers, this acquisition is expected to expand Flexidynamic's business portfolio and diversify its income streams. The acquisition of the entire equity interest will allow Flexidynamic to fully consolidate Formtech's financial results, thereby enhancing its profitability and strengthening its financial position.

Moving forward, as both Formtech and Flexidynamic operate in the glove industry with non-overlapping customer bases, this allows for strong synergies and cross-selling opportunities for both companies. The Proposed Acquisition is expected to ramp up production capacity of both companies by leveraging on its respective existing marketing resources and is expected to improve the financial performance of both companies in future financial years.

8. RISK FACTORS

The Proposed Acquisition carries certain risks, including potential underperformance of the Target Company, challenges related to the integration of Formtech's operations into Flexidynamic's existing structure, and the inherent risks associated with the fulfilment of conditions precedent, such as the receipt of necessary approvals. While Flexidynamic will undertake all reasonable steps to ensure the timely fulfilment of conditions and obligations, there is no absolute assurance that all anticipated benefits will be fully realised or that the enlarged group will generate sufficient returns to offset the acquisition costs.

9. FINANCIAL EFFECTS

The execution of the SSAs will not have any effect on the share capital or substantial shareholders' shareholdings of the Company as it does not involve any issuance of new shares in Flexidynamic.

The execution of the SSAs is not expected to have any immediate material effect on the net assets or gearing for the current financial year. Barring unforeseen circumstances, the actual impact of the Proposed Acquisitions on the consolidated earnings and EPS of the Group moving forward will depend on, among others, the market and industry conditions.

Nevertheless, the Proposals are expected to be earnings accretive and contribute positively to the future earnings of the Group upon completion.

10. APPROVALS REQUIRED

The Proposed Acquisition is not subject to the approval of the Company's shareholders or any regulatory authorities.

11. PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Acquisition pursuant to Rule 10.02(g) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad is approximately 24.72%, computed based on the Purchase Consideration of RM10.39 million over the audited Net Assets of Flexidynamic as at 31 December 2024 of RM42.02 million.

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

None of the Directors, major shareholders, and/or persons connected to them have any interest, whether direct or indirect, in the Proposed Acquisition.

13. STATEMENT BY THE BOARD OF DIRECTORS

Having considered all aspects of the Proposed Acquisition, the Board is of the opinion that the Proposed Acquisition is fair and reasonable and is in the best interest of the Company.

14. DOCUMENT AVAILABLE FOR INSPECTION

The SSAs are available for inspection at the Company's registered address at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur during normal business hours from Monday to Friday (except public holidays) for a period of three (3) months from the date of this announcement. Inspections can be conducted by prior appointment.

This announcement is dated 19 June 2025.

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APPENDIX I SALIENT TERMS OF THE SSA 1

The salient terms of the SSA 1 are as follows:-

1. SALE AND PURCHASE OF THE SALE SHARES

HARPS agrees to sell and Flexidynamic agrees to purchase 5,800,000 ordinary shares of Target Company ("Sale Shares") for the purchase consideration of RM8,388,000.00 ("Purchase Consideration") upon the terms and subject to the conditions of the SSA 1.

2. MODE OF PAYMENT AND SATISFACTION OF THE PURCHASE CONSIDERATION

(a) The parties agree and acknowledge that a sum of RM2,948,647.35 ("Deposit") has been paid and/or settled by Flexidynamic to HARPS prior to the date of the SSA 1.

(b) The balance Purchase Consideration shall be paid by Flexidynamic to HARPS as follows:-

- (i) RM3,339,352.65 payable in cash on the Completion Date, i.e., within ten (10) days after the Unconditional Date (as hereinafter defined) ("Completion Sum"); and
- (ii) monthly instalment of RM350,000.00 payable in cash from the third (3rd) month following the Completion Date and on each monthly anniversary thereafter until full satisfaction of the balance Purchase Consideration due to HARPS. The instalments shall be paid in accordance with the schedule as follows:

Instalment No.	Payment Date	Amount
1.	3rd month from the Completion Date	RM350,000.00
2.	4th month from the Completion Date	RM350,000.00
3.	5th month from the Completion Date	RM350,000.00
4.	6th month from the Completion Date	RM350,000.00
5.	7th month from the Completion Date	RM350,000.00
6.	8th month from the Completion Date	RM350,000.00
	Total:	RM2,100,000.00

3. CONDITIONS PRECEDENT

- 3.1 The SSA 1 shall be conditional upon the following being obtained and/or fulfilled (or waived, as the case may be) within six (6) weeks from the date of the SSA 1 ("Cut Off Date") by the parties:-

By Flexidynamic

- (a) the receipt of approval from the Board and shareholders of Flexidynamic for the sale and purchase of the Sale Shares if such approvals are required under the relevant stock exchange rules; and in this regard, Flexidynamic shall within a period of fourteen (14) days from the date of the SSA 1 confirm in writing to HARPS as to whether such approvals are required; and
- (b) the conduct and completion of a due diligence by Flexidynamic on the Target Company, its business, operations and affairs, with the results of the due diligence to the satisfaction of Flexidynamic; and in this regard:
 - (i) the results of the due diligence exercise shall be regarded as unsatisfactory if it reveals any matter which has, or is reasonably likely to have, material adverse effect on the Target Company's business, operations, financial position or legal standings; and

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- (ii) If Flexidynamic does not issue any written notice raising any issue or concern on the due diligence on or before the Cut-Off Date, the due diligence shall be deemed satisfactory to Flexidynamic.

By HARPS

- (c) the receipt of approval of the Board and shareholders of HARPS being obtained; and

By the Parties

- (d) such other waivers, consents or approvals as may be required (or deemed necessary by the parties) from any third party or governmental, regulatory body or relevant authorities having jurisdiction over any transactions contemplated under the SSA 1.

3.2 Unconditional Date

The SSA 1 shall become unconditional on the day upon which the last of the Paragraph 3 of this Appendix I has been fulfilled or waived by the parties in writing to the extent permissible under the laws of Malaysia ("**Unconditional Date**").

4. Completion

4.1 Date and Place of Completion

Completion of the sale and purchase of the Sale Shares shall take place at such place as may be mutually agreed to by the parties on the Completion Date.

4.2 Completion of Sale and Purchase

(a) On the Completion Date:-

- (i) Flexidynamic shall pay to HARPS the Completion Sum of RM3,339,352.65 in cash; and
- (ii) against the receipt of such Completion Sum, HARPS shall deliver to Flexidynamic, the Completion Documents in Paragraph 4.2 (b) of this Appendix II.

(b) HARPS agrees that it shall: -

- (i) on the Completion Date deliver provide to Flexidynamic a copy of the following completion documents ("**Completion Documents**"):-
 - (aa) the valid and registrable form of transfer of securities (as provided in the Companies Act, 2016) duly signed by HARPS in favour of Flexidynamic as the transferee of the Sale Shares, together with the duly sealed original share certificates in relation thereto (or an express indemnity in a form satisfactory to Flexidynamic if such original share certificate is found to be missing);
 - (bb) the letters of resignation from HARPS' with acknowledgements signed by each of them to the effect that they have no claims whatsoever against the Target Company, including for compensation for loss of office or otherwise;
 - (cc) the certified true copy (by a director or company secretary of the Target Company) of resolution passed by the board of directors of the Target Company approving the appointment of the nominee directors of Flexidynamic to the Board of the Target Company;

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- (dd) the certified true copy (by a director or company secretary of the Target Company) of the resolutions passed by the Board of the Target Company approving the sale and transfer of the Sale Shares from HARPS to Flexidynamic, issuance of new share certificates in respect of the Sale Shares in favour of Flexidynamic AND approving the entry into the register of members of the Target Company, the name of Flexidynamic as the holder of the relevant Sale Shares based on the terms herein subject to payment of the relevant stamp duty on the relevant form of transfer of securities;
- (ee) the certified true copy (by a director or company secretary of the Target Company) of the resolution passed by the Board of the Target Company to include such person(s) as nominated by Flexidynamic as the Target Company's authorised bank(s) signatories; and
- (ff) the confirmation in writing from the company secretary that the statutory books and records, complete and up-to-date, and all other records and documents of the Target Company, including but not limited including but not limited to the certificate of incorporation, any certificates of incorporation on change of name or re-registrations', share certificate books, minute books and the common seals of the Target Company are in the possession of the company secretary (to the extent that they are not already in the Target Company' possession).

APPENDIX II
SALIENT TERMS OF THE SSA 2

The salient terms of the SSA 2 are as follows:-

1. SALE AND PURCHASE OF THE SALE SHARES

DT and Paul agrees to sell and Flexidynamic agrees to purchase 2,500,000 ordinary shares of Target Company (“**Sale Shares**”) for the purchase consideration of RM2,000,000.00 (“**Purchase Consideration**”) upon the terms and subject to the conditions of the SSA 2.

2. MODE OF PAYMENT AND SATISFACTION OF THE PURCHASE CONSIDERATION

(a) The Purchase Consideration shall be paid by Flexidynamic to DT and Paul as follows:-

(i) RM500,000.00 payable in cash on the Completion Date, i.e., within ten (10) days after the Unconditional Date (as hereinafter defined) (“**Completion Sum**”) of which:-

(aa) **RM300,000.00** shall be paid to DT; and

(bb) **RM200,000.00** shall be paid to Paul.

(ii) monthly instalment of RM250,000.00 payable in cash from the third (3rd) month following the Completion Date and on each monthly anniversary thereafter until full satisfaction of the balance Purchase Consideration due to DT and Paul. The instalments shall be paid in accordance with the schedule as follows:

DT

Instalment No.	Payment Date	Amount
1.	3rd month from the Completion Date	RM230,000.00
2.	4th month from the Completion Date	RM230,000.00
3.	5th month from the Completion Date	RM230,000.00
4.	6th month from the Completion Date	RM230,000.00
5	7th month from the Completion Date	RM230,000.00
6.	8th month from the Completion Date	RM230,000.00
	Total:	RM1,380,000.00

Paul

Instalment No.	Payment Date	Amount
1.	3rd month from the Completion Date	RM20,000.00
2.	4th month from the Completion Date	RM20,000.00
3.	5th month from the Completion Date	RM20,000.00
4.	6th month from the Completion Date	RM20,000.00
5	7th month from the Completion Date	RM20,000.00
6.	8th month from the Completion Date	RM20,000.00
	Total:	RM120,000.00

3. CONDITIONS PRECEDENT

- 3.3 The SSA 2 shall be conditional upon the following being obtained and/or fulfilled (or waived, as the case may be) within six (6) weeks from the date of the SSA 2 ("**Cut Off Date**") by the parties:-

By Flexidynamic

- (a) the receipt of approval from the Board and shareholders of Flexidynamic for the sale and purchase of the Sale Shares if such approvals are required under the relevant stock exchange rules; and in this regard, Flexidynamic shall within a period of fourteen (14) days from the date of the SSA 2 confirm in writing to DT and Paul as to whether such approvals are required; and
- (b) the conduct and completion of a due diligence by Flexidynamic on the Target Company, its business, operations and affairs, with the results of the due diligence to the satisfaction of Flexidynamic; and in this regard:
 - (iii) the results of the due diligence exercise shall be regarded as unsatisfactory if it reveals any matter which has, or is reasonably likely to have, material adverse effect on the Target Company's business, operations, financial position or legal standings; and
 - (iv) If Flexidynamic does not issue any written notice raising any issue or concern on the due diligence on or before the Cut-Off Date, the due diligence shall be deemed satisfactory to Flexidynamic.

By the Parties

- (c) such other waivers, consents or approvals as may be required (or deemed necessary by the parties) from any third party or governmental, regulatory body or relevant authorities having jurisdiction over any transactions contemplated under the SSA 2.

3.4 Unconditional Date

The SSA 2 shall become unconditional on the day upon which the last of the Paragraph 3 of this Appendix II has been fulfilled or waived by the parties in writing to the extent permissible under the laws of Malaysia ("**Unconditional Date**").

4. Completion

4.1 Date and Place of Completion

Completion of the sale and purchase of the Sale Shares shall take place at such place as may be mutually agreed to by the parties on the Completion Date.

4.2 Completion of Sale and Purchase

- (c) On the Completion Date:-

- (iii) Flexidynamic shall pay to DT and Paul the Completion Sum of RM500,000.00 in cash, of which RM300,000.00 shall be paid to DT and RM200,000.00 shall be paid to Paul; and
- (iv) against the receipt of such Completion Sum, DT and Paul shall deliver to Flexidynamic, the Completion Documents in Paragraph 4.2 (b) of this Appendix II.

- (d) DT and Paul agrees that it shall: -

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- (ii) on the Completion Date deliver provide to Flexidynamic a copy of the following completion documents ("**Completion Documents**"):-
 - (aa) the valid and registrable form of transfer of securities (as provided in the Companies Act, 2016) duly signed by DT and Paul in favour of Flexidynamic as the transferee of the Sale Shares, together with the duly sealed original share certificates in relation thereto (or an express indemnity in a form satisfactory to Flexidynamic if such original share certificate is found to be missing);
 - (bb) the certified true copy (by a director or company secretary of the Target Company) of resolution passed by the board of directors of the Target Company approving the appointment of the nominee directors of Flexidynamic to the Board of the Target Company;
 - (cc) the certified true copy (by a director or company secretary of the Target Company) of the resolutions passed by the Board of the Target Company approving the sale and transfer of the Sale Shares from DT and Pual to Flexidynamic, issuance of new share certificates in respect of the Sale Shares in favour of Flexidynamic AND approving the entry into the register of members of the Target Company, the name of Flexidynamic as the holder of the relevant Sale Shares based on the terms herein subject to payment of the relevant stamp duty on the relevant form of transfer of securities;
 - (dd) the certified true copy (by a director or company secretary of the Target Company) of the resolution passed by the Board of the Target Company to include such person(s) as nominated by Flexidynamic as the Target Company's authorised bank(s) signatories; and
 - (ee) the confirmation in writing from the company secretary that the statutory books and records, complete and up-to-date, and all other records and documents of the Target Company, including but not limited including but not limited to the certificate of incorporation, any certificates of incorporation on change of name or re-registrations', share certificate books, minute books and the common seals of the Target Company are in the possession of the company secretary (to the extent that they are not already in the Target Company' possession).