

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

You should rely on your own evaluation to assess the merits and risks of the Proposals (as defined herein).

This Circular has been reviewed by Malacca Securities Sdn Bhd, being the Principal Adviser to Flexidynamic Holdings Berhad ("**Flexidynamic**" or the "**Company**") for the Proposals (as defined herein).



FLEXIDYNAMIC HOLDINGS BERHAD
(Registration No. 201901010656 (1319984-V))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO:

- (I) PROPOSED DIVERSIFICATION**
- (II) PROPOSED SUBSCRIPTION**
- (III) PROPOSED ACQUISITION**
- (IV) PROPOSED PRIVATE PLACEMENT**
- (V) PROPOSED BONUS ISSUE OF WARRANTS**

(as defined in the ensuing page)

(COLLECTIVELY, REFERRED TO AS THE "PROPOSALS")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser and Placement Agent



MALACCA SECURITIES SDN BHD
Registration No: 197301002760 (16121-H)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of Extraordinary General Meeting ("**EGM**") of the Company together with the Proxy Form are enclosed in this Circular. The EGM will be held as follows:

Venue of the EGM : Seminar Room 1, Kelab Golf Negara Subang, Jalan SS 7/2, Kelana Jaya, 47301 Petaling Jaya, Selangor
Date and time of the EGM : Wednesday, 8 April 2026 at 10:30 a.m. or at any adjournment thereof
Last date and time for lodging the Proxy Form : Monday, 6 April 2026 at 10:30 a.m.

As a shareholder who is entitled to attend and vote at the EGM, you are entitled to appoint a proxy or proxies to attend and vote on your behalf. The completed Proxy Form should be lodged at the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, electronic lodgement via Vistra Share Registry and IPO (MY) portal at <https://srmy.vistra.com>, not less than 48 hours before the time set for convening the EGM or at any adjournment thereof. The Proxy Form once deposited will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

This Circular is dated 4 March 2026

- (I) PROPOSED DIVERSIFICATION OF THE EXISTING PRINCIPAL ACTIVITIES OF FLEXIDYNAMIC AND ITS SUBSIDIARIES TO INCLUDE PROVISION OF STERILISATION SERVICES USING GAMMA RADIATION (“PROPOSED DIVERSIFICATION”);**
- (II) PROPOSED SUBSCRIPTION OF 16,080,184 NEW ORDINARY SHARES IN GAMMATECH SDN BHD (“GAMMATECH”) FOR A TOTAL CASH CONSIDERATION OF RM16,080,184 (“PROPOSED SUBSCRIPTION”);**
- (III) PROPOSED ACQUISITION OF A PARCEL OF INDUSTRIAL FREEHOLD LAND HELD UNDER GM 2418, LOT 2202, TELUK PANGLIMA GARANG, KUALA LANGAT, SELANGOR MEASURING APPROXIMATELY 1.6314 HECTARES BY GAMMATECH, A 51%-OWNED SUBSIDIARY OF FLEXIDYNAMIC FROM H&A VENTURES SDN BHD FOR A TOTAL CONSIDERATION OF RM15,450,000 (“PURCHASE CONSIDERATION”), TO BE SATISFIED VIA ISSUANCE OF 15,450,000 NEW ORDINARY SHARES IN GAMMATECH (“PROPOSED ACQUISITION”);**
- (IV) PROPOSED PRIVATE PLACEMENT OF UP TO 89,903,000 NEW ORDINARY SHARES IN FLEXIDYNAMIC (“FLEXIDYNAMIC SHARES”), REPRESENTING UP TO 30.0% OF THE EXISTING NUMBER OF ISSUED SHARES IN FLEXIDYNAMIC (“PROPOSED PRIVATE PLACEMENT”); AND**
- (V) PROPOSED BONUS ISSUE OF WARRANTS ON THE BASIS OF 1 WARRANT FOR EVERY 4 FLEXIDYNAMIC SHARES HELD BY THE ENTITLED SHAREHOLDERS ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER (“ENTITLED SHAREHOLDERS”) (“PROPOSED BONUS ISSUE OF WARRANTS”)**

(COLLECTIVELY, REFERRED TO AS THE “PROPOSALS”)

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular and the accompanying appendices:

5D-VWAMP	:	5-day volume-weighted average price
Act	:	Companies Act 2016 of Malaysia, as amended from time to time including any re-enactment thereof
Board	:	Board of Directors of Flexidynamic
Bursa Securities	:	Bursa Malaysia Securities Berhad
Circular	:	This circular to shareholders of Flexidynamic dated 4 March 2026
Consideration Shares	:	A total of 15,450,000 new Gammatech Shares to be issued to the Vendor as a settlement for the Purchase Consideration
Eco Asia	:	Eco Asia Capital Advisory Sdn Bhd
Eco Santec	:	Eco Santec Sdn Bhd
Eco Santec Group	:	Eco Santec and its subsidiaries, collectively
EGM	:	Extraordinary general meeting
Entitlement Date	:	5:00 p.m. on a date to be determined by the Board and announced later, on which the names of shareholders of Flexidynamic must appear on the Record of Depositors of Flexidynamic as at the close of business on that date in order to be entitled to participate in the Proposed Bonus Issue of Warrants
Entitled Shareholders	:	The shareholders of Flexidynamic whose names appear on Flexidynamic's Record of Depositors on the Entitlement Date
Flexidynamic or Company	:	Flexidynamic Holdings Berhad
ESOS Options	:	Options granted to the eligible Directors and employees of the Group pursuant to the employees' share option scheme which was implemented on 1 November 2021
Exercise Price	:	The exercise price of the Warrants, which shall be determined and fixed by the Board at a later date
Flexidynamic Group	:	Flexidynamic and its subsidiaries, collectively
Flexidynamic Shares or Shares	:	Ordinary shares in Flexidynamic
FYE	:	Financial year ended/ending, as the case may be
Gammatech or Purchaser	:	Gammatech Sdn Bhd, a 51%-owned subsidiary of Flexidynamic
Gammatech Shares	:	Ordinary shares of Gammatech
H&A or Vendor	:	H&A Ventures Sdn Bhd, being the vendor of the Proposed Acquisition
Land	:	A parcel of industrial freehold land held under GM 2418, Lot 2202, Teluk Panglima Garang, Kuala Langat, Selangor measuring approximately 1.6314 hectares

DEFINITIONS (CONT'D)

Listing Requirements	:	ACE Market Listing Requirements of Bursa Securities
LPD	:	24 February 2026, being the latest practicable date prior to the issuance of this Circular
Malacca Securities	:	Malacca Securities Sdn Bhd
MPKL	:	Majlis Perbandaran Kuala Langat
NA	:	Net assets
Proposals	:	Collectively, the Proposed Diversification, Proposed Subscription, Proposed Acquisition, Proposed Private Placement and Proposed Bonus Issue of Warrants
Placement Shares	:	Up to 89,903,000 new Flexidynamic Shares to be issued pursuant to the Proposed Private Placement
Proposed Acquisition	:	Proposed acquisition of the Land by Gammatech from H&A for the Purchase Consideration which shall be satisfied via issuance of 15,450,000 Consideration Shares
Proposed Bonus Issue of Warrants	:	Proposed bonus issue of warrants of up to 99,940,500 free warrants on the basis of 1 warrant for every 4 Flexidynamic Shares held by the Entitled Shareholders on the Entitlement Date
Proposed Diversification	:	Proposed diversification of the existing principal activities of the Group to include the Sterilisation Business
Proposed Private Placement	:	Proposed private placement of up to 89,903,000 Placement Shares, representing approximately 30.0% of the existing number of issued Shares in Flexidynamic
Proposed Subscription	:	Proposed subscription of 16,080,184 Subscription Shares, representing 47.9% of the enlarged share capital in Gammatech (after the Proposed Subscription and Proposed Acquisition), by Flexidynamic for a total cash consideration of RM16,080,184. Kindly refer to Section 3.1 of this Circular for further details of the Proposed Subscription
Purchase Consideration	:	The purchase consideration of RM15,450,000.00 for the Proposed Acquisition, to be satisfied via the issuance of the Consideration Shares
Rahim & Co	:	Rahim & Co International Sdn Bhd, the independent registered valuer appointed by Flexidynamic to value of the Land
RM and sen	:	Ringgit Malaysia and sen, respectively
SHA	:	The shareholders' agreement dated 11 July 2025 entered between Gammatech, Eco Santec and Flexidynamic to govern and regulate their relationship as shareholders of Gammatech
SMITH ZANDER	:	Smith Zander International Sdn Bhd
SPA	:	The sale and purchase agreement dated 14 July 2025 entered into between Gammatech and H&A in relation to the Proposed Acquisition

DEFINITIONS (CONT'D)

Sterilisation Business	:	Gammatech's intended business activity involving the provision of sterilisation services using gamma radiation via the Sterilisation Facility
Sterilisation Facility	:	Gamma irradiation sterilisation facility
Subscription Price	:	The total subscription price of RM16,080,184 for the Proposed Subscription
Subscription Shares	:	16,080,184 new Gammatech Shares to be subscribed by Flexidynamic pursuant to the Proposed Subscription
Valuation Certificates	:	Valuation certificates on the Land issued by Rahim & Co dated 15 April 2025 and 23 October 2025, as set out in Appendix III of this Circular
Valuation Report	:	Valuation report on the Land issued by Rahim & Co dated 15 April 2025
Warrants	:	Warrants to be issued to the Entitled Shareholders pursuant to the Proposed Bonus Issue of Warrants

Any reference to "we", "us", "our" and "ourselves" are to the Company, and where the context otherwise requires, our subsidiaries. All references to "you" are to the shareholders of the Company.

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any statutes, rules, regulations or rules of the stock exchange is a reference to such statutes, rules, regulations or rules of the stock exchange currently in force and as may be amended from time to time and any re-enactment thereof.

Any reference to a time or date in this Circular shall be a reference to Malaysian time, unless otherwise stated.

Any discrepancy in the tables included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

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TABLE OF CONTENT

	PAGE
EXECUTIVE SUMMARY	vi
LETTER FROM THE BOARD TO THE SHAREHOLDERS OF FLEXIDYNAMIC IN RELATION TO PROPOSALS	
1. INTRODUCTION	1
2. PROPOSED DIVERSIFICATION	2
3. PROPOSED SUBSCRIPTION	9
4. PROPOSED ACQUISITION	13
5. PROPOSED PRIVATE PLACEMENT	16
6. PROPOSED BONUS ISSUE OF WARRANTS	17
7. UTILISATION OF PROCEEDS FROM THE PROPOSED PRIVATE PLACEMENT	22
8. RATIONALE OF THE PROPOSALS	24
9. INDUSTRY OVERVIEW AND PROSPECTS	25
10. RISK FACTORS	30
11. EFFECTS OF THE PROPOSALS	33
12. HISTORICAL SHARE PRICES	40
13. APPROVALS REQUIRED	40
14. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED	42
15. HIGHEST PERCENTAGE RATIO APPLICABLE	43
16. AUDIT AND RISK MANAGEMENT COMMITTEE'S STATEMENT	44
17. DIRECTORS' STATEMENT AND RECOMMENDATION	44
18. AMOUNT TRANSACTED WITH THE SAME RELATED PARTY FOR THE PRECEDING 12 MONTHS	44
19. ESTIMATED TIMEFRAME FOR COMPLETION/IMPLEMENTATION	44
20. PROPOSALS ANNOUNCED BUT PENDING COMPLETION	45
21. EGM	45
22. FURTHER INFORMATION	45

TABLE OF CONTENT

APPENDICES

APPENDIX I	THE STERILISATION BUSINESS	46
APPENDIX II	INFORMATION ON GAMMATECH	58
APPENDIX III	SALIENT TERMS OF THE SPA	61
APPENDIX IV	VALUATION CERTIFICATES	64
APPENDIX V	INDEPENDENT FINANCIAL FEASIBILITY REPORT ON THE STERILISATION BUSINESS TO BE UNDERTAKEN BY FLEXIDYNAMIC	75
APPENDIX VI	PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE FLEXIDYNAMIC GROUP AS AT 31 DECEMBER 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON	89
APPENDIX VII	FURTHER INFORMATION	107

EXECUTIVE SUMMARY

The Executive Summary highlights only the salient information of the Proposals. You are advised to read this Circular in its entirety for further details and not to rely solely on this Executive Summary in arriving at a decision on the Proposals before voting at the forthcoming EGM.

Key information	Description	Reference to the Circular
Details of the Proposals	1. Proposed Diversification The Board is seeking the approval from the shareholders of the Company in the forthcoming EGM for the Proposed Diversification pursuant to Rule 10.13(1) of the Listing Requirements in anticipation that the Sterilisation Business is expected to result in either: (i) The diversion of 25.0% or more of the NA of the Group to the Sterilisation Business; or (ii) The contribution from the Sterilisation Business of 25.0% or more of the net profit of the Group.	Sections 2, 3, 4, 5 and 6
	2. Proposed Subscription The Proposed Subscription entails subscription of 16,080,184 new Gammatech Shares for a total cash consideration of RM16,080,184 to facilitate the construction of the Sterilisation Facility and for Flexidynamic to maintain 51%-equity stake in Gammatech.	
	3. Proposed Acquisition The Proposed Acquisition entails the acquisition of the Land for the Purchase Consideration of RM15,450,000 to be satisfied via the issuance of 15,450,000 Consideration Shares to H&A at the issue price of RM1.00 per Consideration Share.	
	4. Proposed Private Placement The Proposed Private Placement entails the issuance of up to 89,903,000 Placement Shares, representing approximately 30.0% of the total number of issued shares, at an issue price to be determined and fixed by the Board after receipt of all relevant approvals for the Proposed Private Placement,	
	5. Proposed Bonus Issue of Warrants The Proposed Bonus Issue of Warrants entails the issuance of up to 99,940,500 free Warrants, on the basis of 1 Warrant for every 4 existing Shares held in the Company by the Entitled Shareholders on the Entitlement Date.	

EXECUTIVE SUMMARY (CONT'D)

Key information	Description	Reference to the Circular
Rationale for the Proposals	1. Proposed Diversification The Proposed Diversification is part of the Group's strategic initiative to diversify its income streams by engaging in a new business to reduce the Company's reliance on its existing engineering, trading and services business segments. The Proposed Diversification is expected to contribute positively to the Group's financial performance and in turn, improve the shareholders' value.	Section 8
	2. Proposed Subscription The Proposed Subscription in Gammatech is in line with the Company's strategic objective to diversify the Company's business operations and expand into the Sterilisation Business. The capital injection will provide the necessary funding to support Gammatech's business growth, including the construction of the Sterilisation Facility on the Land to be acquired through the Proposed Acquisition.	
	3. Proposed Acquisition The Proposed Acquisition is undertaken as part of the Group's strategic expansion into the Sterilisation Business. The Proposed Acquisition will enable Gammatech to secure ownership of the Land and to construct and develop the Sterilisation Facility which shall facilitate the provision of Sterilisation Business. This initiative aligns with the Company's Proposed Diversification strategy and represents a key milestone in establishing the Company's presence in the gamma irradiation sterilisation industry.	
	4. Proposed Private Placement After due consideration of the various methods of fund raising, the Board is of the opinion that the Proposed Private Placement is the most appropriate avenue to raise additional funds expeditiously to meet the purposes as stated in Section 7 of this circular.	
	5. Proposed Bonus Issue of Warrants The Board is of the view that the Proposed Bonus Issue of Warrants is an appropriate avenue for rewarding the existing shareholders of the Company.	

Key information	Description	Reference to the Circular
Risk factors	<p>1. Proposed Diversification</p> <p>The Proposed Diversification will expose the Group to risks inherent in the sterilisation industry, including fluctuations in global and regional economic conditions, competition from industry players, regulatory changes, and evolving industry standards. The demand for Sterilisation Business is influenced by factors such as heightened hygiene awareness, regulatory compliance requirements, and advancements in medical and healthcare industries. Any adverse developments in these areas may impact the profitability and sustainability of the Group's venture into the Sterilisation Business.</p> <p>2. Proposed Subscription</p> <p>The completion of the Proposed Subscription is subject to the successful completion of the Proposed Acquisition. Any delay, termination, or unforeseen circumstances affecting the Proposed Acquisition may impact the timing and feasibility of the Proposed Subscription. In the event that the Proposed Acquisition is not completed as planned, the Proposed Subscription may be delayed or may not materialise.</p> <p>3. Proposed Acquisition</p> <p>The completion of the Proposed Acquisition is subject to the following risk:</p> <ul style="list-style-type: none">(i) Delay and non-completion risk;(ii) Market valuation of the Land; and(iii) Political, economic and regulatory risk <p>4. Proposed Private Placement</p> <p>The Proposed Private Placement involves the issuance of new Flexidynamic Shares, which may dilute the existing shareholders' equity and voting rights. The issue price of the Placement Shares will be determined based on market conditions at the time of issuance. In the event of market volatility, the Placement Shares may be issued at a discount to the prevailing market price, which could impact the Company's valuation and the investment value of existing shareholders.</p>	Section 10

Key information	Description	Reference to the Circular
	<p>5. Proposed Bonus Issue of Warrants</p> <p>The Proposed Bonus Issue of Warrants will allow the holders of the Warrant to convert their Warrants into new Flexidynamic Shares at a predetermined Exercise Price. If a significant number of Warrants are exercised, it may result in substantial dilution of existing shareholders' equity and voting rights, potentially affecting the market value of the Company's Shares.</p>	
Approvals required	<p>The Proposals are subject to the following approvals being obtained from:</p> <ul style="list-style-type: none">(i) Bursa Securities, for the following:<ul style="list-style-type: none">(a) the listing and quotation of up to 89,903,000 Placement Shares to be issued pursuant to the Proposed Private Placement;(b) the admission to the Official List and listing and quotation of up to 99,940,500 Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants; and(c) the listing and quotation of up to 99,940,500 new Flexidynamic Shares to be issued pursuant to the exercise of the Warrants;(ii) the shareholders of Flexidynamic at the Company's EGM to be convened for the Proposals; and(iii) any other relevant authorities and/or persons, if required. <p>The Proposed Diversification, Proposed Subscription, Proposed Acquisition and Proposed Private Placement are inter-conditional. The Proposed Bonus Issue of Warrants is not conditional upon other components of the Proposals.</p>	Section 13

EXECUTIVE SUMMARY (CONT'D)

Key information	Description	Reference to the Circular
Interests of directors, major shareholders, chief executive and/or persons connected	<p>The Proposed Acquisition (as well as the Proposed Diversification, Proposed Subscription and Proposed Private Placement which are inter-conditional with the Proposed Acquisition) shall be deemed a related party transaction pursuant to Rule 10.08 of the Listing Requirements, as it involves the interests of Lim You Sheng and Lim Jing Jie, both of whom are directors and shareholders of Gammatech and Eco Santec as well as being the directors of H&A. Neither Lim You Sheng nor Lim Jing Jie holds any direct or indirect interest in the Company.</p> <p>Nevertheless, the Company is exempted from appointing an independent adviser for the related party transaction pursuant to Rule 10.08(9) of the Listing Requirements as the Board of Directors of Flexidynamic had approved the transaction before the terms of the transaction are agreed upon and ensured that the Proposed Acquisition is fair and reasonable to Flexidynamic and is in the best interests of the Flexidynamic Group. However, as the highest percentage ratio resulting from the Proposed Acquisition exceeds 25%, the Proposed Acquisition is subject to the approval of the shareholders of the Company pursuant to Rule 10.07 of the Listing Requirements.</p>	Section 14
Audit and Risk Management Committee's statement	<p>The Audit and Risk Management Committee of the Company, having considered the rationale for the Proposed Acquisition (as well as the Proposed Diversification, Proposed Subscription and Proposed Private Placement which are inter-conditional with the Proposed Acquisition), is of the opinion that the Proposed Acquisition, Proposed Diversification, Proposed Subscription and Proposed Private Placement are in the best interest of the Group, that the Proposed Acquisition, Proposed Diversification, Proposed Subscription and Proposed Private Placement are fair, reasonable and on normal commercial terms and not detrimental to the minority shareholders of the Company.</p>	Section 16
Directors' statement and recommendation	<p>The Board, having considered the terms and conditions, rationale and all aspects of the Proposals, is of the opinion that the Proposals are in the best interest of Flexidynamic and that the Proposals are fair, reasonable and on normal commercial terms and not detrimental to the minority shareholders of the Company.</p> <p>Accordingly, the Board recommends that shareholders of the Company VOTE IN FAVOUR of the ordinary resolutions pertaining to the Proposals to be tabled at the forthcoming EGM of the Company.</p>	Section 17



FLEXIDYNAMIC HOLDINGS BERHAD
(Registration No. 201901010656 (1319984-V))
(Incorporated in Malaysia)

Registered Office:

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

4 March 2026

Board of Directors

Dr. Teh Chee Ghee (*Independent Non-Executive Chairman*)
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*)

To: The Shareholders of Flexidynamic Holdings Berhad

Dear Sir/Madam,

- (I) PROPOSED DIVERSIFICATION;**
- (II) PROPOSED SUBSCRIPTION;**
- (III) PROPOSED ACQUISITION;**
- (IV) PROPOSED PRIVATE PLACEMENT; AND**
- (V) PROPOSED BONUS ISSUE OF WARRANTS**

(COLLECTIVELY, THE "PROPOSALS")

1. INTRODUCTION

On 11 July 2025, the Board announced that the Company had entered into the SHA.

On 14 July 2025, Malacca Securities had on behalf of the Board, announced that the Company proposes to undertake the Proposals and it had on even date entered into the SPA.

On 13 February 2026, Malacca Securities had, on behalf of the Board, announced that Bursa Securities had vide its letter dated 12 February 2026, resolved to approve the following:

- (a) the listing and quotation of up to 89,903,000 Placement Shares to be issued pursuant to the Proposed Private Placement;
- (b) the admission to the Official List and listing and quotation of up to 99,940,500 Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants; and

- (c) the listing and quotation of up to 99,940,500 new Flexidynamic Shares to be issued pursuant to the exercise of the Warrants,

subject to, *inter-alia*, the conditions as set out in Section 13 of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSALS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE COMPANY'S FORTHCOMING EGM. THE NOTICE OF THE EGM TOGETHER WITH THE PROXY FORM ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE COMPANY'S FORTHCOMING EGM.

2. PROPOSED DIVERSIFICATION

Flexidynamic is an investment holding company, and through its subsidiaries, the Group is principally engaged in the following business segments:

- (i) **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 as well as provision of mechanical and electrical engineering works; and
- (ii) **Trading and services:** Trading of replacement parts and installation and maintenance of glove chlorination systems, storage tanks and process tanks for the glove manufacturing industry,

(collectively referred to as "**Existing Businesses**").

In addition, the Company had on 12 June 2024 announced that it had entered into a binding letter of intent with Gammatech for the subscription of 1,040,816 Gammatech Shares, representing 51% of the enlarged share capital in Gammatech ("**1st Subscription**") for a total cash consideration of RM1,040,816. As Gammatech has yet to commence any business operations, the issue price per 1st Subscription was determined based on the nominal value of RM1.00 per Subscription Share. The 1st Subscription was fully funded through internally generated funds. The percentage ratio is below 5% and thus the 1st Subscription was not subjected to shareholders' approval.

The 1st Subscription was completed on 18 July 2024 and Gammatech became a 51%-owned subsidiary of the Company. Gammatech is principally involved in the provision of sterilisation services using gamma radiation.

The segmental revenue and profits of the Group for the past 4 audited FYEs 31 December 2021 (being the year Flexidynamic was listed on the ACE Market of Bursa Securities), 31 December 2022, 31 December 2023 and 31 December 2024 as well as unaudited FYE 31 December 2025 are as follows:

	Audited				Unaudited	
	FYE 31 December 2021	FYE 31 December 2022	FYE 31 December 2023	FYE 31 December 2024	FYE 31 December 2025	
	RM'000	RM'000	RM'000	RM'000	RM'000	%
		%	%	%	%	%
Revenue						
- Engineering	105,778	100.0	38,057	51,526	64,892	94.93
- Trading and services	5,181	4.9	853	1,910	2,964	4.34
- Sterilisation ⁽¹⁾	-	-	-	-	-	-
- Manufacturing of glove formers	-	-	-	-	850	1.24
- Others (investment holding)	5,800	5.5	363	-	-	-
	116,759	110.4	38,910	53,436	68,706	100.51
Elimination of inter-segment transactions ⁽²⁾	(10,981)	(10.4)	(649)	(751)	(348)	(0.51)
	105,778	100.0	38,261	52,685	68,358	100.00
Segment profit/(loss)						
- Engineering	5,722	163.2	(3,496)	1,916	(8,090)	(69.31)
- Trading and services	631	18.0	(283)	(1,044)	84	0.72
- Sterilisation ⁽¹⁾	-	-	-	(134)	(342)	(2.93)
- Manufacturing of glove formers	-	-	-	-	(2,407)	(20.62)
- Others (investment holding)	2,953	84.2	(276)	(166)	(917)	(7.86)
	9,306	265.4	(4,055)	1,686	(11,672)	100.00
Elimination of inter-segment transactions ⁽²⁾	(5,800)	(165.4)	(329)	(373)	-	-
	3,506	100.0	(4,055)	1,313	(11,672)	100.00

Notes:

- (1) As at LPD, the Sterilisation Business has yet to commence operations; however, it has incurred a preliminary cost amounting to RM0.13 million in FYE 31 December 2024, comprising fees paid to regulatory authorities for submissions to obtain approvals for the Sterilisation Business as well as fees paid to professional consultants appointed for the Sterilisation Facility.
- (2) This refers to the accounting process of elimination of inter-company transactions between different business segments of the Flexidynamic Group when preparing the consolidated financial statements or segment reporting.

Commentaries

FYE 2021 vs FYE 2022

The Group recorded revenue of RM88.29 million for the FYE 2022, a decrease of RM17.49 million or 16.54% as compared to RM105.78 million recorded in the FYE 2021, which was mainly due to the slowdown in expansion by the Group's customers in the glove manufacturing industry during FYE 2022, as many of its customers who are glove manufacturers decided to slow down the production of gloves (having previously ramped up their production dramatically in response to the initial surge in demand during the COVID-19 pandemic), which led to an oversupply of gloves in FYE 2022, which resulted in reduced production of gloves as companies sought to balance inventory levels.

The Group recorded loss after taxation ("**LAT**") of RM4.06 million for the FYE 2022, as compared to a profit after taxation ("**PAT**") position of RM3.51 million in FYE 2021, due to the following:

- (a) decrease in gross profit ("**GP**") by approximately RM3.95 million or 22.6% to RM13.54 million in FYE 2022 (FYE 2021: RM17.49 million) due to overall increase in raw materials consumed due to the increase in global prices of these raw materials, which is in line with the increase in global oil and steel prices;
- (b) increase in selling and distribution expenses by approximately RM0.36 million or 31.0% to RM1.52 million in FYE 2022 (FYE 2021: RM1.16 million) due to higher carriage outwards and travelling expenses;
- (c) increase in other operating expenses by approximately RM0.91 million or 52.0% to RM2.66 million in FYE 2022 (FYE 2021: RM1.75 million) mainly due to unrealised loss on foreign exchange of RM1.44 million, arising from the strengthening of RM against United States Dollar ("**USD**") at the end of FYE 2022; and
- (d) increase in tax expenses by approximately RM0.58 million or 26.2% to RM2.75 million in FYE 2022 (FYE 2021: RM2.18 million) due to reversal of deferred tax assets of RM3.02 million arising from the recognition of contract liabilities in the consolidated statements of profit or loss and operating expenses.

FYE 2022 vs FYE 2023

The Group recorded revenue of RM38.26 million for the FYE 2023, a decrease of RM50.03 million or 56.7% compared to RM88.29 million recorded in the FYE 2022, mainly due to the following reasons:

- (a) decrease in revenue derived from the design, engineering, installation and commissioning of glove chlorination systems by approximately RM41.29 million or 76.45%, from RM54.01 million in FYE 2022 to RM12.72 million in FYE 2023, due to the completion of certain projects located overseas which mainly involves the installation and commissioning of glove chlorination systems as well as lower repair, refurbishment and maintenance works performed for its major customers' existing facilities. This was due to the decrease in overall production of rubber gloves activities at its customers' production

facilities arising from the decrease in global demand for rubber gloves with the resumption of all economic activities and uplifting of COVID-19 restrictions; and

- (b) decrease in trading activities by approximately RM2.98 million or 17.58%, from RM16.95 million in FYE 2022 to RM13.97 million in FYE 2023 due to decrease in overall purchase orders received from its existing customers to be used as replacement of old machinery and equipment parts for its manufacturing activities arising from the decrease in overall production of rubber gloves activities at its customer's production facilities.

The Group recorded PAT of RM0.38 million for the FYE 2023, as compared to a LAT of RM4.06 million in FYE 2022 due to the following:

- (a) decrease in selling and distribution expenses by approximately RM0.91 million or 59.9% to RM0.61 million in FYE 2023 (FYE 2022: RM1.52 million) due to lower carriage outwards and lower travelling expenses incurred by approximately RM0.79 million or 84.0% to RM0.15 million in FYE 2023 (FYE 2022: RM0.94 million). This was mainly due to the completion of overseas installation and commissioning works of glove chlorination systems performed as well as lower repair, refurbishment and maintenance works performed for our major customers' existing facilities;
- (b) decrease in administrative expenses by approximately RM1.36 million or 16.3% to RM6.98 million in FYE 2023 (FYE 2022: RM8.34 million) due to lower staff remuneration and employee share benefit expenses incurred by approximately RM1.39 million or 23.72% to RM4.47 million in FYE 2023 (FYE 2022: RM5.86 million), due to the resignation of several technical employees upon completion of major overseas projects undertaken by the Group during FYE 2022;
- (c) decrease in other operating expenses by approximately RM1.05 million or 39.5% to RM1.61 million in FYE 2023 (FYE 2022: RM2.66 million). The other operating expenses was higher in FYE 2022 due to unrealised loss on foreign exchange of RM1.44 million while the Group recorded unrealised gain on foreign exchange of RM0.06 million in FYE 2023; and
- (d) decrease in tax expenses by approximately RM1.16 million or 42.2% to RM1.59 million in FYE 2023 (FYE 2022: RM2.75 million) due to the recognition of deferred tax assets of RM2.78 million arising from downpayment received from customers of RM11.57 million.

FYE 2023 vs FYE 2024

The Group recorded revenue of RM52.68 million for the FYE 2024, an increase of RM14.42 million or 37.7% compared to RM38.26 million recorded in the FYE 2023, mainly due to the following reasons:

- (a) increase in revenue derived from the design, engineering, installation and commissioning of glove chlorination systems by approximately RM4.89 million or 12.8%, from RM38.26 million in FYE 2023 to RM43.15 million in FYE 2024, due to the increase in upgrading works received by the Group for its existing customers' glove chlorination systems and production of rubber gloves systems, which increased by approximately RM8.16 million or 70.5%, from RM11.57 million in FYE 2023 to RM19.73 million in FYE 2024;
- (b) increase in revenue generated from the supply and installation of mechanical and electrical (M&E) engineering works for the water treatment plants and water intake undertaken in Gua Musang, Kelantan, which commenced in the second half of FYE 2024, contributing revenue of approximately RM9.53 million during FYE 2024. No revenue was recorded from this project during FYE 2023; and
- (c) increase in trading activities by approximately RM1.88 million, from RM13.98 million in FYE 2023 to RM15.86 million in FYE 2024 due to system and equipment upgrades for replacement parts.

The Group recorded an increase in overall PAT by approximately RM0.94 million or 248.3% to RM1.31 million for the FYE 2024, as compared to a PAT of RM0.38 million in FYE 2023 due to the following:

- (a) higher other income by approximately RM0.17 million or 20.2% from RM0.84 million in FYE 2023 to RM1.01 million in FYE 2024 due to additional rental income generated from April 2024;
- (b) decrease in administrative expenses by approximately RM0.40 million or 5.7% to RM6.58 million in FYE 2024 (FYE 2023: RM6.98 million) due to the decrease in staff's remuneration impact from reduction of staff's headcount; and
- (c) reversal of deferred tax assets arising from the recognition of contract liabilities in the previous FYE 2023 of RM1.68 million, which did not reoccur during FYE 2024, which resulted in lower tax expenses paid of RM0.07 million during FYE 2024.

FYE 2024 vs FYE 2025

The Group recorded revenue of RM68.36 million for the FYE 2025, an increase of RM15.68 million or 29.76% compared to RM52.68 million recorded in the FYE 2024, mainly due to the following reasons:

- (a) increase in revenue derived from the design, engineering, installation and commissioning of glove chlorination systems, and supply and installation of mechanical and electrical engineering works by approximately RM13.36 million or 25.93%, from RM51.53 million in FYE 2024 to RM64.89 million in FYE 2025. This was mainly due to the following:
 - (i) overall increase in upgrading works received by the Group for its existing customers' glove chlorination systems and production of rubber gloves systems, which increased by approximately RM5.31 million or 12.90%, from RM41.23 million in FYE 2024 to RM46.55 million in FYE 2025; and
 - (ii) increase in revenue recorded for the supply and installation of mechanical and electrical works by approximately RM18.00 million (FYE 2024: RM9.53 million) due to the mechanical and electrical works undertaken in Gua Musang, Kelantan by RM9.60 million (FYE 2024: RM2.66 million) as well as new supply and installation of mechanical and electrical working works undertaken in Seri Kembangan, Selangor of RM8.40 million during FYE 2025.
- (b) increase in revenue derived from the trading activities by approximately RM1.05 million or 54.97%, from RM1.91 million in FYE 2024 to RM2.96 million in FYE 2025 due to increase in request from existing customers for system and equipment upgrades for replacement parts; and
- (c) revenue generated from the manufacturing of glove formers of RM0.85 million during FYE 2025 (FYE 2024: Nil) arising from the manufacturing of reusable, hand-shaped molds rubber gloves from a customer involved in gloves manufacturing industry located in Malaysia.

Despite the increase in overall revenue levels recorded, the Group recorded loss after taxation position of RM11.67 million during FYE 2025 as compared to a PAT of RM1.31 million in FYE 2024. This was mainly due to the decrease in overall gross profit derived by approximately RM6.61 million or 65.77%, from RM10.05 million in FYE 2024 to RM3.44 million in FYE 2025 due to lower margin derived from projects undertaken (particularly in the design, engineering, installation and commissioning of glove chlorination systems and mechanical and electrical engineering) which resulted from an increase in overall cost of raw materials and equipment required.

As a result, the Group recorded an operating loss of approximately RM9.10 million in FYE 2025 as compared to the operating profits recorded of RM1.71 million in FYE 2024, which was insufficient to cover the overall increase in expenses incurred by the Group, as follows:

- (a) inventories written off of RM3.57 million recorded during FYE 2025, which was cancellation of the project arising from glove chlorination systems;
- (b) allowance of expected credit losses on receivables of RM3.14 million recorded during FYE 2025, which was recognised as part of the Group's prudent credit risk management in view of receivables collection uncertainties;
- (c) increase in overall selling and distribution expenses by approximately RM0.17 million or 27.87% to RM0.78 million in FYE 2025 (FYE 2024: RM0.61 million) mainly attributable to higher travelling and motor vehicle upkeep expenses in line with increase in design, engineering, installation and commissioning of glove chlorination systems and mechanical and electrical engineering works performed throughout Malaysia and Asia;
- (d) increase in overall administrative expenses by approximately RM1.55 million or 23.56% to RM8.13 million in FYE 2025 (FYE 2024: RM6.58 million) due to the increase in overall staff's remuneration and professional fees incurred; and
- (e) increase in overall finance costs by approximately RM0.39 million or 108.33% to RM0.75 million in FYE 2025 (FYE 2024: RM0.36 million) mainly due to higher interest expenses arising from increase in overall utilisation of bank borrowings to fund working capital expenditures and project requirements.

In light of the challenging business environment of the glove manufacturing industry and declining financial performance over the past 5 financial years, the Group has been actively exploring alternative avenues to improve its financial performance. In 2024, the Group received an investment opportunity in Gammatech, a company which intends to be involved in the Sterilisation Business, and had completed the 1st Subscription on 18 July 2024.

On 11 July 2025, the Company had entered into the SHA with Eco Santec (a 49.0%-shareholder of Gammatech) to govern and regulate their relationship as shareholders of Gammatech.

To develop the Sterilisation Business, the shareholders of Gammatech had proposed to construct the Sterilisation Facility on the Land. As at the LPD, Gammatech does not own any sterilisation facility. As such, the Group proposes to undertake the Proposed Subscription and Proposed Acquisition (details which are set out in Sections 3 and 4 of this Circular) to facilitate the said construction of the Sterilisation Facility as set out in Section 2.1 of Appendix I. Upon commissioning of the Sterilisation Facility (which is expected to be in the first quarter of 2027), Gammatech will be able to commence the Sterilisation Business, which is proposed to be offered to industries and businesses requiring sterilisation solutions, including but not limited to the medical, pharmaceutical and food / agricultural processing sectors.

The estimated total set up cost for the Sterilisation Facility is as follows:

Expenditures	RM'000	%
(a) Capital expenditure	54,642	93.03
(b) Operating expenditure	4,092	6.97
Total	58,734	100.00

The set up cost for the Sterilisation Facility is proposed to be funded via the following:

Sources	RM'000	%
(a) Proposed Private Placement (please refer to Section 7 Note (i) of this Circular for more details)	16,080	27.38
(b) Bank borrowings (including hire purchase) ⁽ⁱ⁾	27,735	47.22
(c) Internally generated funds ⁽ⁱⁱ⁾	14,919	25.40
Total	58,734	100.00

Notes:

- (i) RM27.74 million in borrowings to be drawn is for the initial set up phase of the Sterilisation Facility. The Group further plans to progressively increase the capacity of the sterilisation business by utilising additional debt financing of approximately RM12.14 million in 2027 onwards for the purchase of additional Cobalt-60, which is commonly used as gamma irradiators (i.e. raw material to sterilise products) because of its high energy emission and relatively long half-life.
- (ii) RM14.92 million additional financing via intercompany advances from the Flexidynamic Group to be funded via internally generated funds in addition to the RM0.17 million existing cash balances in Gammatech as at the LPD.

The Group expects Gammatech to start contributing to the profits of the Group in the financial year ending 2028.

Kindly refer to **Appendix I** for more details on Sterilisation Business.

The Board is therefore seeking the approval from the shareholders of the Company in the forthcoming EGM for the Proposed Diversification pursuant to Rule 10.13(1) of the Listing Requirements in anticipation that the Sterilisation Business is expected to result in either:

- (i) The diversion of 25.0% or more of the NA of the Group to the Sterilisation Business; or
- (ii) The contribution from the Sterilisation Business of 25.0% or more of the net profit of the Group.

The Proposed Diversification represents the Group's aim to reduce reliance on its Existing Businesses and enhance shareholders' value in the long run by expanding its revenue and earnings base. The Proposed Diversification is an organic expansion which enables the Group to kick-start the construction of the Sterilisation Facility and commence the Sterilisation Business together with Eco Santec Group (being the 49% shareholder of Gammatech before and after the Proposed Subscription). The Group's diversification into the Sterilisation Business will be spearheaded by Tan Kong Leong, the Managing Director of the Company (since 9 June 2020). He will be overseeing the business development of the Sterilisation Business with the assistance of Abdul Halim bin Ahmad (he joined Gammatech as Technical Director in 2021) who has accumulated vast operational and corporate management experiences of various gamma irradiation facilities in Malaysia. The profiles of Tan Kong Leong and Abdul Halim bin Ahmad are set out in **Section 6 of Appendix I**.

Notwithstanding the Proposed Diversification, the Board will continue with the Existing Businesses of the Group in the same manner. The Board will continuously review the Group's business operations from time to time with the intention of improving the Group's financial performance and position.

Viability of the Sterilisation Business

The Company has appointed Eco Asia to perform an independent financial feasibility study on the Group's Proposed Diversification into the Sterilisation Business. The Independent Financial Feasibility Report on the Sterilisation Business was prepared to guide the Board on the Proposed Diversification.

Eco Asia has conducted the independent financial feasibility study using the projected cash flow method in deriving the Project Internal Rate of Returns ("**Project IRR**") and Project Net Present Value ("**Project NPV**"). The Sterilisation Business is financially feasible based on the following:

- (i) The Sterilisation Business' Project IRR of 12.28% is higher than the Group's weighted average cost of capital of 5.73%; and
- (ii) The Sterilisation Business shall record a positive Project NPV of RM47.17 million.

The results of the financial feasibility study are based on the achievability of assumptions and parameters set by the key management of Flexidynamic and are premised that there will be no adverse effects on the Sterilisation Business.

Kindly refer to **Appendix V** for the independent financial feasibility study.

3. PROPOSED SUBSCRIPTION

3.1 Details of the Proposed Subscription

In accordance with the SHA, Flexidynamic and Eco Santec Group intend to maintain their respective shareholding proportions in Gammatech at 51.0% and 49.0%, respectively.

To facilitate the construction of the Sterilisation Facility and to maintain the aforementioned equity stake in Gammatech, it is proposed that:

- (i) Eco Santec Group to inject the Land via the Proposed Acquisition (details of which are set out in Section 4 of this Circular); and
- (ii) Flexidynamic to undertake the Proposed Subscription.

The Land will be acquired by Gammatech from H&A free from encumbrances.

The direct shareholders' direct and indirect shareholding in Gammatech upon completion of the Proposed Acquisition and the Proposed Subscription is as follows:

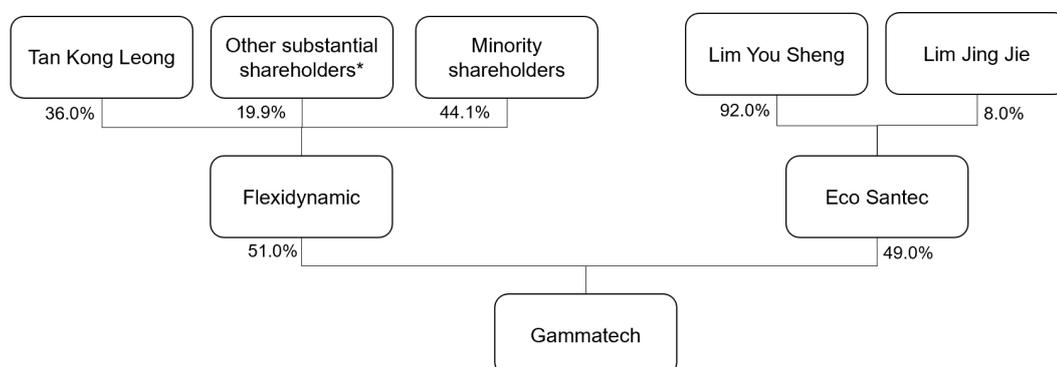
Name	Country of incorporation	Before Proposed Acquisition and Proposed Subscription				After Proposed Acquisition and Proposed Subscription			
		Direct		Indirect		Direct		Indirect	
		No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
Flexidynamic	Malaysia	1,040,816	51.0	-	-	⁽¹⁾ 17,121,000	51.0	-	-
Eco Santec	Malaysia	1,000,000	49.0	-	-	1,000,000	3.0	⁽²⁾ 15,450,000	46.0
H&A	Malaysia	-	-	-	-	⁽²⁾ 15,450,000	46.0	-	-
Total		2,040,816	100.0			33,571,000	100.0		

Notes:

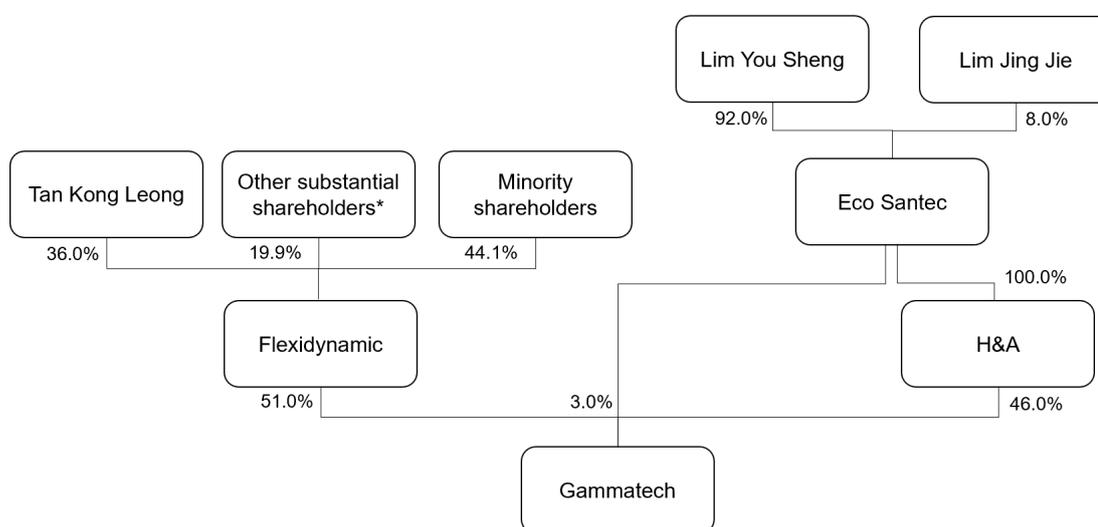
- (1) Arising from the Proposed Subscription.
- (2) Arising from the Proposed Acquisition. Eco Santec has indirect interest in Gammatech via its equity interest in H&A.

Corporate structure in Gammatech before and after the Proposed Acquisition and Proposed Subscription

(i) Before the Proposed Acquisition and Proposed Subscription



(ii) After the Proposed Acquisition and Proposed Subscription



Note:

* Comprising Liew Heng Wei (17.76%), Phitchaya Arsangku (2.09%) and Lion Suk Chin (0.04%). Kindly refer to Section 11.4 for further information on the substantial shareholders' shareholdings.

The Proposed Subscription will be implemented concurrently with the Proposed Acquisition.

Kindly refer to Section 5 of Appendix VII of this Circular for the details of material commitments incurred or known to be incurred by Flexidynamic Group (including Gammatech) which upon becoming due or enforceable, may have a material impact on the financial position of business of Flexidynamic Group.

3.2 Background Information of Gammatech

Gammatech was incorporated in Malaysia on 29 July 2020 as a private limited company registered under the Act. Its registered office is located at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50200 Kuala Lumpur.

As at the LPD, Gammatech has yet to commence any business operations. The intended principal activity of Gammatech is the provision of sterilisation services using gamma radiation. Although Gammatech has yet to commence any business operations, Gammatech has

obtained the relevant regulatory approvals to undertake the Sterilisation Business, which would enable the Group to shorten its timeframe and reduce costs to be incurred to undertake the Sterilisation Business. Barring any unforeseen circumstances, the Sterilisation Facility is expected to commence operations by first quarter of 2027.

As at the LPD, Gammatech has obtained the following:

- (i) a Class A Licence from the Atomic Energy Licensing Board (“**AELB**”), issued on 8 November 2022;
- (ii) planning permission from the Majlis Perbandaran Kuala Langat (“**MPKL**”), issued on 23 October 2023 and subsequently extended for the period between 23 October 2024 to 22 October 2025, via MPKL’s letter dated 30 May 2025 (“**Extended Planning Permission**”); and
- (iii) approvals from the Jabatan Pengairan dan Saliran Daerah Kuala Langat dated 31 January 2023, and the Jabatan Bomba dan Penyelamat Malaysia dated 5 September 2023 respectively.

Approvals stated in item (i) and (iii) shall remain valid and subsisting until fully satisfied in accordance with their respective terms and conditions stipulated.

Pursuant to the Extended Planning Permission stated in item (ii), on 14 January 2025, Gammatech has commenced construction of the Sterilisation Facility on the Land. Having advanced to the construction stage, the conditions of the Extended Planning Permission is deemed complied with by Gammatech, and will not lapse.

As at the LPD, Gammatech has an issued share capital of RM2,040,816, comprising 2,040,816 Gammatech Shares. Gammatech is a 51%-owned subsidiary of Flexidynamic, with the remaining 49% equity interest held by Eco Santec.

Upon completion of the Proposed Acquisition and Proposed Subscription, Gammatech will have an issued capital of RM33,571,000, comprising 33,571,000 Gammatech Shares. Please refer to Section 3.1 of this Circular for the resultant shareholding structure in Gammatech upon completion of the Proposed Acquisition and the Proposed Subscription.

As at the LPD, the directors of Gammatech are Tan Kong Leong (representative of Flexidynamic), Sin Kuo Wei (representative of Flexidynamic), Lim You Sheng (representative of Eco Santec) and Lim Jing Jie (representative of Eco Santec), all of whom are Malaysians. The directors of Gammatech does not have any direct shareholdings in Gammatech. Tan Kong Leong is deemed to have indirect shareholding of 51.0% in Gammatech via his 36.0% direct and 3.1% indirect shareholding in Flexidynamic, while Lim You Sheng is deemed to have indirect shareholding of 49.0% in Gammatech via his 92.0% shareholding in Eco Santec.

Their respective directors’ direct and indirect shareholdings in Gammatech before and after the Proposed Acquisition and Proposed Subscription are set out as follows:

Name	Designation/ Nationality	Before Proposed Acquisition and Proposed Subscription				After Proposed Acquisition and Proposed Subscription			
		Direct		Indirect		Direct		Indirect	
		No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
Tan Kong Leong	Director/ Malaysia	-	-	⁽¹⁾ 1,040,816	51.0	-	-	⁽¹⁾ 17,121,000	51.0
Sin Kuo Wei	Director/ Malaysia	-	-	-	-	-	-	-	-
Lim You Sheng	Director/ Malaysia	-	-	⁽²⁾ 1,000,000	49.0	-	-	⁽²⁾ 16,450,000	49.0
Lim Jing Jie	Director/ Malaysia	-	-	-	-	-	-	-	-

Notes:

- (1) Deemed interest by virtue of his shareholdings in Flexidynamic.
- (2) Deemed interest by virtue of his shareholdings in Eco Santec and H&A.

For information, as at the LPD, Tan Kong Leong holds 36.0% direct and 3.1% indirect shareholding in Flexidynamic while Sin Kuo Wei holds 2.8% direct shareholding in Flexidynamic. Lim You Sheng and Lim Jing Jie do not have any direct shareholdings in Flexidynamic.

Kindly refer to **Appendix II** for more information on Gammatech.

3.3 Background Information of Eco Santec

Eco Santec was incorporated in Malaysia on 23 February 2024 as a private limited company under the Act. Its registered office is located at L8-02, 8th Floor, Brem Mall, Off Jalan Kepong, 52000 Kuala Lumpur, Wilayah Persekutuan.

The principal activity of Eco Santec is investment holding of shares in companies.

As at the LPD, Eco Santec has an issued share capital of RM100, comprising 100 ordinary shares.

The directors and shareholders of Eco Santec and their respective shareholdings in Eco Santec as at the LPD are as follows:

<u>Name</u>	<u>Designation</u>	<u>Nationality</u>	<u>Direct</u>		<u>Indirect</u>	
			<u>No. of Eco Santec shares</u>	<u>%</u>	<u>No. of Eco Santec shares</u>	<u>%</u>
Lim You Sheng	Director/ Shareholder	Malaysian	92	92.0	-	-
Lim Jing Jie	Director/ Shareholder	Malaysian	8	8.0	-	-
			100	100.0	-	-

As at the LPD, Eco Santec and the directors of Eco Santec do not hold any direct or indirect interest in Flexidynamic.

3.4 Basis and justification in arriving at the Subscription Price

As Gammatech has yet to commence any business operations, the issue price per Subscription Share was determined based on the nominal value of RM1.00 per Subscription Share. This issue price is also in line with the issue price of RM1.00 per Share under the Proposed Acquisition.

The Subscription Share under the 1st Subscription was issued at RM1.00 per Subscription Share and was determined based on the nominal value of RM1.00 per Subscription Share.

3.5 Source of funding

The Subscription Price shall be fully satisfied in cash and will be fully funded through the proceeds from the Proposed Private Placement (RM16.08 million), details of which are set out in Sections 5 and 7 of this Circular. In the event the Proposed Private Placement is not implemented or the proceeds raised from the Proposed Private Placement is less than RM16.08 million, the Subscription Price will be funded through internally generated funds and/or bank borrowings. The breakdown of internally generated funds and bank borrowings has yet to be determined at this juncture. As at the LPD, the Group's bank borrowings amount to RM19.6 million.

3.6 Liabilities to be assumed

There are no liabilities, including contingent liabilities and guarantees, which upon becoming enforceable may have a material effect on the Group's business, financial results or position to be assumed by the Group pursuant to the Proposed Subscription.

4. PROPOSED ACQUISITION

Gammatech and H&A had on 14 July 2025 entered into the SPA for the Proposed Acquisition. The Proposed Acquisition entails the acquisition of the Land held under GM 2418, Lot 2202, Teluk Panglima Garang, Kuala Langat, Selangor from H&A by Gammatech for the Purchase Consideration of RM15,450,000, which shall be satisfied via the issuance of 15,450,000 Consideration Shares (representing 46.0% of the enlarged issued share capital of Gammatech after the completion of the Proposed Subscription and Proposed Acquisition) to H&A at an issue price of RM1.00 per Consideration Share.

The Land is proposed to be used for the construction of the Sterilisation Facility. Further details on the Land are provided in Section 4.2 of this Circular.

The salient terms of the SPA are set out in **Appendix III** of this Circular.

4.1 Details of the Proposed Acquisition

(i) Background information on the Vendor

H&A was incorporated in Malaysia on 8 December 2015 as a private limited company under the Companies Act, 1965 and deemed registered under the Act. The principal activity of H&A is investment holding of land.

As at LPD, the issued share capital of H&A is RM1,000,000, comprising 1,000,000 ordinary shares. H&A is wholly-owned subsidiary of Eco Santec and is the registered proprietor of the Land. As at the LPD, Eco Santec is the shareholder of Gammatech, holding 49% equity interest in Gammatech.

As at LPD, the directors of H&A are Lim You Sheng and Lim Jing Jie, all of whom are Malaysians and also the directors of Gammatech. The aforementioned directors have no direct shareholdings in H&A. Lim You Sheng is deemed to have indirect shareholding of 100.0% in H&A via his 92.0% shareholding in Eco Santec.

As at LPD, H&A does not have any subsidiary or associated company.

(ii) Background information on Eco Santec

The details of Eco Santec are as set out in Section 3.3 of this Circular.

4.2 Information on Land

The Land is a plot of freehold industrial land legally identified as Lot No. 2202, Mukim of Teluk Panglima Garang, District of Kuala Langat, State of Selangor Darul Ehsan. The Land is a corner plot of land and rectangular in shape. It encompasses a titled land area of 1.6314 hectares. The subject site enjoys a main road frontage of about 81.272 metres (267 feet) onto Jalan Nuri along its western boundary, and a return frontage of about 203.123 metres (666 feet) onto Lorong Perak 2 along its northern boundary.

The Land is located within the locality of Kawasan Perusahaan Batu 9 Kebun Baru, which is sited at the north-eastern fringe of Teluk Panglima Garang town. It is situated approximately 46 kilometres by road due south-west of Kuala Lumpur city centre and about 2 kilometres by road due north-east of Teluk Panglima Garang town.

Kawasan Perusahaan Batu 9 Kebun Baru, is an established industrial development area which has been mostly developed with individual designed factory complexes and left over with few plots of vacant development/industrial lands. Located to the immediate north of the subject property is Taman Industri Sijangkang Utama which is another industrial scheme and zoned for industry use (factory outlets/warehouses) as depicted below.



Google map showing approximate location of the Land



Aerial view of neighbouring factories/warehouses nearby the Land within Kawasan Perusahaan Batu 9 Kebun Baru

The details of the Land are as follows:

Terms	Details
Title details	: GM 2418, Lot No. 2202, Locality of 9th Mile Sijangkang, Mukim of Teluk Panglima Garang, District of Kuala Langat, State of Selangor Darul Ehsan
Postal address	: Lot 2202, Jalan Nuri, Kawasan Perusahaan Kebun Baru, Batu 9, 42500 Teluk Panglima Garang, Selangor Darul Ehsan
Registered owner	: H&A
Tenure	: Freehold interest
Total Land area	: 1.6314 hectares (approximately 4.031 acres or 175,602 square feet)
Existing and proposed use	: The Land is currently vacant. Its intended use is for the construction of the Sterilisation Facility
Encumbrances	: Nil
Category of Land use	: Industry
Express conditions	: Light industrial
Restriction-in-interest	: Nil
Net book value	: RM12.08 million, based on H&A's latest audited financial statements as at 31 May 2024
Valuer	: Rahim & Co
Market Value	: RM15,450,000 (as appraised by Rahim & Co vide its valuation report dated 15 April 2025 and updated valuation letter dated 23 October 2025)
Date of valuation	: 28 March 2025 and 17 October 2025
Valuation method	: Comparison approach

Further details on the Land are set out in the Valuation Certificates as appended in **Appendix IV** of this Circular.

4.3 Basis and justification of arriving at the Purchase Consideration

The Purchase Consideration of RM15.45 million was arrived after taking into consideration the market value of the Land of RM15.45 million as ascribed by Rahim & Co, being the independent valuer of for the Land through the Valuation Report dated 15 April 2025. The market value was determined based on comparison approach, which entails critical analysis of recent evidence of values of comparable properties in the neighbourhood of the Land and making adjustments for differences.

4.4 Mode of settlement and source of funding

The Purchase Consideration will be satisfied entirely through the issuance of 15,450,000 Consideration Shares to H&A at an issue price of RM1.00 per Consideration Share.

As Gammatech has yet to commence any business operations, the issue price of the Consideration Shares was determined based on the nominal value of RM1.00 per Share. This issue price is also in line with the issue price of RM1.00 per Share under the Proposed Subscription.

4.5 Liabilities to be assumed

The Land will be acquired free from encumbrances. There are no liabilities, including contingent liabilities and guarantees, to be assumed by the Group pursuant to the Proposed Acquisition.

4.6 Additional financial commitment required

Upon completion of the Proposed Acquisition, the Company anticipates to incur additional financial commitments of RM36.19 million for the construction of the Sterilisation Facility and purchase of equipment and machinery. Further details on the additional financial commitments are set out in **Appendix I** of this Circular.

4.7 Ranking of the Consideration Shares

The Consideration Shares shall, upon issuance and allotment, rank equally in all respects with the existing issued Gammatech Shares, save and except that the holders of the Consideration Shares shall not be entitled to any dividends, rights, allotments and/or other forms of distributions that may be declared, made or paid to the shareholders of the Gammatech, for which the relevant entitlement date is prior to the date of allotment and issuance of the Consideration Shares and the Consideration Shares will be subject to all the provisions of the Act relating to transfer, transmission and otherwise.

4.8 Listing and quotation of the Consideration Shares

For avoidance of doubt, the Consideration Shares represents ordinary shares in Gammatech, a 51% subsidiary of the Group. In view thereof, no listing will be sought for the Consideration Shares.

4.9 Original date and cost of investment

The cost of H&A's investment for the Land is RM12,081,788, which was made on 15 October 2021.

5. PROPOSED PRIVATE PLACEMENT

5.1 Placement size

As at the LPD, Flexidynamic has:

- (i) 299,679,925 Shares in issue; and
- (ii) 10,179,075 outstanding ESOS Options granted to the eligible Directors and employees.

Save for the 10,179,075 outstanding ESOS Options, the Company does not have any convertible securities and treasury shares as at the LPD.

The Board does not have any intention to grant further ESOS options prior to the completion of the Proposed Private Placement. For the avoidance of doubt, any increase in the total number of issued Shares arising from the exercise of unexercised ESOS options will not affect the number of Placement Shares to be issued under the Proposed Private Placement.

It is the intention of the Company to implement the Proposed Private Placement before the Proposed Bonus Issue of Warrants. Hence, the Proposed Private Placement shall be implemented before the implementation of the Proposed Bonus Issue of Warrants. As such, the holders of the Placement Shares will be entitled to the Proposed Bonus Issue of Warrants. Notwithstanding this, Proposed Private Placement and Proposed Bonus Issue of Warrants are not inter-conditional.

In view thereof, Flexidynamic proposes to fix the number of Flexidynamic Shares to be issued under the Proposed Private Placement based on its issued share capital as at the LPD. Accordingly, the Proposed Private Placement will entail the issuance of up to 89,903,000 Placement Shares, representing approximately 30.0% of the total number of issued shares as at the LPD.

5.2 Placement arrangement

The Placement Shares will be placed to independent third-party investor(s) to be identified later. Such investor(s) shall be person(s) or party(ies) who/which qualify under Schedules 6 and 7 of the Capital Markets and Services Act 2007.

The Placement Shares will not be placed to the following parties:

- (i) a director, major shareholder or chief executive of Flexidynamic or a holding company of Flexidynamic ("**Interested Person**"); or
- (ii) a person connected with an Interested Person; or
- (iii) nominee corporations, unless the names of the ultimate beneficiaries are disclosed.

The Company believes that the investor(s) may be identified and procured simultaneously or over a period of time. The details of investor(s) and the number of Placement Shares to be placed to each investor in accordance with Rule 6.16 of the Listing Requirements will be submitted to Bursa Securities before the listing of the Placement Shares.

5.3 Basis of arriving at the issue price of the Placement Shares

The issue price of the Placement Shares shall not be priced at more than 10% discount to the 5D-VWAMP of Flexidynamic Shares immediately preceding the price-fixing date(s) for each tranche. The Placement Shares will be priced after taking into consideration, amongst others, the following:

- (i) the funding requirements of the Group as set out in Section 7 of this Circular;
- (ii) the prevailing market conditions on the price-fixing date; and

- (iii) the rationale of the Proposed Private Placement as set out in Section 8.4 of this Circular.

The Proposed Private Placement may be implemented in a single or multiple tranche(s), within 6 months from the date of approval of Bursa Securities for the Proposed Private Placement, or such extended timeframe as approved by Bursa Securities, to provide the Company with the flexibility to optimise the issue price of the Placement Shares in the best interest of the Group. As such, there could potentially be several price fixing dates depending on the number of tranches and timing of implementation of the Proposed Private Placement.

5.4 Ranking of the Placement Shares

The Placement Shares shall, upon issuance and allotment, rank equally in all respects with the existing issued Flexidynamic Shares, save and except that the holders of the Placement Shares shall not be entitled to any dividends, rights, allotments and/or other forms of distributions that may be declared, made or paid to the shareholders of the Company, for which the relevant entitlement date is prior to the date of allotment and issuance of the Placement Shares and the Placement Shares will be subject to all the provisions of the Constitution of the Company relating to transfer, transmission and otherwise.

5.5 Listing and quotation of the Placement Shares

Bursa Securities had vide its letter dated 12 February 2026 resolved to approve the listing and quotation of up to 89,903,000 Placement Shares to be issued pursuant to the Proposed Private Placement, subject to the conditions as set out in Section 13 of this Circular.

5.6 Previous equity fund raising exercises undertaken in the past 12 months and/or equity fund-raising exercises undertaken of which proceeds raised have yet to be fully utilised

The Company has not implemented any equity fund raising exercises in the past 12 months preceding the date of this Circular nor have any equity fund-raising exercises undertaken of which proceeds raised have yet to be fully utilised.

6. PROPOSED BONUS ISSUE OF WARRANTS

6.1 Basis and number of Warrants to be issued

As at the LPD, Flexidynamic has:

- (i) 299,679,925 Shares in issue; and
- (ii) 10,179,075 outstanding ESOS Options.

In addition, it is the intention of the Board to implement the Proposed Private Placement which entails the issuance of up to 89,903,000 Placement Shares, before the Proposed Bonus Issue of Warrants. The Board does not have any intention to grant further ESOS Options prior to the completion of the Proposed Bonus Issue of Warrants.

Based on the foregoing, the Proposed Bonus Issue of Warrants entails the issuance of up to 99,940,500 free Warrants, on the basis of 1 Warrant for every 4 existing Shares held in the Company by the Entitled Shareholders on the Entitlement Date.

For illustrative purposes, the effects of the Proposed Bonus Issue of Warrants shall be illustrated based on the following 2 scenarios:

Minimum Scenario Assuming the completion of the Proposed Private Placement and none of the ESOS Options are exercised prior to the implementation of the Proposed Bonus Issue of Warrants.

Accordingly, up to 97,395,731 Warrants may be issued pursuant to the Proposed Bonus Issue of Warrants. In addition, up to 97,395,731 new Shares may be issued upon full exercise of the Warrants.

Maximum Scenario Assuming the completion of the Proposed Private Placement and all of the 10,179,075 outstanding ESOS Options are exercised prior to the implementation of the Proposed Bonus Issue of Warrants.

Accordingly, up to 99,940,500 Warrants may be issued pursuant to the Proposed Bonus Issue of Warrants. In addition, up to 99,940,500 new Shares may be issued upon full exercise of the Warrants.

The actual number of Warrants to be issued under the Proposed Bonus Issue of Warrants will depend on the number of Flexidynamic Shares in issue (excluding treasury shares, if any) on the Entitlement Date.

The basis for the entitlement for the Proposed Bonus Issue of Warrants was determined after taking into consideration the following:

- (i) compliance with Rule 6.51 of the Listing Requirements, which states that the number of new Flexidynamic Shares that will arise from the exercise of all outstanding convertible equity securities, shall not exceed 50% of the total number of issued shares (excluding treasury shares and before the exercise of the convertible equity securities) at all times;
- (ii) dilutive effects arising from the full exercise of Warrants on the consolidated EPS of the Company; and
- (iii) amount of proceeds the Company could potentially raise as and when the Warrants are exercised during the exercise period of the Warrants.

The Proposed Bonus Issue of Warrants is in compliance with Rule 6.51 of the Listing Requirements, as the total number of new Flexidynamic Shares which will arise from the exercise of all Warrants to be issued will not exceed 50% of the total number of issued Shares (excluding the potential exercise of ESOS Options) at all times after the Proposed Bonus Issue of Warrants, as illustrated below:

		Minimum Scenario	Maximum Scenario
		No. of Shares	No. of Shares
Total number of Flexidynamic Shares	(A)	389,582,925	399,762,000
Warrants	(B)	97,395,731	99,940,500
% of Flexidynamic Shares	(B)/(A)	25.0%	25.0%

Fractional entitlements of the Warrants, if any, shall be disregarded and dealt with in such manner as the Board may in its absolute discretion deem fit and expedient, and in the best interest of the Company. Further, the Proposed Bonus Issue of Warrants will be implemented in a single issuance and is not intended to be implemented in stages over a period of time. No reserves will be capitalised for the issuance of Warrants under the Proposed Bonus Issue of Warrants.

6.2 Basis of determining the issue price and Exercise Price of the Warrants

The Warrants will be issued at no cost to the Entitled Shareholders.

The Exercise Price will be determined and announced at a later date by the Board after the receipt of all relevant approvals but before the announcement of the Entitlement Date. The Board has determined that the Exercise Price shall be fixed at a premium of not more than 20% to the 5D-VWAMP of Flexidynamic Shares prior to the price fixing date.

The Exercise Price of the Warrants will be determined and fixed by the Board after taking into consideration, amongst others, the following:

- (i) the historical price movement of Flexidynamic Shares;
- (ii) the 5D-VWAMP of Flexidynamic Shares immediately preceding the price-fixing date to be determined and announced later;
- (iii) the prevailing market conditions; and
- (iv) the future prospects of the Group.

For illustrative purposes only, the illustrative exercise price of the Warrants is assumed at RM0.20 per Warrant (which is equivalent to the illustrative issue price of the Placement Shares as set out in Section 7 of this Circular), which represents a premium of approximately 62.73% to the 5D-VWAMP of Flexidynamic Shares up to and including the LPD of RM0.1229. For clarity, the Exercise Price shall be fixed at a premium of not more than 20% to the 5D-VWAMP of Flexidynamic Shares prior to the price fixing date.

6.3 Indicative salient terms of the Warrants

The indicative salient terms of the Warrants are set out as follows:

Terms	Details
Issuer	Flexidynamic
Issue size	Up to 99,940,500 Warrants
Form and denomination	The Warrants will be issued in registered form and constituted by a deed poll to be executed by the Company and as may be supplemented from time to time (" Deed Poll ").
Tenure	5 years commencing from and inclusive of the date of the issuance of the Warrants (" Issue Date ").
Exercise period	The Warrants may be exercised at any time during the Tenure of the Warrants commencing from and including the Issue Date and ending at 5.00 p.m. (Malaysia time) on a date which falls on the day before the 5th anniversary of the Issue Date (" Expiry Date "). If such date is not a market day, then it shall be the next market day immediately preceding the said non-market day (" Exercise Period "). Any Warrants which are not exercised during the Exercise Period will cease to be valid for any purpose and will be deemed to have lapsed.
Exercise Price	Please refer to Section 6.2 of this circular for the basis of determining the exercise price of the Warrants. The exercise price shall however be subject to the adjustments in accordance with the terms and provisions of the Deed Poll during the Exercise Period.

Terms	Details
Exercise Rights	Each Warrant shall entitle its holders of Warrant (" Warrant Holders ") to subscribe for 1 new Flexidynamic Share at any time during the Exercise Period and at the Exercise Price, subject to adjustments and conditions in accordance with the provisions of the Deed Poll.
Board lot	For the purpose of trading on Bursa Securities, a board lot of Warrants shall be 100 Warrants carrying the right to subscribe for 100 new Flexidynamic Shares at any time during the Exercise Period, or in such other denomination as determined by Bursa Securities.
Mode of exercise	The Warrant Holders are required to lodge a subscription form in the form set out in the Deed Poll with the Company's share registrar, duly completed, signed and stamped together with payment by way of online payment into the bank account of Flexidynamic, banker's draft or cashier's order drawn on a bank operating in Malaysia or money order or postal order issued by a post office in Malaysia for the aggregate of the Exercise Price payable when exercising their Warrants to subscribe for new Shares. The payment of such fee must be made in Ringgit Malaysia.
Adjustment in the Exercise Price and/or the number of Warrants	The Exercise Price and/or the number of unexercised Warrants held by each Warrant Holder shall be adjusted, calculated or determined by the Board in consultation with an approved adviser appointed by the Company and certified by the auditors of Flexidynamic in the event of alteration to the share capital of the Company at any time during the Tenure in accordance with the provisions of the Deed Poll.
Modification of rights of Warrant Holder	<p>The Company may, from time to time, without the consent or sanction of the Warrant Holders but in accordance with the provisions of the Deed Poll, modify the Deed Poll, if such modification made does not materially prejudice the interests of the Warrant Holders or is made to correct a manifest error or to comply with the prevailing laws of Malaysia, Rules of the Bursa Malaysia Depository Sdn Bhd, Securities Industry (Central Depositories) Act 1991 and/or the Listing Requirements.</p> <p>Subject to the approval of the relevant authority (if required), any modifications to the Deed Poll may be effected only by a supplemental Deed Poll, executed by the Company and expressed to be supplemental to the Deed Poll and comply with the requirements of the Deed Poll. The Company must notify the Warrant Holders of any modification within 30 days after such modification is effected in accordance with the provisions of the Deed Poll.</p>
Rights of Warrant Holders	The Warrants do not confer on their holders any voting rights or any right to participate in any form of distribution and/or offer of further securities in the Company until and unless such holders of Warrants exercise their Warrants for new Shares in accordance with the provisions of the Deed Poll and such new Shares have been allotted and issued to such holders.
Rights in the event of winding up, liquidation or an event of default	<p>If a resolution is passed for a members' voluntary winding-up of the Company or there is a compromise or arrangement whether or not for the purpose of or in connection with a scheme for the reconstruction of the Company or the amalgamation of the Company with 1 or more companies:</p> <p>(i) for the purposes of such winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation) to which the Warrant</p>

Terms	Details
	<p>Holders, or some persons designated by them for such purposes by a special resolution shall be a party, the terms of such winding up, compromise and arrangement shall be binding on all the Warrant Holders; and</p> <p>(ii) every Warrant Holder shall be entitled (upon and subject to the conditions) to exercise the Exercise Rights at any time within 6 weeks after the passing of such resolution for a members' voluntary winding-up of the Company or within 6 weeks from the granting of the court order approving the winding up, compromise or arrangement, as the case may be, to elect to be treated as if he had immediately prior to the commencement of such winding-up, compromise or arrangement exercised the Exercise Rights attached to such Warrants to the extent specified in the subscription form(s), whereupon the Company shall allot new Shares to the Warrant Holders credited as fully paid subject to the prevailing laws and such Warrant Holder shall be entitled to receive out of the assets of the Company which would be available in liquidation as if he had on such date been the holder of the new Shares to which he would have become entitled pursuant to such exercise of his Exercise Rights and the liquidator of the Company shall give effect to such election accordingly. Upon the expiry of the above 6 weeks, all Exercise Rights of the Warrants will lapse and cease to be valid for any purpose.</p>
Listing	The Warrants will be listed on the ACE Market of Bursa Securities.
Transferability	The Warrants shall be transferable in accordance with the provisions of the Deed Poll, the Securities Industry (Central Depositories) Act 1991 and the Rules of Bursa Malaysia Depository Sdn Bhd.
Governing Law	Laws of Malaysia.

6.4 Ranking of the Warrants and new Flexidynamic Shares to be issued pursuant to the exercise of the Warrants

The Warrant Holders will not be entitled to any voting rights in any general meeting of the Company, or right to participate in any form of distribution other than on winding up, compromise or arrangement of Flexidynamic as set out in Deed Poll and/ or offer of further securities in Flexidynamic until and unless such Warrant Holders exercise their Warrants into new Flexidynamic Shares.

The new Flexidynamic Shares to be issued pursuant to the exercise of the Warrants shall, upon issuance and allotment, rank equally in all respects with the existing issued Flexidynamic Shares, save and except that the holders of the new Flexidynamic Shares shall not be entitled to any dividends, rights, allotments and/ or any other forms of distributions that may be declared, made or paid to the shareholders of the Company, for which the relevant entitlement date is prior to the date of allotment and issuance of the new Flexidynamic Shares and the new Flexidynamic Shares will be subject to all the provisions of the Constitution of the Company relating to transfer, transmission and otherwise.

6.5 Listing and quotation of the Warrants and new Flexidynamic Shares to be issued arising from the exercise of the Warrants

Bursa Securities had vide its letter dated 12 February 2026 resolved to approve for the following, subject to the conditions as set out in Section 13 of this Circular:

- (i) the admission to the Official List and listing and quotation of up to 99,940,500 Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants; and

- (ii) the listing and quotation of up to 99,940,500 new Flexidynamic Shares to be issued pursuant to the exercise of the Warrants.

6.6 Utilisation of proceeds from the exercise of the Warrants

The Proposed Bonus Issue of Warrants will not raise any immediate funds for the Company as the Warrants will be issued at no cost to the Entitled Shareholders. The quantum of proceeds to be raised (if any) will depend on the actual number of Warrants exercised during the exercise period.

Assuming the full exercise of Warrants at the illustrative exercise price of RM0.20 each, the exercise of Warrants is expected to raise gross proceeds of up to RM19.99 million (under the Maximum Scenario), which will be utilised as working capital of the Group (which includes purchase of raw materials (20.0%), staff salaries (30.0%) as well as repayment of the Group's bank borrowings (50.0%)) within 3 years from the date of receipt of proceeds.

Pending the utilisation of proceeds raised from the exercise of Warrants, the proceeds will be placed in interest-bearing deposits with licenced financial institutions and/or short-term money market instruments. Any interest derived from the deposits or any gains arising from the short-term money market instruments will be utilised in the manner as abovementioned.

7. UTILISATION OF PROCEEDS FROM THE PROPOSED PRIVATE PLACEMENT

For illustration purpose, assuming the issue price of the Placement Shares of RM0.20 per Placement Share ("**Illustrative Issue Price**"), representing a premium of approximately 62.73% to the 5D-VWAMP of Flexidynamic Shares up to and including the LPD of RM0.1229 per Flexidynamic Share, the Proposed Private Placement will raise gross proceeds of approximately RM17.98 million, which are intended to be utilised as follows:

	<u>Notes</u>	<u>RM'000</u>	<u>%</u>	<u>Expected timeframe for utilisation of proceeds from the listing of Shares</u>
Proposed Subscription	(i)	16,080	89.43	Within 12 months
Working capital	(ii)	901	5.01	Within 12 months
Estimated expenses for Proposals	(iii)	1,000	5.56	Within 3 months
Total		17,981	100.00	

Notes:

(i) Proposed Subscription

The Company intends to utilise RM16.08 million of the proceeds to fund the Proposed Subscription. Please refer to Section 3.1 of this circular for further details on the Proposed Subscription.

Gammatech intends to utilise the fund to be received for the Proposed Subscription to partially fund the construction of Sterilisation Facility which is estimated at RM28.19 million. The Sterilisation Facility has a built-up area of 46,522 sq. ft. with a maximum loading capacity of 4,000,000 curies. Please refer to Section 2.2, Appendix I of this Circular for further details of the set up cost for the Sterilisation Facility.

(ii) Working capital

The Company intends to utilise RM0.90 million of the proceeds for its working capital for its existing business. The utilisation shall include but not limited to the following:

- (a) RM0.10 million for purchase of raw materials used for the manufacturing of parts and components used in its glove chlorination systems include plastic resins,

fibre-reinforced plastic (FRP) materials, polyvinyl chloride (PVC) pipes and fittings and mild steel;

- (b) RM0.50 million for staff salaries, allowances and other statutory payments such as staff's personal income tax, Employees Providence Fund and SOCSO; and
- (c) RM0.30 million for the repayment of the Group's bank borrowings*.

* As at the LPD, the total bank borrowings of the Group amount to RM19.6 million. Based on the average effective interest rates of 4.21%, the allocated proceeds to repay bank borrowings is expected to reduce the Group's interest expense by RM0.01 million per annum.

(iii) Estimated expenses for Proposals

The following summarise the estimated expenses for Proposals to be borne by Flexidynamic:

Details	RM'000
Professional fees	650
Fees payable to authorities	40
Placement fees	270
Miscellaneous expenses	40
Total	1,000

The actual gross proceeds to be raised from the Proposed Private Placement will depend on the actual number of Placement Shares issued and the issue price of the Placement Shares. Any variation in the actual gross proceeds raised compared to the intended gross proceeds will be adjusted against the amount earmarked for the Group's working capital (in accordance to the proportion as set out in as per (ii) above).

In the event the gross proceeds raised from the Proposed Private Placement are less than RM17.98 million, the gross proceeds will be utilised in the following priority:

- (i) Estimated expenses for Proposals;
- (ii) Proposed Subscription; and
- (iii) Working capital.

If the gross proceeds raised from the Proposed Private Placement exceeds RM17.98 million, all excess funds shall be utilised for the Group's working capital (in accordance to the proportion as set out in as per (ii) above).

In the event there is a shortfall in the amount raised for the Proposed Subscription, the Company proposes to fund the shortfall for the Proposed Subscription via internally generated funds and/or bank borrowings. The breakdown of internally generated funds and bank borrowings has yet to be determined at this juncture.

Pending utilisation of the proceeds from the Proposed Private Placement for the abovementioned purposes, the proceeds will be placed in interest-bearing deposits with licenced financial institution(s) and/or short-term money market instruments. The interest derived from the deposits placed with the financial institution(s) and/or any gain arising from the short-term money market instruments will be used for working capital purposes of the Group (in accordance to the proportion as set out in as per (ii) above).

8. RATIONALE OF THE PROPOSALS

8.1 Proposed Diversification

As set out in Section 2 of this Circular, the Proposed Diversification is undertaken as the Sterilisation Business is expected to contribute 25.0% or more of the net profits of the Group and/or result in a diversion of 25.0% or more of the Group's NA in the Sterilisation Business in the future.

The Proposed Diversification is part of the Group's strategic initiative to diversify its income streams by engaging in a new business to reduce the Company's reliance on its Existing Businesses. The Proposed Diversification is expected to contribute positively to the Group's financial performance and in turn, improve the shareholders' value.

8.2 Proposed Subscription

The Proposed Subscription in Gammatech is in line with the Company's strategic objective to diversify the Company's business operations and expand into the Sterilisation Business. The capital injection will provide the necessary funding to support Gammatech's business growth, including the construction of the Sterilisation Facility on the Land to be acquired through the Proposed Acquisition.

In addition to driving business expansion, the Proposed Subscription in Gammatech will also enable the Company to maintain its controlling interest in Gammatech following the enlargement of Gammatech's share capital pursuant to the Proposed Acquisition. By subscribing to additional Gammatech's shares, the Company ensures that its equity stake remains at 51%, thereby retaining significant influence over Gammatech's operations, strategic direction and decision-making processes.

8.3 Proposed Acquisition

The Proposed Acquisition is undertaken as part of the Group's strategic expansion into the Sterilisation Business. The Proposed Acquisition will enable Gammatech to secure ownership of the Land and the construction and development of a Sterilisation Facility to facilitate the provision of Sterilisation Business. This initiative aligns with the Company's Proposed Diversification strategy and represents a key milestone in establishing the Company's presence in the gamma irradiation sterilisation industry.

8.4 Proposed Private Placement

After due consideration of the various methods of fund raising, the Board is of the opinion that the Proposed Private Placement is the most appropriate avenue to raise additional funds expeditiously to meet the purposes as stated in Section 7 of this circular, after considering the following:

- (i) the Proposed Private Placement will not incur interest cost as compared to bank borrowings or the issuance of debt instruments, thereby reducing the potential cash outflow. This would allow the Group to preserve the existing cash and bank balances for other purposes;
- (ii) the Proposed Private Placement does not require the Company to procure underwriting arrangement (which the Company will incur additional cost) and/or irrevocable undertaking from certain shareholders of the Company which is usually required for other fund raising exercise such as rights issue; and
- (iii) the Proposed Private Placement is expected to strengthen the Company's capital base as well as improve the Company's financial position and future earnings when the economic and financial benefits from the use of proceeds are realised.

8.5 Proposed Bonus Issue of Warrants

The Board is of the view that the Proposed Bonus Issue of Warrants is an appropriate avenue for rewarding the existing shareholders of the Company after taking into consideration, amongst others, the following factors:

- (i) to reward the Company's shareholders for their continuous support by enabling them to participate in convertible securities of the Company, which are tradable on the ACE Market of Bursa Securities, without incurring any cost;
- (ii) to provide the Company's shareholders with an opportunity to increase their equity participation in the Company at a pre-determined exercise price over the tenure of the Warrants, and allow them benefit from any potential capital appreciation of the Warrants and further participate in the future growth of the Company when the Warrants are exercised;
- (iii) to provide the Group with additional funds for its working capital requirements as and when the Warrants are exercised in the future without incurring interest costs as compared to bank borrowings; and
- (iv) to strengthen the capital base of the Group by increasing the size of the shareholders' funds pursuant to the exercise of the Warrants and hence, provide the Group greater flexibility in terms of the options available to meet its future funding requirements.

9. INDUSTRY OVERVIEW AND PROSPECTS

9.1 Overview of the Malaysian economy

The Malaysian economy advanced by 6.3% in the fourth quarter of 2025 (3Q 2025: 5.4%), driven mainly by domestic demand. Growth in household spending was higher, driven by positive labour market conditions and income-related policy support. The strong investment growth was underpinned by stronger machinery and equipment spending, particularly for data centres, and ongoing implementation of multi-year projects by both the private and public sectors. In the external sector, exports continued to strengthen, led mainly by stronger exports of electrical and electronics (“E&E”) goods. Inbound tourism and information and communication technology (“ICT”) related services also contributed to services exports growth and surplus in the current account balance. Meanwhile, imports remained strong driven by the rebound in intermediate goods to support economic activity and productive capital-related goods reflecting the realisation of ongoing investment projects.

On the supply side, growth was mainly accounted for by the expansion in the services and manufacturing sectors. Higher growth in the services sector was mainly driven by consumer-related subsectors, government services as well as ICT subsector following the operationalisation of data centres. In the manufacturing sector, performance was driven by stronger production in the E&E sub-sector induced by higher demand from the global technology expansion, alongside the increased output of consumer-related goods. Meanwhile, the agriculture sector strengthened, reflecting higher growth for palm oil amid less severe floods compared to last year. On a quarter-on-quarter, seasonally-adjusted basis, growth expanded by 0.8% (3Q 2025: 2.7%).

Malaysia's economy grew by 5.2% in 2025, on account of strong domestic demand and favourable exports, exceeding the forecast range of 4.0% - 4.8%. This growth momentum is expected to continue in 2026, supported by resilient domestic demand and exports.

On the domestic front, household spending will benefit from the continued support from employment and wage growth, as well as Government policy measures. Investment activity will be driven by the further progress of multi-year projects in both the private and public sectors, with continued realisation of approved investments and implementation of catalytic initiatives under national master plans and the Thirteenth Malaysia Plan (“13MP”). On the external front, export growth will be underpinned by steady global demand, particularly for E&E goods. Growth will also be supported by increased tourism activities following the launch of Visit Malaysia Year 2026.

Going forward, headline inflation is expected to remain moderate in 2026 amid the continued easing in global cost conditions. The modest commodity price outlook would help to contain cost pressures on inflation. Core inflation is expected to remain broadly stable and close to its long-term average in 2026, reflecting continued expansion in economic activity and the absence of excessive demand pressures. The domestic policy reforms implemented in 2025, such as the Sales and Service Tax (“**SST**”) expansion and targeted RON95 subsidy rationalisation, are projected to result in only modest effects on inflation in 2026.

(Source: Economic and Financial Developments in Malaysia in the Fourth Quarter of 2025, Bank Negara Malaysia, 13 February 2026)

9.2 Overview of the Gamma Irradiation Sterilisation Industry in Malaysia

Gamma irradiation sterilisation is an ionising radiation sterilisation technique that utilises high-energy gamma rays, typically from a Cobalt-60 source, to eliminate microorganisms such as bacteria by damaging their deoxyribonucleic acid (DNA) and inhibiting cell division. This method effectively kills microorganisms throughout the product to be sterilised and its packaging while maintaining minimal temperature effects (i.e. suitable for heat sensitive materials) and leaving no residues. It is widely used for sterilising single-use medical devices such as surgical gloves, catheters and syringes, food packaging and pharmaceuticals products, amongst others. According to the International Atomic Energy Agency, over 40% of all single-use medical devices produced globally are sterilised using gamma irradiation.

The demand for gamma irradiation sterilisation in Malaysia is driven by the growth of the rubber gloves industry, particularly surgical gloves, being one of the key industries that employ gamma irradiation for sterilisation. Gamma irradiation is one of the commonly used methods for sterilising rubber gloves, especially surgical gloves, in view of its ability to sterilise without compromising the quality and functionality of the rubber gloves, making it crucial for adhering to the stringent hygiene and safety standards required in the healthcare industry.

The rubber gloves industry in Malaysia, measured by the production volume of rubber gloves in Malaysia, increased from 55.40 billion pairs in 2019 to 136.80 billion pairs in 2021 at a compound annual growth rate (“**CAGR**”) of 57.14%. This growth was largely attributed to a surge in global demand for medical gloves arising from the outbreak of the novel coronavirus disease 2019 (“**COVID-19**”) pandemic. Medical gloves are essential personal protective equipment, especially in healthcare, where they are integral to hygiene protocols and infection control measures globally.

Subsequently, the production volume of rubber gloves in Malaysia declined from 136.80 billion pairs in 2021 to 67.00 billion pairs in 2023, at a negative CAGR of 30.02%. This decline was primarily attributed to the normalisation of demand for rubber gloves after mass vaccination programmes worldwide reduced the severity of the pandemic, lowering the need for personal protective equipment. Additionally, production was reduced to resolve the oversupply caused by a production surge during the pandemic. Nonetheless, the production volume of rubber gloves in Malaysia recovered and grew from 67.00 billion pairs in 2023 to 79.42 billion pairs in 2025 at a CAGR of 8.87%.

In April 2025, the United States (“**US**”) imposed a 10% baseline tariff on imports from all countries, followed by higher reciprocal tariffs on countries with which the US has the largest trade deficits, including a 24% tariff on Malaysian exports and a 145% tariff on Chinese exports to the US, escalating global trade tensions. The US then announced a 90-day pause on reciprocal tariffs for most countries, save for China, with rates for affected countries including Malaysia temporarily reduced back to 10%. Subsequently, effective 14 May 2025, the US temporarily lowered tariffs on Chinese goods from 145% to 30% for a 90-day period. On 7 July 2025, the US announced that the 90-day pause on reciprocal tariffs which were initially set to expire on 9 July 2025 was to be extended until 1 August 2025. In addition, as part of the 7 July 2025 announcement, a new round of reciprocal tariffs was imposed on imports from several countries, including a 25% tariff applied to all Malaysian products exported to the US, effective 1 August 2025. Thereafter, pursuant to an executive order signed by the US President Donald Trump on 31 July 2025, the reciprocal tariffs imposed on imports from several countries into the US were adjusted, including a reduction in the tariff on Malaysian exports to the US from 25% to 19%, which will be effective 7 days after the date of the order. On 26 October 2025,

Malaysia signed the Agreement on Reciprocal Trade (ART) with the US during the 47th ASEAN Summit in Kuala Lumpur, in which the US agreed to maintain a 19% tariff and granted zero-tariff exemptions on certain Malaysian products. In February 2026, the US Supreme Court ruled that the US President Donald Trump lacked authority to impose tariffs under the International Emergency Economic Powers Act (IEEPA). Following this decision, the US President Donald Trump imposed a temporary 10% global tariff on foreign goods imported into the US whereby the new baseline tariff was applied under Section 122 of the Trade Act of 1974, allowing the president to impose the tariff for 150 days without congressional approval. Further, the Trump administration has indicated its consideration to increase the temporary global tariff to 15%.

Despite uncertainty in the US tariff developments, SMITH ZANDER expects Malaysia's rubber gloves industry to grow, underpinned by its established position in the global market. As such, the production volume of rubber gloves in Malaysia is expected to reach 83.95 billion pairs in 2026 and 112.63 billion pairs in 2029 at a CAGR of 9.13% from year 2025 to 2029. Nonetheless, the growth outlook of Malaysia's rubber gloves industry is subject to change depending on the evolution of the US tariff developments and global economic conditions which may impact the demand for Malaysia's rubber gloves.

Further, the surgical gloves industry in Malaysia, measured by the production volume of surgical gloves in Malaysia, increased from 4.17 billion pairs in 2019 to 6.06 billion pairs in 2021 at a CAGR of 20.55% pursuant to the outbreak of the COVID-19 pandemic. Subsequently, the production volume of surgical gloves in Malaysia declined from 6.06 billion pairs in 2021 to 2.30 billion pairs in 2023 at a negative CAGR of 38.39% as the demand for surgical gloves normalised following the subsidence of the COVID-19 pandemic. Nonetheless, the production volume of surgical gloves recovered and grew from 2.30 billion pairs in 2023 to 3.25 billion pairs in 2025 at a CAGR of 18.87%.

Moving forward, SMITH ZANDER projects the production volume of surgical gloves in Malaysia to increase to 3.65 billion pairs in 2026 and 6.64 billion pairs in 2029 at a CAGR of 19.56% from year 2025 to 2029. Nonetheless, the growth outlook of Malaysia's surgical gloves industry is subject to change depending on the evolution of the US tariff developments and global economic conditions which may impact the demand for Malaysia's surgical gloves.

In terms of the global market, the global demand for rubber gloves increased from 340.00 billion pieces in 2019 to 492.00 billion pieces in 2021, at a CAGR of 20.29% in view of the COVID-19 pandemic. Thereafter, upon the gradual subsidence of the COVID-19 pandemic, the global demand for rubber gloves normalised and declined to 307.20 billion pieces in 2023, at a negative CAGR of 20.98% from year 2021 to 2023. Nonetheless, the global demand for rubber gloves recovered and grew to an estimated 390.00 billion pieces in 2024 at a year-on-year ("YOY") growth rate of 26.95%.

Additionally, Malaysian Rubber Glove Manufacturers Association projected that the global demand for rubber gloves would increase to 421.00 billion pieces in 2025, 455.00 billion pieces in 2026, 491.00 billion pieces in 2027 and 530.00 billion pieces in 2028. This projected growth is expected to be driven by increased demand in key markets like the US, the European Union and Japan, along with the growing usage of gloves in non-medical sectors post-COVID-19 such as the hospitality, beauty and aesthetics, senior home care and semiconductor industries. The growing usage of rubber gloves in non-medical sectors can help to reduce reliance on healthcare-driven demand and enable the global rubber gloves market to benefit from rising global hygiene awareness, thereby supporting a more sustainable long-term growth. Further, SMITH ZANDER forecasts the global demand for rubber gloves to reach 572.24 billion pieces in 2029. However, this outlook may be subject to change depending on global economic conditions and how the US tariff developments evolve, as prolonged uncertainty or unfavourable trade terms could dampen global purchasing sentiment, particularly in key markets.

Similarly, the global demand for surgical gloves observed a similar trend, increasing from 32.76 billion pieces in 2019 to 74.61 billion pieces in 2021 at a CAGR of 50.91%. Thereafter, the global demand for surgical gloves fell to 25.05 billion pieces in 2023 at a negative CAGR of 42.06% from year 2021 to 2023. Nonetheless, the global demand for surgical gloves recovered and grew to 38.55 billion pieces in 2024 at a YOY growth rate of 53.89%.

In view of the recovery of the global demand for surgical gloves in 2024 which is in tandem with the global demand for rubber gloves, SMITH ZANDER estimates the global demand for surgical gloves to increase to 40.98 billion pieces in 2025 and 43.55 billion pieces in 2026 at a CAGR of 6.29% from year 2024 to 2026. Further, the global demand for surgical gloves is projected to reach 52.81 billion pieces in 2029. However, the growth outlook is subject to change depending on the global economic conditions and evolution of the US tariff developments, as prolonged uncertainty or unfavourable trade terms could affect the global demand for surgical gloves.

As the global demand for rubber gloves including surgical gloves increases, this will in turn drive the growth in the production of rubber gloves in Malaysia. As such, this will also boost the growth of the gamma irradiation sterilisation industry in Malaysia as the rubber gloves produced especially surgical gloves require gamma irradiation sterilisation services to ensure the gloves are completely sterile and safe for use, making it an imperative step before these products can be released for sale to the public.

(Source: Independent Market Research Report prepared by SMITH ZANDER)

9.3 Overview, prospects and future plans of the enlarged Group

The growth in rubber gloves industry in Malaysia from 2019 to 2021 was largely attributed to a surge in global demand for medical gloves arising from the outbreak of COVID-19 pandemic. Medical gloves are essential personal protective equipment, especially in healthcare, where they are integral to hygiene protocols and infection control measures globally.

Subsequently, the production volume of rubber gloves in Malaysia declined from 2021 to 2023 at a negative CAGR, primarily attributed to the normalisation of demand for rubber gloves after mass vaccination programmes worldwide reduced the severity of the pandemic, lowering the need for personal protective equipment.

On 2 April 2025, the new US administration announced “reciprocal” tariff on many trade partners, including Malaysia, which will face a 24% 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 Group further noticed continuous increase in demand of its local customers to upgrade its system and equipment in anticipation to meet the returning demand for non-China-made gloves in the US market. This is expected to improve the Group’s financial performance. On 7 July 2025, the US announced that the 90-day pause on reciprocal tariffs which were initially set to expire on 9 July 2025 will be extended until 1 August 2025. However, pursuant to an executive order signed by the US President Donald Trump on 31 July 2025, a new tariff rate of 19% on Malaysian imports became effective 7 days after the date of the order. In February 2026, the US President Donald Trump imposed a temporary 10% global tariff on foreign goods imported into the US.

On 19 June 2025, the Company had announced that they had entered into 2 share sale agreements for the proposed acquisition of 100% equity interest in Formtech Engineering (M) Sdn Bhd (“**Formtech**”) for a total purchase consideration of RM10.39 million. For information, Flexidynamic shareholders’ approval was not required for the acquisition. Given Formtech’s specialisation in the manufacturing of glove formers, the said acquisition is expected to expand the Group’s business portfolio and diversify the income streams. Complementing the positive trajectory, the Proposed Diversification (as set out in Section 2 of this Circular) into a new business segment is part of the Group’s strategy to diversify and expand into an industry with alternative growth prospects while providing an alternative source of revenue to the Group whilst continuing with its current core business. On 1 August 2025, the proposed acquisition of 100% equity interest in Formtech been completed in accordance to the terms and conditions of the share sale agreements.

The Group’s future plans for Gammatech and the Sterilisation Business are as follows:

- (a) Gammatech shall provide sterilisation services to the following customers:
 - (i) existing customers of the Group, primarily glove manufacturers which require sterilisation service for their products; and

- (ii) new customers involved in the medical, pharmaceutical and food/agricultural processing industries;
- (b) expand the sterilisation capacity at the Sterilisation Facility to accommodate future increase in demand for sterilisation services by the increase in the overall number of products/items to be sterilised; and
- (c) expand the type of products/items that can be sterilised at the Sterilisation Facility from the sterilisation of rubber gloves to other type of products such as medical devices, supplies and equipment, packaged food products and other pharmaceutical products.

The above plans are expected to be undertaken within 36 months from the commencement date of operations of the Sterilisation Facility. The costs required to undertake the Sterilisation Business is set out in Section 2.2 of Appendix I of this Circular.

For any further expansion of sterilisation capacity at the Sterilisation Facility, if required, the Group may utilise internally generated funds as well as combination of equity and debt fund such expansion, the breakdown of which cannot be determined at this juncture.

Premised on the above and as highlighted in Section 8.1 of this Circular, the Proposals are expected to contribute positively to the future earnings and cash flows of the enlarged the Group following the completion of the Proposals. Barring any unforeseen circumstances, the Group maintains a cautious optimism regarding the outlook for the financial year ending 31 December 2026.

(Source: Management of Flexidynamic)

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10. RISK FACTORS

10.1 Proposed Diversification

The Proposed Diversification will expose the Group to risks inherent in the sterilisation industry, including fluctuations in global and regional economic conditions, competition from industry players, regulatory changes, and evolving industry standards. The demand for Sterilisation Business is influenced by factors such as heightened hygiene awareness, regulatory compliance requirements, and advancements in medical and healthcare industries. Any adverse developments in these areas may impact the profitability and sustainability of the Group's venture into the Sterilisation Business. While the Group will implement prudent business strategies and cost-control measures to mitigate these risks, there is no assurance that such efforts will entirely offset the potential adverse effects on its financial performance.

As the Group's Existing Businesses do not include the Sterilisation Business, the Group may lack prior operational experience in this sector. Consequently, the Group may face challenges in managing production processes, ensuring regulatory compliance, and executing effective business strategies specific to the sterilisation industry. To mitigate this risk, the Group intends to leverage on the expertise of key management personnel with relevant industry experience. However, the success of this venture remains dependent on the ability of the management team to navigate industry-specific complexities effectively.

The gamma irradiation sterilisation industry in Malaysia is moderately competitive. Gamma irradiation sterilisation industry players generally compete in terms of amongst others, technical expertise, technology and equipment, pricing, delivery timing and processing capacity. Moreover, the barriers to entry into the gamma irradiation sterilisation industry are high as it requires high initial capital for the purchase and maintenance of equipment as well as set up of facilities, and skilled personnel who possess specialised knowledge and technical expertise in gamma irradiation sterilisation to ensure smooth operation of the business and remain competitive in the industry. The Group plans to strengthen its market position by investing in advanced sterilisation technology, enhancing operational efficiency, and maintaining cost-effective solutions. However, there is no assurance that these measures will be sufficient to compete effectively against established industry players and new market entrants.

The establishment of the Sterilisation Facility requires significant capital investment in specialised equipment, infrastructure, and technology. The Group may face risks related to equipment procurement, installation, maintenance, and technological obsolescence. Any unforeseen delays or cost overruns in setting up the Sterilisation Facility may impact the projected timelines and financial returns of the Sterilisation Business. Kindly refer to Section 7 of Appendix I for further details on the risk associated with the Sterilisation Business. Additionally, unexpected disruptions in the supply chain, increases in operational costs, or changes in market conditions may affect the Group's ability to execute its business plans as intended.

In order to mitigate these risks, the Group together with Gammatech shall be undertaking the following approaches:

- (a) employ a radiation protection officer cum operations manager and a total of 4 quality assurance personnel under the leadership of Tan Kong Leong and Abdul Rahim bin Ahmad to spearhead the Sterilisation Business to ensure that these operational risks and their possible impact can be managed effectively. The Company also plans to engage the services of international experts in the gamma sterilisation industry to provide guidance and advise on the operations and technical know-how in the Sterilisation Business to supplement its existing expertise and knowledge;
- (b) the Company has engaged a contractor to undertake the construction of the Sterilisation Facility, which is expected to minimise the cost overrun and delays in its construction and completion within the prescribed timeline. The appointed contractor has provided the defect liability period of 12 months for the Sterilisation Facility;

- (c) the Company also plans to purchase the required public liability insurance coverage to protect itself from any potential liabilities/operational issues arising from the operations of the Sterilisation Facility; and
- (d) the Company will work closely with Gammatech and other experts to ensure that all relevant permits and approvals from the regulatory authorities for the Sterilisation Facility are obtained/renewed/extended on a timely manner.

10.2 Proposed Subscription

The completion of the Proposed Subscription is subject to the successful completion of the Proposed Acquisition. Any delay, termination, or unforeseen circumstances affecting the Proposed Acquisition may impact the timing and feasibility of the Proposed Subscription. In the event that the Proposed Acquisition is not completed as planned, the Proposed Subscription may be delayed or may not materialise. Notwithstanding this, the Company will take all reasonable steps to manage any potential risks and facilitate the timely completion of the Proposed Subscription.

The Proposed Subscription is expected to be funded via proceeds from the Proposed Private Placement. Any delay or failure in securing the necessary funds may impact Company's ability to complete the Proposed Subscription as planned. Additionally, changes in the Company's financial position, market conditions, or investor sentiment may affect its funding capabilities, which could, in turn, delay or prevent the completion of the Proposed Subscription. Notwithstanding this, the Company will take all reasonable steps to manage its funding requirements and ensure the timely completion of the Proposed Subscription.

10.3 Proposed Acquisition

The Proposed Acquisition is subject to the following risk:

- (i) Delay and non-completion risk

Completion of the Proposed Acquisition is dependent on factors, which include, amongst others, receipt of necessary approvals and fulfilment of stipulated requirements within the timeframe prescribed in the SPA. Any delay, non-fulfilment, or non-compliance with these terms may result in the postponement or termination of the Proposed Acquisition.

Should there be any delay or non-completion of the SPA, the Parties shall be entitled to discuss the further extension of the Conditional Period upon terms to be mutually agreed by the Parties. Alternatively, the Parties may mutually terminate the SPA, upon which, Flexidynamic's Contribution shall be refunded in accordance with the terms of the SPA, as stipulated in Section 8 of Appendix III of this Circular.

However, the Company will take and continue to take all reasonable steps to ensure satisfaction and/or waiver of the Conditions Precedent of the SPA to ensure completion of the Proposed Acquisition.

- (ii) Market valuation of the Land

The valuation of the Land by the Independent Valuer is based on certain assumptions, which are subjective, uncertain and may differ materially from actual transactions in the market. Further, property valuations are subject to certain factors relating to the Land, such as its location, relative market position and physical condition. The market value of the Land as appraised by the Independent Valuer is not an indication of, and does not guarantee, an equivalent or greater sale price either at the present time or at any time in the future.

Nonetheless, the Land is proposed to be used for the construction of the Sterilisation Facility, which upon the commissioning, is expected to contribute positively to the Group's financial performance and in turn, improve Flexidynamic's shareholders' value.

(iii) Political, economic and regulatory risk

Any adverse developments in the political, economic, regulatory and social conditions in Malaysia of which the new businesses operate, directly or indirectly, could materially and adversely affect the Group. These risks include, amongst others, economic downturn and unfavourable changes in governmental policies such as methods of taxation, currency exchange rules or introduction of new regulations, which are generally beyond the management's control and affect all the players in the industry.

In mitigating such risks, the Company will continue to monitor and review its business strategies in response to the changes in political, economic and regulatory conditions.

10.4 Proposed Private Placement

The Proposed Private Placement involves the issuance of new Flexidynamic Shares, which may dilute the existing shareholders' equity and voting rights. The issue price of the Placement Shares will be determined based on market conditions at the time of issuance. In the event of market volatility, the Placement Shares may be issued at a discount to the prevailing market price, which could impact the Company's valuation and the investment value of existing shareholders.

The success of the Proposed Private Placement is contingent upon investor demand and market conditions. The proceeds from the Proposed Private Placement are primarily utilised for the Proposed Subscription which will be utilised to partially fund the total set up cost required for the Sterilisation Facility amounting to RM58.73 million. The amount to be assumed or guaranteed by Flexidynamic amounts to RM42.65 million (comprising bank borrowings of RM27.74 million which will be guaranteed by Flexidynamic and RM14.92 million additional financing via intercompany advances from the Flexidynamic Group). The Group expects Gammatech to start contributing to the profits of the Group in the financial year ending 2028. As at the LPD, Gammatech has yet to commence any business operations and hence, does not have any profitability track record.

If the Company is unable to attract sufficient investor interest, the Placement Shares may not be fully subscribed, affecting the total capital raised and potentially impacting the Company's funding objectives, including the Proposed Subscription.

In the event that the issue price of the Placement Shares is required to be fixed at a price lower than the Illustrative Issue Price of RM0.20 per Placement Shares or the Company is unable to procure investors to subscribe in full for the Placement Shares, the Company may not be able to raise the intended gross proceeds of RM17.98 million. Notwithstanding, the Company intends to fund the shortfall (if any) via internally generated funds and/or bank borrowings.

The completion of the Proposed Private Placement is subject to regulatory approval from the Bursa Securities. Any delay may affect the implementation of the Proposed Private Placement.

10.5 Proposed Bonus Issue of Warrants

The Proposed Bonus Issue of Warrants will allow Warrant Holders to convert their Warrants into new Flexidynamic Shares at a predetermined exercise price. If a significant number of Warrants are exercised, it may result in substantial dilution of existing shareholders' equity and voting rights, potentially affecting the market value of the Company's Shares.

The amount of funds raised from the exercise of Warrants remains uncertain, as it depends on Warrant Holders' decision to exercise their Warrants, which are influenced by the Company's future Share price performance. If the market price of the Company's Shares does not exceed the exercise price, Warrant Holders may choose not to exercise their Warrants, leading to a lower-than-expected capital inflow for the Company. This could impact the Company's ability to utilise proceeds from the Warrant exercise for its intended objectives.

11. EFFECTS OF THE PROPOSALS

For illustrative purposes, the effects of the Proposals have been illustrated based on the following parameters and scenarios:

Parameters

Illustrative issue price of Placement Shares : RM0.20 per Placement Share, representing a premium of approximately 62.73% to the 5D-VWAMP of Flexidynamic Shares up to and including the LPD of RM0.1229 per Flexidynamic Share

Illustrative Exercise Price of Warrants : RM0.20

Scenarios

Minimum Scenario : Assuming the completion of the Proposed Private Placement and none of the ESOS Options are exercised prior to the implementation of the Proposed Bonus Issue of Warrants.

Accordingly, up to 97,395,731 Warrants may be issued pursuant to the Proposed Bonus Issue of Warrants.

Maximum Scenario : Assuming the completion of the Proposed Private Placement and all the 10,179,075 outstanding ESOS Options are exercised prior to the implementation of the Proposed Bonus Issue of Warrants.

Accordingly, up to 99,940,500 Warrants may be issued pursuant to the Proposed Bonus Issue of Warrants.

11.1 Share capital

The Proposed Diversification, Proposed Subscription and Proposed Acquisition will not have any effect on the issued share capital of Flexidynamic as the said proposals do not involve any issuance of new Shares.

For illustrative purposes, the pro forma effects of the Proposed Private Placement and Proposed Bonus Issue of Warrants on the issued share capital of Flexidynamic as at the LPD are as follows:

Minimum Scenario

	No. of Shares	RM'000
Issued share capital as at the LPD	299,679,925	37,739
To be issued pursuant to the Proposed Private Placement	89,903,000	17,711
	<hr/>	<hr/>
	389,582,925	55,450
Assuming full exercise of Warrants	97,395,731	19,479
Enlarged share capital	486,978,656	74,929

Maximum Scenario

	No. of Shares	RM'000
Issued share capital as at the LPD	299,679,925	37,739
To be issued pursuant to the Proposed Private Placement	89,903,000	17,711
	<hr/>	<hr/>
	389,582,925	55,450
Assuming all outstanding ESOS Options are exercised	10,179,075	4,375
	<hr/>	<hr/>
	399,762,000	59,825
Assuming full exercise of Warrants	99,940,500	19,988
Enlarged share capital	499,702,500	79,813

11.2 NA, NA per share and gearing

The Proposed Diversification and Proposed Subscription is not expected to have any immediate material effect on the NA and gearing of the Group. However, the future NA and/or gearing of the Group will depend on amongst others, the manner of funding for the Sterilisation Business and construction of Sterilisation Facility, as well as the future profit contribution arising from the Sterilisation Business.

For illustration purposes, the pro forma effects of the Proposed Acquisition, Proposed Private Placement and Proposed Bonus Issue of Warrants on the NA, NA per share and gearing of the Group based on the latest audited consolidated financial statement of Flexidynamic for FYE 31 December 2024 are as follows:

Minimum Scenario

	(I)	(II)
	(1)After Proposed Acquisition and Proposed Private Placement	(2)After (I) and assuming full exercise of Warrants
Audited as at FYE 31 December 2024	RM'000	RM'000
Share capital	37,739	74,929
Merger deficit	(20,431)	(20,431)
Capital reserve	631	631
Share-based payment reserve	1,525	1,525
Foreign exchange reserve	5	5
Retained earnings	22,342	21,612
NA	41,811	78,271
Non-controlling interests	213	15,663
Total equity	42,024	93,934
No. of Shares ('000)	299,680	486,979
NA per Share (RM)	0.14	0.16
Borrowings (including lease liabilities) (RM'000)	15,726	43,461
Gearing ratio (times)	0.37	0.58

Maximum Scenario

Audited as at FYE 31 December 2024	(I) After Proposed Acquisition and Proposed Private Placement			(II) After (I) and assuming exercise of all outstanding ESOS Options			(III) After (II) and assuming full exercise of Warrants		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Share capital	37,739	55,450	59,825	79,813					
Merger deficit	(20,431)	(20,431)	(20,431)	(20,431)					
Capital reserve	631	631	631	631					
Share-based payment reserve	1,525	1,525	-	-					
Foreign exchange reserve	5	5	5	5					
Retained earnings	22,342	21,612	21,612	21,612					
NA	41,811	58,792	61,642	81,630					
Non-controlling interests	213	15,663	15,663	15,663					
Total equity	42,024	74,455	77,305	97,293					
No. of Shares ('000)	299,680	389,583	399,762	499,703					
NA per Share (RM)	0.14	0.15	0.15	0.16					
Borrowings (including lease liabilities) (RM'000)	15,726	43,461	43,461	43,461					
Gearing ratio (times)	0.37	0.58	0.56	0.45					

Notes:

(1) Based on the Illustrative Issue Price for the Placement Shares of RM0.20.

(2) Based on illustrative exercise price of the Warrants of RM0.20.

11.3 Earnings and EPS

Barring unforeseen circumstances, the actual impact of the Proposals on the consolidated earnings and EPS of the Group moving forward will depend on, among others, the market and industry conditions. The EPS of the Group may however be proportionately diluted as a result of the increase in the number of Shares after the Proposed Private Placement and exercise of Warrants arising from the Proposed Bonus Issue of Warrants, as illustrated below:

Minimum Scenario

	(I)	(II)
	(1) After Proposed Private Placement	(2) After (I) and assuming full exercise of Warrants
	RM'000	RM'000
Audited as at FYE 31 December 2024		
Profit after taxation (RM'000)	1,313	1,313
No. of Shares ('000)	389,583	486,979
EPS (sen)	0.34	0.27

Maximum Scenario

	(I)	(II)	(III)
	(1) After Proposed Private Placement	After (I) and assuming exercise of all outstanding ESOS Options	(2) After (II) and assuming full exercise of Warrants
	RM'000	RM'000	RM'000
Audited as at FYE 31 December 2024			
Profit after taxation (RM'000)	1,313	1,313	1,313
No. of Shares ('000)	389,583	399,762	499,703
EPS (sen)	0.34	0.33	0.26

Notes:

(1) Based on the Illustrative Issue Price for the Placement Shares of RM0.20.

(2) Based on illustrative exercise price of the Warrants of RM0.20.

Nevertheless, the Proposals are expected to be earnings accretive and contribute positively to the future earnings of the Group when the benefits of the utilisation of proceeds from the Proposals are realised.

Notes:

- (1) Based on 299,679,925 Shares in issue as at the LPD.
- (2) Based on 389,582,925 Shares after the Proposed Private Placement.
- (3) Based on 486,978,656 Shares assuming full exercise of 97,395,731 Warrants.
- (4) Deemed interest via spouse's shareholdings and his shareholding in TECS Properties Sdn Bhd pursuant to Section 8 of the Act.
- (5) Deemed interest via spouse's shareholdings in the Company.
- (6) Deemed interest via spouse's direct and indirect shareholdings in the Company.

Maximum Scenario

Substantial shareholders	As at the LPD				(I)				(II)			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%	No. of Shares	(3)%	No. of Shares	(3)%
Tan Kong Leong	107,892,900	36.00	(4)9,198,100	3.07	107,892,900	26.99	(4)9,198,100	2.30	107,892,900	26.99	(4)9,198,100	2.30
Liew Heng Wei	53,208,300	17.76	(5)130,000	0.04	53,208,300	13.31	(5)2,500,000	0.63	53,208,300	13.31	(5)2,500,000	0.63
Pritchaya Arsangku	6,259,800	2.09	(6)110,831,200	36.98	6,259,800	1.57	(6)110,831,200	27.72	6,259,800	1.57	(6)110,831,200	27.72
Lion Suk Chin	130,000	0.04	(5)53,208,300	17.76	2,500,000	0.63	(5)53,208,300	13.31	2,500,000	0.63	(5)53,208,300	13.31

Substantial shareholders	(III) After (II) and assuming exercise of all outstanding ESOS Options			(IV) After (III) and assuming full exercise of Warrants				
	Direct		Indirect	Direct		Indirect		
	No. of Shares	(2)%	No. of Shares	(2)%	No. of Shares	(3)%		
Tan Kong Leong	107,892,900	26.99	(4)9,198,100	2.30	134,866,125	26.99	(4)11,497,625	2.30
Liew Heng Wei	53,208,300	13.31	(5)2,500,000	0.63	66,510,375	13.31	(5)3,125,000	0.63
Phitchaya Arsangku	6,259,800	1.57	(6)110,831,200	27.72	7,824,750	1.57	(6)138,539,000	27.72
Lion Suk Chin	2,500,000	0.63	(5)53,208,300	13.31	3,125,000	0.63	(5)66,510,375	13.31

Notes:

- (1) Based on 299,679,925 Shares in issue as at the LPD.
- (2) Based on 399,762,000 Shares after the Proposed Private Placement and assuming full exercise of outstanding ESOS Options.
- (3) Based on 499,702,500 Shares assuming full exercise of 99,940,500 Warrants.
- (4) Deemed interest via spouse's shareholdings and his shareholding in TECS Properties Sdn Bhd pursuant to Section 8 of the Act.
- (5) Deemed interest via spouse's shareholdings in the Company.
- (6) Deemed interest via spouse's direct and indirect shareholdings in the Company.

11.5 Convertible securities

Save for the 10,179,075 outstanding ESOS Options, the Company does not have any convertible securities in issue as at the LPD.

The Proposed Bonus Issue of Warrants will give rise to adjustments to the exercise price of the ESOS Options. Such adjustments will be made in accordance with the terms of the By-Laws which governed the ESOS to reflect any potential equity dilution resulting from the Proposed Bonus Issue of Warrants and to ensure that the status of the existing holders of the ESOS Options are not prejudiced after the Proposed Bonus Issue of Warrants.

The necessary adjustments to the exercise price of the ESOS Options shall be set out in a notice of adjustments to the relevant holders of the ESOS Options, which shall be despatched within the stipulated period as provided in the By-Laws.

12. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of Flexidynamic Shares traded on Bursa Securities for the past 12 months are as follows:

	<u>High</u> <u>RM</u>	<u>Low</u> <u>RM</u>
2025		
March	0.1750	0.1350
April	0.1850	0.1450
May	0.1750	0.1500
June	0.1700	0.1500
July	0.1700	0.1450
August	0.1650	0.1100
September	0.1600	0.1250
October	0.1600	0.1300
November	0.1500	0.0500
December	0.1050	0.1300
2026		
January	0.1300	0.105
February	0.1300	0.115
Last transacted market price on 11 July 2025, being the last trading day immediately prior to the date of the announcement of the Proposals		0.1650
Last transacted market price on the LPD		0.1300

(Source: Bloomberg)

13. APPROVALS REQUIRED

The Proposals are subject to the following approvals being obtained from:

- (i) Bursa Securities for the following:
 - (a) listing and quotation of up to 89,903,000 Placement Shares to be issued pursuant to the Proposed Private Placement;
 - (b) the admission to the Official List and listing and quotation of up to 99,940,500 Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants; and

- (c) the listing and quotation of up to 99,940,500 new Flexidynamic Shares to be issued pursuant to the exercise of the Warrants.

The approval of Bursa Securities for the above was obtained vide its letter dated 12 February 2026.

The approval granted by Bursa Securities for the Proposed Private Placement and Proposed Bonus Issue of Warrants is subject to the following conditions:

No.	Conditions	Status of compliance
1.	Flexidynamic and Malacca Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Private Placement and Proposed Bonus Issue of Warrants.	To be complied
2.	Flexidynamic to furnish Bursa Securities with a certified true copy of the resolutions passed by the shareholders in a general meeting approving the Proposals.	To be complied
3.	Flexidynamic and Malacca Securities to inform Bursa Securities upon the completion of Proposed Private Placement and Proposed Bonus Issue of Warrants.	To be complied
4.	Flexidynamic to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Private Placement and Proposed Bonus Issue of Warrants are completed.	To be complied
5.	Flexidynamic to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

- (ii) the approvals of the shareholders of the Company for the Proposals at the forthcoming EGM.

- (iii) the approval of any other relevant authorities and/ or parties, if any.

The Proposed Diversification, Proposed Subscription, Proposed Acquisition and Proposed Private Placement are inter-conditional. The Proposed Bonus Issue of Warrants is not conditional upon other components of the Proposals. The Proposed Private Placement and Proposed Bonus Issue of Warrants are not inter-conditional. However, the Company intends to implement the Proposed Private Placement before the Proposed Bonus Issue of Warrants.

The Proposals are not conditional upon any other corporate proposal/scheme undertaken or to be undertaken by the Company.

14. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED

The Proposed Acquisition (as well as the Proposed Diversification, Proposed Subscription and Proposed Private Placement which are inter-conditional with the Proposed Acquisition) shall be deemed a related party transaction pursuant to Rule 10.08 of the Listing Requirements, as it involves the interests of Lim You Sheng and Lim Jing Jie, both of whom are directors and shareholders of Gammatech and Eco Santec as well as directors of H&A. Neither Lim You Sheng nor Lim Jing Jie holds any direct or indirect interest in the Company.

As set out in Rule 10.08(9) of the Listing Requirements, where any one of the percentage ratios of a related party transaction entered into between a subsidiary of a listed corporation and another person, is 5% or more and there are no other interested relationships except for a related party having an interest in the transaction who is:

- (a) a director or major shareholder of such subsidiary or the holding company of such subsidiary (other than the listed corporation or the holding company of the listed corporation) (“**said director**” or “**said major shareholder**”); or
- (b) a person connected with the said director or said major shareholder;

the listed corporation is exempted from:

- (i) appointing an independent adviser or engaging the services of a Sponsor or Adviser;
- (ii) issuing a circular to shareholders; and
- (iii) obtaining shareholder approval of the transaction in general meeting,

provided that the board of directors of the listed corporation:

- (aa) approves the transaction before the terms of transaction are agreed upon; and
- (bb) ensures that the transaction is fair and reasonable to the listed corporation, and is in the best interests of the listed corporation.

In relation to Rule 10.08(9) of the Listing Requirements, there are no other interested relationships except for Lim You Sheng and Lim Jing Jie, being related parties having an interest in the Proposed Acquisition and they are directors and/or indirect shareholders of Gammatech. Neither Lim You Sheng nor Lim Jing Jie holds any direct or indirect interest in the Company.

As such, the Company is exempted from appointing an independent adviser for the related party transaction pursuant to Rule 10.08(9) of the Listing Requirements as the Board of Directors of Flexidynamic had on 20 November 2024 approved the Proposed Acquisition before the terms of the Proposed Acquisition are agreed upon. Further, the Board has ensured that the Proposed Acquisition is fair and reasonable to Flexidynamic and is in the best interests of the Flexidynamic Group. As the highest percentage ratio resulting from the Proposed Acquisition exceeds 25%, the Proposed Acquisition is subject to the approval of the shareholders of the Company pursuant to Rule 10.07 of the Listing Requirements.

Save as disclosed above and save for their respective entitlements as shareholders of Flexidynamic for the Proposed Bonus Issue of Warrants (the rights of which are also available to all other shareholders of Flexidynamic on a pro-rata basis), none of the directors, major shareholder and chief executive of the Company and/or persons connected with them has any interests, direct and/or indirect, in the Proposals.

The shareholdings of Lim You Sheng and Lim Jing Jie in the respective companies as at the LPD are as follows:

Name	Flexidynamic				Gammatech			
	Direct		Indirect		Direct		Indirect	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
Lim You Sheng	-	-	-	-	-	-	⁽¹⁾ 1,000,000	49.0
Lim Jing Jie	-	-	-	-	-	-	-	-

Name	Eco Santec				H&A			
	Direct		Indirect		Direct		Indirect	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
Lim You Sheng	92	92.0	-	-	-	-	⁽²⁾ 100	100.0
Lim Jing Jie	8	8.0	-	-	-	-	-	-

Notes:

- (1) Deemed interest by virtue of his interest in Eco Santec and H&A.
(2) Deemed interest by virtue of his interest in Eco Santec.

15. HIGHEST PERCENTAGE RATIO APPLICABLE

The highest percentage ratio applicable to the Proposed Subscription and Proposed Acquisition pursuant to Rules 10.02(g) and 10.12 of the Listing Requirements is 176.53%, which had been computed based on the aggregate value of consideration given of RM74.18 million (as further set out below) over the audited NA of the Flexidynamic Group as at 31 December 2024 of RM42.02 million, pursuant to Rule 10.02(g)(iii) of the Listing Requirements. As such, the Proposed Subscription and Proposed Acquisition are collectively deemed a “very substantial transaction” pursuant to Rule 10.02(l) of the Listing Requirements.

The aggregate value of consideration has been computed as follows:

	RM'000
(i) Cash consideration under the Proposed Subscription ⁽¹⁾	16,080
(ii) Purchase consideration under the Proposed Acquisition ⁽²⁾	15,450
(iii) Guarantees to be provided for bank borrowings (including hire purchase)	27,735
(iv) Intercompany advances	14,919
	74,184

Notes:

(1) Proposed Subscription

The highest percentage ratio applicable to the Proposed Subscription pursuant to Rule 10.02(g) of the Listing Requirements is 38.27%, calculated based on the subscription consideration of RM16.08 million over the audited NA of the Flexidynamic Group as at 31 December 2024 of RM42.02 million.

(2) Proposed Acquisition

The highest percentage ratio applicable to the Proposed Acquisition pursuant to Rule 10.02(g) of the Listing Requirements is 36.76%, calculated based on the value of the Land of RM15.45 million over the audited NA of the Flexidynamic Group as at 31

December 2024 of RM42.02 million and Purchase Consideration of RM15.45 million over the audited NA of the Flexidynamic Group as at 31 December 2024 of RM42.02 million.

16. AUDIT AND RISK MANAGEMENT COMMITTEE’S STATEMENT

The Audit and Risk Management Committee of the Company, having considered the rationale for the Proposed Acquisition (as well as the Proposed Diversification, Proposed Subscription and Proposed Private Placement which are inter-conditional with the Proposed Acquisition) (as set out in Section 8 of this Circular), is of the opinion that the Proposed Acquisition, Proposed Diversification, Proposed Subscription and Proposed Private Placement are in the best interest of the Group, and that the Proposed Acquisition, Proposed Diversification, Proposed Subscription and Proposed Private Placement are fair, reasonable and on normal commercial terms and not detrimental to the minority shareholders of the Company.

17. DIRECTORS’ STATEMENT AND RECOMMENDATION

The Board, having considered the terms and conditions, rationale and all aspects of the Proposals, is of the opinion that the Proposals are in the best interest of Flexidynamic and that the Proposals are fair, reasonable and on normal commercial terms and not detrimental to the minority shareholders of the Company.

Accordingly, the Board recommends that shareholders of the Company vote in favour of the ordinary resolutions pertaining to the Proposals to be tabled at the forthcoming EGM of the Company.

18. AMOUNT TRANSACTED WITH THE SAME RELATED PARTY FOR THE PRECEDING 12 MONTHS

There were no transactions entered into between the Group and Eco Santec Group, Lim You Sheng or Lim Jing Jie for the 12 months preceding the date of this Circular.

19. ESTIMATED TIMEFRAME FOR COMPLETION/IMPLEMENTATION

The tentative timetable for the Proposals is as follows:

Tentative timeline	Key milestones
Second quarter of 2026	<ul style="list-style-type: none"> • EGM to approve the Proposals
Third quarter of 2026	<ul style="list-style-type: none"> • Listing and quotation of the Placement Shares and completion of the Proposed Private Placement • Fulfilment of all the conditions precedent for the SPA • Completion of the Proposed Subscription and Acquisition • Effective date of the Proposed Diversification
Fourth quarter of 2026	<ul style="list-style-type: none"> • Announcement of the Entitlement Date for the Proposed Bonus Issue of Warrants • Admission of the Warrants to the Official List and the listing and quotation of the Warrants on the ACE Market of Bursa Securities • Completion of the Proposed Bonus Issue of Warrants

20. PROPOSALS ANNOUNCED BUT PENDING COMPLETION

There are no other outstanding corporate exercises, which have been announced but not yet to be completed as at the LPD.

21. EGM

The EGM, the notice of which is set out in this Circular, will be held at Seminar Room 1, Kelab Golf Negara Subang, Jalan SS 7/2, Kelana Jaya, 47301 Petaling Jaya, Selangor on Wednesday, 8 April 2026 at 10:30 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications, the resolutions to give effect to the Proposals.

If you are unable to attend and vote in person at the EGM, you may complete, sign and return the Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive at the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, electronic lodgement via Vistra Share Registry and IPO (MY) portal at <https:srmy.vistra.com>, not less than 48 hours before the time set for convening the EGM or at any adjournment thereof.

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

22. FURTHER INFORMATION

You are advised to refer to the appendices sets out in this circular for further information.

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

TAN KONG LEONG
Managing Director

APPENDIX I – THE STERILISATION BUSINESS

1. INTRODUCTION

The Sterilisation Business involves the construction of the Sterilisation Facility on the Land. The Sterilisation Facility will undertake gamma irradiation sterilisation operations by exposing products to gamma radiation in order to achieve sterilisation. Gamma irradiation sterilisation process involves exposing materials or products to high-energy electromagnetic gamma rays emitted from the radioactive decay of isotopes such as Cobalt-60. These gamma rays are highly penetrative and can sterilise materials or products without direct contact.

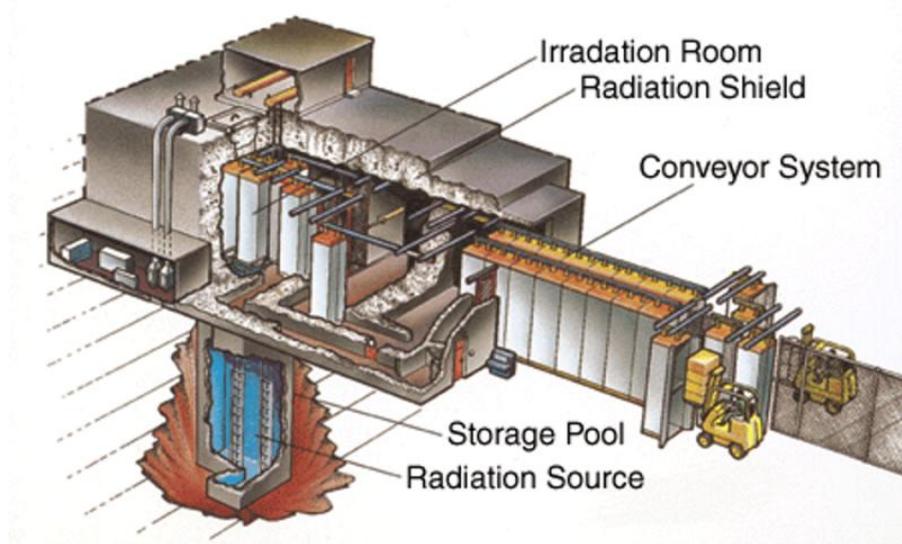
Gamma rays can kill microorganisms or prevent them from reproducing, thus sterilising or disinfecting the target products (e.g. medical gloves, medical equipment, food or other products). The gamma irradiation sterilisation process is widely used in the medical, pharmaceutical and food/agriculture processing industry.

At the completion of the gamma irradiation sterilisation process, the irradiated material or product will be sterile and safe for medical use and/or consumption.

2. DETAILS OF THE STERILISATION BUSINESS

2.1 Sterilisation Facility

A graphical illustration of the Sterilisation Facility is set out below:



Sterilisation Facility

The details of the key components of the Sterilisation Facility are as follows:

Components	Descriptions
Irradiation room	The irradiation room houses the gamma irradiator, which emits controlled doses of gamma rays from a Cobalt-60 source to sterilise products. Products are placed in aluminium tote bins on conveyor belts for easy movement in and out. The chamber is equipped with safety features like temperature sensors, earthquake detectors, smoke detectors, and timers. The Sterilisation Facility will use cell-type irradiators, in which Cobalt-60 is housed in a storage pool and products are irradiated in shielded containers. Processing time depends on the required dose, product density, and Cobalt-60 activity level.

APPENDIX I – THE STERILISATION BUSINESS

Components	Descriptions
Radiation shield	<p>Gamma irradiators are designed with thick radiation shield, typically made of lead or concrete, to prevent gamma rays from escaping and harming operators or the environment. The Sterilisation Facility will have up to 2.1-metre thickness reinforced concrete walls, meeting International Atomic Energy Agency and the United States Nuclear Regulatory Commission safety standards. The radiation shield will have a density of >0.23 g/cc.</p>
Conveyor system	<p>An automated roller conveyor system is used to transfer products into the irradiation room, where the gamma irradiator is located, to undergo the gamma irradiation sterilisation process. This system ensures a continuous and controlled flow of products to be irradiated. The chamber typically has racks or conveyor belts to hold and move products into position for exposure to the radiation.</p>
Storage pool	<p>A 25 feet underground water-filled storage pool used to securely store radioactive Cobalt-60 source when not in use. When the Sterilisation Facility is not in operation, the Cobalt-60 source is lowered into the water-filled storage pool.</p> <p>The water in the storage pool is continuously circulated and chilled to remove heat generated by the Cobalt-60.</p>
Radiation source	<p>The radiation source is Cobalt-60, which will be held by 2 source racks, each consisting of a flat vertical frame that holds modules containing the Cobalt-60. Source racks are devices or systems that hold and position radiation sources for sterilisation. These source racks are stored in a water-filled storage pool when not in use, and are raised and lowered by pneumatic hoists.</p> <p>The operating mechanism for raising and lowering each source rack comprises pneumatic hoist mounted on the floor with stainless steel cables passing through the roof to connect the hoist to the source rack.</p>
Safety and control systems	<p>The Sterilisation Facility will also be equipped with the following safety and control systems:</p> <ul style="list-style-type: none">(a) A testing loop that allows testing of irradiated samples while the irradiator is in routine operation, without interfering with the product throughput;(b) Exhaust fans which are used to remove any ozone released during operation and are designed to shut down in the event of a fire/hazard. This shutdown limits oxygen flow into the radiation chamber, reducing the risk of fire spreading throughout the Sterilisation Facility;(c) Computerised control systems that regulate the exposure time, intensity of radiation, and movement of products inside the chamber;(d) Control system hardware, such as the irradiator control system, operational modes, video displays, radiation monitoring and detection systems as well as related hardware/software systems;(e) Automatic or manual product handling stations which are located at either end of the conveyor system for loading and unloading product on or off the conveyor;

APPENDIX I – THE STERILISATION BUSINESS

Components	Descriptions
	(f) Laboratory for testing the sterility of the products after gamma irradiation. This includes microbiological labs where sterility tests are conducted. These laboratories are also equipped with sterility testing kits, which are equipments used to test the effectiveness of the sterilisation process, ensuring that no viable microorganisms remain on the sterilised products.

The Sterilisation Facility has a built-up area of 46,522 sq. ft. with a maximum loading capacity of 4,000,000 curies.

Details	Size (sq. ft.)
Ground floor:	
(a) Sterilisation and non-sterilisation facilities	11,646
(b) Office space together with guardhouse, electrical substation, refuse chambers, water pump rooms and loading bays	29,741
Second floor comprising office space	5,135
Total built-up area	46,522

2.2 Set up cost for the Sterilisation Facility

The estimated total set up cost for the Sterilisation Facility is as follows:

Expenditures	RM'000	%
(a) Capital expenditure	54,642	93.03
(b) Operating expenditure	4,092	6.97
Total	58,734	100.00

Kindly refer to Section 2 of this Circular for the breakdown of proposed funding of the set up cost for the Sterilisation Facility.

The details of the expected capital expenditure and operating expenditure of the Sterilisation Business are as follows:

(a) Capital expenditure

No.	Purposes	RM'000
(i)	Purchase of Cobalt-60 radioactive source ⁽¹⁾	17,440
(ii)	Construction of Sterilisation Facility ⁽²⁾	28,193
(iii)	Purchase of equipment and machineries for installation at the Sterilisation Facility ⁽³⁾	8,000
(iv)	Auxiliary equipment and contingencies ⁽⁴⁾	1,009
	Total	54,642

APPENDIX I – THE STERILISATION BUSINESS

Notes:

(1) The Group shall purchase Cobalt-60 from established suppliers based in China and/or Canada. The purchase of Cobalt-60 is subject to approvals to be received from the AELB and relevant regulatory authorities in Malaysia, including but not limited to the Ministry of Investment, Trade and Industry and Royal Malaysian Customs Department, for the importation and handling of Cobalt-60. The Group shall utilise RM17.44 million for the purchase of Cobalt-60 in the initial commissioning phase to achieve the cumulative radioactive activity of 1,000,000 Curies*. The Group further plans to progressively increase the capacity of the Sterilisation Business by utilising additional debt financing of approximately RM12.14 million in 2027 onwards for the purchase of additional Cobalt-60, which will enable the Sterilisation Facility to achieve radioactive activity of up to 3,500,000 Curies.

* The term "Curie" (Ci) is a unit of measurement used to express the activity of a radioactive substance, specifically the amount of radioactive decay occurring in the substance per second.

(2) Gammatech had on 22 November 2024 issued a letter of award to a building contractor to undertake the construction works of the Sterilisation Facility for the total contract sum of RM28.19 million. As at the LPD, Gammatech has commenced clearing works on the Land as well as land preparation works to commence piling and earthworks, which are expected to be completed by the first quarter of 2026.

(3) On 27 September 2021, Gammatech had entered into a sale and purchase agreement with a foreign supplier to purchase 1 unit of gamma irradiator sterilisation system for approximately RM8.00 million.

(4) Includes auxiliary equipment such as dosimetry system, water de-ionisation system, and product handling equipment such as forklifts and contingencies.

(b) Operating expenditure

The operating expenditure represents the estimated expenses to be incurred by the Sterilisation Business for a period of 1 year and is thus expected to be utilised within 1 year after the completion of the construction of Sterilisation Facility, the breakdown of which is set out below:

No.	Purposes	RM'000
(i)	Salaries and emoluments	2,781
(ii)	Fixed operational and office overheads	462
(iii)	Equipment and machineries maintenance	144
(iv)	Insurances coverage	101
(v)	Licensing, permit and regulatory fees	263
(vi)	Utilities	156
(vii)	Others	185
	Total	4,092

Save for the capital expenditure to be incurred by Flexidynamic for the construction of the Sterilisation Facility and purchase of related sterilisation system/ancillary equipment, there are no other material additional financial commitment expected to be incurred by the Group. In addition, save for the corporate guarantee for bank borrowings (if required), there are no liabilities, including contingent liabilities and guarantees to be assumed by the Group, to construct the Sterilisation Facility.

APPENDIX I – THE STERILISATION BUSINESS

2.3 Construction Timeline

Gammatech had commenced the construction of the Sterilisation Facility in 3rd quarter of 2025 and expects to complete the said construction by end December 2026.

The construction timeline is set out below:

Timeframe	Milestones
September 2025	<ul style="list-style-type: none">• Commencement of construction works
Fourth quarter of 2026	<ul style="list-style-type: none">• Completion of construction works for Sterilisation Facility Application made to the authorities for the commercial operations of the Sterilisation Facility, which shall include the (i) Department of Environment, (ii) Department of Irrigation and Drainage, (iii) Kuala Langat Municipal Council, (iv) Fire and Rescue Department of Malaysia, and (v) AELB (for both operation of the Sterilisation Facility and importation of Cobalt-60)
First quarter of 2027	<ul style="list-style-type: none">• Inspection and testing works of the Sterilisation Facility to be performed by the AELB• Obtain operating licence from AELB• Application made to obtain certifications for the Sterilisation Facility• Commencement of operations of the Sterilisation Facility

2.4 Capacity

Upon completion of the construction of the Sterilisation Facility, the Group shall commence the operations of the Sterilisation Business by operating at the initial loading capacity of up to 1,000,000 Curies⁽¹⁾, which will enable the Sterilisation Facility to process up to 109,222 tote bins (being the containers whereby the materials are sterilised in) over 10 years. As the activity at the Sterilisation Facility picks up, the Group intends to progressively purchase additional Cobalt-60 (to be funded via additional debt financing of up to approximately RM12.14 million) (in 2027 onwards) to increase the Sterilisation Facility's loading capacity to 3,500,000 curies. For information, The Sterilisation Facility can be operated at the maximum loading capacity of 4,000,000 curies, which will enable the Sterilisation Facility to process up to 436,888 tote bins.

Note:

⁽¹⁾ The term "Curie" (Ci) is a unit of measurement used to express the activity of a radioactive substance, specifically the amount of radioactive decay occurring in the substance per second.

APPENDIX I – THE STERILISATION BUSINESS

3. PROCESS FLOW

The process flow for the Sterilisation Business is set out below:

Steps	Process	Details
1.	Quotation to customers	Price quotations are provided to potential customers for the provision of sterilisation services. The target customer group includes glove manufacturers and customers involved in the medical, pharmaceutical and food/agricultural processing industries.
2.	Confirmation of order and receipt of products	Once our customer accepts our price quote, we will schedule the receipt of products to be sterilised from them. Our customers are responsible for the delivery of their products to our Sterilisation Facility. Upon receipt of products to be sterilised, an inspection is carried out to verify the correct type, quantity, condition and integrity of the products received. This is also to verify the dimensions, product density, dosage requirements and identify the loading configuration of the products received. Thereafter, the products shall be assigned with a tracking code and be labelled.
3.	Placement and loading	Products to be sterilised are placed in aluminium tote bins in the non-irradiated storage area. They are then arranged in specific loading pattern. Thereafter, these aluminium tote bins are placed within the radiation chamber via the automated roller conveyor system to ensure that the products inside receive uniform radiation exposure.



Aluminium tote bins

4.	Gamma irradiation sterilisation process	Gamma radiation is emitted from the Cobalt-60, radiation source which penetrates the packaging materials to reach the products inside. The duration of irradiation varies depending on factors such as the desired level of sterilisation, level of Cobalt-60 radioactive activity remaining, and type of product being sterilised.
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Throughout the gamma irradiation process, radiation levels are monitored to ensure that the prescribed dose is delivered uniformly to all parts of the product. Automated systems and sensors will be used to control the operation of the irradiation sterilisation facility and maintain safety standards.

Radiation dosimeters (radiation-measuring devices) are placed on tote bins or containers before exposure to the gamma radiation source. They are used to monitor the dose and ensure the products receive the correct dosage of radiation, as the sterilisation or disinfection effect depends heavily on the dose exposed.

APPENDIX I – THE STERILISATION BUSINESS

Steps	Process	Details
5.	Post-irradiation handling	<p>After the gamma irradiation sterilisation process is completed, the products are transferred from the radiation chamber to the sterilised product storage area.</p> <p>Comprehensive documentation is maintained throughout the irradiation process, including records of dosimetry measurements, radiation parameters and quality assurance procedures. Certificates of irradiation may be provided to confirm that the products have undergone appropriate sterilisation treatment. Our customers are responsible to collect the sterilised product from our Sterilisation Facility.</p>

The target lead time between order confirmation and transfer of sterilised product to the storage area is between 3 to 4 days.

4. TARGET CUSTOMERS

Gammatech shall provide sterilisation services to the following customers:

- (a) existing customers of the Group, primarily glove manufacturers which require add-on services from sterilisation service providers like Gammatech; and
- (b) new customers involved in the medical, pharmaceutical and food/agricultural processing industries.

Moving forward, Gammatech proposes to undertake sales and marketing activities, such as participating in various conferences, networking sessions, trade fairs/events and other online marketing strategies to promote its sterilisation services.

5. APPLICABLE REGULATIONS AND APPROVALS OBTAINED

In Malaysia, the gamma irradiation sterilisation industry is subject to strict regulatory oversight to ensure public safety, worker protection, and environmental security. The Atomic Energy Licensing Act 1984 (“**AELA 1984**”), which provides for the regulation and control of atomic energy and related activities, serves as the principal legislation governing this sector. The AELB, established under AELA 1984, is the regulatory authority responsible for administering, regulating, and upholding compliance with AELA 1984. Any individual or entity intending to construct a Sterilisation Facility or to provide gamma irradiation and related services must obtain the requisite licence issued under AELA 1984.

As at the LPD, Gammatech has obtained the following:

- (i) a Class A Licence from the AELB, issued on 8 November 2022;
- (ii) planning permission from the Majlis Perbandaran Kuala Langat (“**MPKL**”), issued on 23 October 2023 and subsequently extended for the period between 23 October 2024 to 22 October 2025, via MPKL’s letter dated 30 May 2025 (“**Extended Planning Permission**”); and
- (iii) approvals from the Jabatan Pengairan dan Saliran Daerah Kuala Langat dated 31 January 2023, and the Jabatan Bomba dan Penyelamat Malaysia dated 5 September 2023 respectively.

Approvals stated in item (i) and (iii) shall remain valid and subsisting until fully satisfied in accordance with their respective terms and conditions stipulated.

APPENDIX I – THE STERILISATION BUSINESS

Pursuant to the Extended Planning Permission stated in item (ii), Gammatech has commenced construction of the Sterilisation Facility on the Land. Having advanced to the construction stage, the conditions of the Extended Planning Permission is deemed complied with by Gammatech, and will not lapse.

In addition to the above, the Gammatech intends to obtain the following certifications/for its Sterilisation Business within 24 months from the date of commercial operations of the Sterilisation Facility (which is expected to commence commercial operations in the first half of 2027):

- (a) ISO 13485:2016, which is an internationally recognised standard for quality management systems (“**QMS**”) specifically designed for medical device manufacturers. It outlines the requirements for the QMS that ensures the design, development, production, and post-production activities of medical devices meet regulatory and customer requirements. This standard applies to all organisations involved in the lifecycle of a medical device, including suppliers and external parties that provide services like sterilisation or testing.
- (b) ISO 14971:2019, which is an international standard that provides a framework for the application of risk management to medical devices. The standard is specifically designed to help manufacturers identify, evaluate, and mitigate risks associated with their medical devices throughout the entire lifecycle, from design and development to post-market surveillance. ISO 14971:2019 integrates closely with ISO 13485 (QMS for medical devices), as both focuses on ensuring the safety and effectiveness of medical devices through structured processes.
- (c) ISO 11137:2012, which is an international standard for the sterilisation of health care products, specifically focusing on irradiation sterilisation. The standard provides guidance for the sterilisation of medical devices, pharmaceutical products, and other healthcare items using ionising radiation, such as gamma radiation, electron beams (e-beam), or X-rays. The primary goal of ISO 11137:2012 is to ensure that products intended for medical use are sterilised in a way that guarantees their safety and efficacy without compromising their quality.

6. KEY PERSONNEL AND EMPLOYEES

6.1 Key Personnel

The Sterilisation Business will be spearheaded by Tan Kong Leong, the Managing Director of Flexidynamic as well as Abdul Halim bin Ahmad, the Technical Director of Gammatech. Their profiles are as follows:

(a) Tan Kong Leong

Tan Kong Leong, a Malaysian, age 51, is the Managing Director of Flexidynamic. He is responsible for determining the strategic direction and growth of the Group, as well as overseeing the overall business development of the Group. He was appointed to our Board on 9 June 2020.

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. 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. 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 Sdn Bhd in November 2012 and has been the Managing Director of Flexidynamic Engineering Sdn Bhd 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.

(b) Abdul Halim bin Ahmad

Abdul Halim bin Ahmad, a Malaysian, age 62, is the Technical Director of Gammatech. He is also the *Orang Bertanggungjawab Terhadap Lesen* (“**OBTL**”) for the Sterilisation Facility since July 2021. He is responsible for overseeing the overall operations of the Sterilisation Facility as well as business development activities of the Sterilisation Business. Over the years, Abdul Halim bin Ahmad has accumulated vast operational and corporate management experiences of various gamma irradiation facilities in Malaysia.

In 1984, upon obtaining his Mechanical Production Engineering Certificate majoring in Industrial Engineering from Ungku Omar Polytechnic in Ipoh, Perak, he worked as a Technical Assistant of Engineering and Quality Control with Pernas NEC Sdn Bhd, where he was mainly involved in overseeing the quality control functions of the telecommunication devices installed by Pernas NEC Sdn Bhd.

In August 1988, he joined the Joint Malaysian Nuclear Energy Unit (now known as the Malaysian Nuclear Agency) as a Junior Research Officer, where he was involved in overseeing the construction, commissioning, operation and upgrading of the agency's gamma irradiation facilities in Bangi, Selangor.

In June 1992, he joined Uniphoenix Energy Resources Sdn Bhd (later known as SterilGamma Sdn Bhd) as its Plant Manager, where he was responsible for leading his team for overseeing the construction as well as operation and upgrading of the company's gamma irradiation facility located in Rawang, Selangor. From June 1996 to January 2001, he was also appointed as the company's Quality Assurance Director, where he was responsible for overseeing company's quality assurance and operations function throughout the operations of its various gamma irradiation facilities in Malaysia.

During his tenure with Uniphoenix Energy Resources Sdn Bhd (later known as SterilGamma Sdn Bhd), he was tasked to oversee the construction and operations of the following projects:

- 2003 – Upgrading of Malaysian Nuclear Agency's gamma irradiation facility located in Bangi, Selangor
- 2004 – Operations of an ethylene oxide sterilisation facility located in Kulim, Kedah
- 2006 – Setting of new ethylene oxide sterilisation facility located in Port Klang, Selangor
- 2010 – Construction of an autoclave sterilisation facility located in Rawang, Selangor

In January 2009, he was promoted as the Chief Operations Officer, where he was responsible for overseeing SterilGamma Sdn Bhd's sterilisation facilities in Malaysia as well as other related sterilisation facility projects undertaken.

In July 2011, he joined Synergy Health Inc as its Country Manager (upon taken over of SterilGamma Sdn Bhd by Synergy Health Inc), where he was primarily responsible for its gamma irradiation facilities located in Kedah and Selangor as well as undertaking related upgrading and integration projects.

APPENDIX I – THE STERILISATION BUSINESS

In January 2012, he joined Grand Ten Holdings Sdn Bhd as its General Manager, where he was primarily responsible for overseeing the overall construction, qualification, operational functions, quality control, compliance levels, upgrading works as well as safety protocols of the company's various gamma irradiation facilities located throughout Malaysia. He subsequently left the company in December 2019. He then took a sabbatical leave between 2020 and 2021 to focus on his own personal matters.

In July 2021, he joined Gammatech as Technical Director.

Tan Kong Leong and Abdul Halim bin Ahmad possess the necessary skillset and expertise to manage the Sterilisation Business.

6.2 Employees

Gammatech intends to hire additional personnel with experience and expertise in the Sterilisation Business activities. Gammatech is currently in the midst of hiring suitable and qualified/registered candidates, as required by the regulatory requirements issued by the AELB. The additional personnel to be employed are as follows:

Categories/Roles	Number
Radiation protection officer cum operations manager	1
Facility manager	1
Quality assurance	4
Technicians	15
Product handlers and general workers	18
Total	39

The above additional personnel are expected to join Gammatech within 36 months from the date the Sterilisation Facility commences operation.

7. RISKS ASSOCIATED WITH THE STERILISATION BUSINESS

7.1 Business risk

Gammatech will be subject to risks inherent in the gamma irradiation sterilisation industry in Malaysia. These include but not limited to, adverse changes in supply and demand conditions, radiation and accidental exposures, radioactive contamination, environmental impact due to potential contamination, occupational safety, downturns in the global, regional and/ or national economies, changes in law and tax regulations, cost of equipment, availability of sufficient supply of Cobalt-60 for use in the Sterilisation Facility, availability of highly technical and competent expertise, availability of financing and the existence of other alternatives in the renewable energy industry.

In addition, Gammatech may face competition from other new and existing established players in the gamma irradiation sterilisation industry in Malaysia, which may affect demand for the sterilisation services. Furthermore, there is also no assurance that the sterilisation services may be well accepted or required by existing customers, particularly those in the rubber glove industry, as it may be challenging for existing and new customers to switch service providers without affecting/compromising the quality of their products and services.

APPENDIX I – THE STERILISATION BUSINESS

In order to mitigate these risks, the Group together with Gammatech shall be undertaking the following approaches:

- (a) employ a radiation protection officer cum operations manager and a total of 4 quality assurance personnel under the leadership of Tan Kong Leong and Abdul Rahim bin Ahmad to spearhead the Sterilisation Business to ensure that these operational risks and their possible impact can be managed effectively. The Company also plans to engage the services of international experts in the gamma sterilisation industry to provide guidance and advise on the operations and technical know-how in the Sterilisation Business to supplement its existing expertise and knowledge;
- (b) the Company also plans to purchase the required public liability insurance coverage to protect itself from any potential liabilities/operational issues arising from the operations of the Sterilisation Facility; and
- (c) the Company will work closely with Gammatech and other experts to ensure that all relevant permits and approvals from the regulatory authorities for the Sterilisation Facility are obtained/renewed/extended on a timely manner.

7.2 Development and operation of the Sterilisation Facility are subject to risks related to delays, non-completion and cost overruns

The development and operation of the Sterilisation Facility are subject to the following risks:

- (a) Technical difficulties during the construction, testing, commissioning and operations of the Sterilisation Facility that might not be resolved in a timely or cost-effective manner. Furthermore, the Sterilisation Facility may not be successfully completed/constructed based on the proposed design and technical specifications.
- (b) The construction of the Sterilisation Facility may not be completed as scheduled or at all. Any delay in the development and commencement of operations of the Sterilisation Facility or inflation risk may result in potential cost overrun in the development and operational costs of the Sterilisation Facility. In addition, such delays may also result in Gammatech being in breach of the terms and conditions imposed by the existing approvals already obtained/secured for the construction and completion of the Sterilisation Facility.
- (c) Any unforeseen interruptions, downtime or unsatisfactory performance in the operations of the Sterilisation Facility may impact its ability to function as per planned/scheduled. In addition, Gammatech may need to curtail, delay or cancel any operations of the Sterilisation Facility due to a variety of factors including equipment failures or accidents, pollution and other environmental risks, non-compliance with Governmental regulatory requirements and shortages or delays in the availability and the delivery of sufficient supply of Cobalt-60. These issues could potentially result in the operational disruptions of the Sterilisation Facility from running at its desire optimum level, as well as unforeseen cost overruns, where the incurred actual operational costs exceeds its projected costs.

To mitigate any delays, non-completion and cost overruns, the Company has engaged a contractor to undertake the construction of the Sterilisation Facility, which is expected to minimise the cost overrun and delays in its construction and completion within the prescribed timeline. The appointed contractor has provided the defect liability period of 12 months for the Sterilisation Facility.

7.3 Gammatech is subject to changes in technology and governing laws in the gamma irradiation sterilisation industry in Malaysia

Gammatech may lose its competitiveness if it fails to stay up to date with the latest technology as well as new regulations/laws governing the gamma irradiation sterilisation industry in Malaysia, which will then adversely affect its business. The operations of the Sterilisation Facility are strictly governed by the relevant laws and regulations in Malaysia, as described under Section 5, **Appendix I** of this Circular. Furthermore, the Sterilisation Facility requires various permits and approvals from the relevant authorities in Malaysia. There may be a risk that Gammatech is not able to obtain all necessary permits and approvals. If Gammatech is not able to obtain or renew such permits or approvals necessary for the Sterilisation Facility, its operations may be adversely affected.

Any failure to comply with these laws and regulations may result in inter-alia, fines or other punitive actions which may adversely affect the operations of the Sterilisation Facility and financial performance of Gammatech. Although Gammatech plans to set-up a comprehensive compliance framework and engage expert advisers to ensure the full compliance with the relevant laws and regulations, there can be no assurance that these risks will not have any adverse impact to Gammatech.

7.4 Dependency on key management

The continued success of the Sterilisation Business is dependent on the experience, commitment and efforts of the existing key management led by Tan Kong Leong and Abdul Halim bin Ahmad as well as the assistance of the new personnel to be hired. The loss of services of any of the key management without any suitable and timely replacement may adversely affect the continued ability of the Sterilisation Business to operate and compete successfully. Gammatech will adopt appropriate approaches, including incentives, remuneration packages as well as maintaining strong rapport and good relationships with them.

The Group recognises the importance of attracting and retaining the key personnel and have put in place human resource strategies and developing a human resource plan that include suitable compensation packages, career development, training and development for the key personnel. The Group shall also implement a number of incentive schemes, such as performance bonuses, annual performance increment, sales commissions and the opportunity to participate in the equity of the Group (via ESOS Options), which would serve to attract, motivate and retain key personnel. The Group also encourage key management to groom the lower and middle management staff, who will be groomed to gradually assume higher responsibilities. In addition, the middle management are continually involved in various operations of the Group, and actively participate in the discussion for decision-making to ensure better understanding of the operations and to equip themselves with the necessary knowledge and skills to succeed in senior management roles. This forms part of the Group's employees' career development plan, which the Group intends to similarly adapt for Gammatech.

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APPENDIX II – INFORMATION ON GAMMATECH

1. HISTORY AND BUSINESS

Gammatech was incorporated in Malaysia on 29 July 2020 as a private limited company under the Act. Its registered office is located at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50200 Kuala Lumpur.

As at the LPD, Gammatech has yet to commence any business operations. The intended principal activity of Gammatech is the provision of sterilisation services using gamma radiation. Although Gammatech has yet to commence any business operations, Gammatech has obtained the relevant regulatory approvals to undertake the Sterilisation Business, which would enable the Group to shorten its timeframe and reduce costs to be incurred to undertake the Sterilisation Business. Barring any unforeseen circumstances, the Sterilisation Facility is expected to commence operations by first quarter of 2027.

2. ISSUED SHARE CAPITAL

As at the LPD, Gammatech has an issued share capital of RM2,040,816, comprising 2,040,816 Gammatech Shares. Gammatech is a 51%-owned subsidiary of Flexidynamic, with the remaining 49% equity interest held by Eco Santec.

Upon completion of the Proposed Acquisition and Proposed Subscription, Gammatech will have an issued capital of RM33,571,000, comprising 33,571,000 Gammatech Shares. Please refer to Section 3.1 of this Circular for the resultant shareholding structure in Gammatech upon completion of the Proposed Acquisition and the Proposed Subscription.

3. DIRECTORS AND SHAREHOLDERS

The directors and shareholders of Gammatech and their respective direct and indirect shareholdings in Gammatech before and after the Proposed Acquisition and Proposed Subscription are set out as follows:

Before Proposed Acquisition and Proposed Subscription

Name	Designation / Role	Nationality / Country of Incorporation	Direct		Indirect	
			No. of shares	%	No. of shares	%
Tan Kong Leong	Director	Malaysian	-	-	⁽¹⁾ 1,040,816	51.0
Sin Kuo Wei	Director	Malaysian	-	-	-	-
Lim You Sheng	Director	Malaysian	-	-	⁽²⁾ 1,000,000	49.0
Lim Jing Jie	Director	Malaysian	-	-	-	-
Flexidynamic	Shareholder	Malaysia	1,040,816	51.0	-	-
Eco Santec	Shareholder	Malaysia	1,000,000	49.0	-	-
H&A	Shareholder	Malaysia	-	-	-	-

After Proposed Acquisition and Proposed Subscription

Name	Designation / Role	Nationality / Country of Incorporation	Direct		Indirect	
			No. of shares	%	No. of shares	%
Tan Kong Leong	Director	Malaysian	-	-	⁽¹⁾ 17,121,000	51.0
Sin Kuo Wei	Director	Malaysian	-	-	-	-
Lim You Sheng	Director	Malaysian	-	-	⁽²⁾ 16,450,000	49.0
Lim Jing Jie	Director	Malaysian	-	-	-	-
Flexidynamic	Shareholder	Malaysia	17,121,000	51.0	-	-
Eco Santec	Shareholder	Malaysia	1,000,000	3.0	⁽³⁾ 15,450,000	46.0
H&A	Shareholder	Malaysia	15,450,000	46.0	-	-

APPENDIX II – INFORMATION ON GAMMATECH

Notes:

- (1) Deemed interest by virtue of his interest in Flexidynamic.
- (2) Deemed interest by virtue of his interest in Eco Santec and H&A.
- (3) Eco Santec has indirect interest in Gammatech via its equity interest in H&A.

4. SUBSIDIARIES AND ASSOCIATE COMPANIES

As at the LPD, Gammatech does not have any other subsidiaries or associate companies.

5. KEY ASSETS OF GAMMATECH

Based on the audited financial statements of Gammatech as at 31 December 2024, the total assets of Gammatech amount to approximately RM1.26 million, which comprises the following:

<u>Details</u>	<u>Net book value as at 31 December 2024 (RM'000)</u>
Other receivables	1,090
Cash and bank balances	167
Total Assets	1,257

6. HISTORICAL FINANCIAL INFORMATION

The summary of the financial information of Gammatech based on the audited financial statements of Gammatech for the FYEs 31 December 2022, 2023 and 2024 are as follows:

	<u>Audited FYEs 31 December</u>		
	<u>2022</u>	<u>2023</u>	<u>2024</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	-	-	-
Gross profit ("GP")	-	-	-
GP margin (%)	-	-	-
Loss before taxation	(583)	(145)	(134)
Loss after taxation	(584)	(146)	(134)
Share capital	1,000	1,000	2,041
Shareholders' funds / NA	372	226	1,133
Cash and cash equivalents	5	5	167
Total borrowings	-	-	-
No. of shares in issues ('000)	1,000	1,000	2,041
LPS (RM)	(0.58)	(0.15)	(0.07)
NA per share (RM)	0.37	0.23	0.56
Gearing (times)	-	-	-
Current ratio (times)	1.75	1.32	10.13

During the financial years under review:

- (i) there were no exceptional and/or extraordinary items in the financial statements of Gammatech;

- (ii) there have been no accounting policies adopted by Gammatech which are peculiar; and
- (iii) there have been no audit qualifications to the financial statement of Gammatech.

Financial commentaries:**FYE 31 December 2022 vs FYE 31 December 2023**

Gammatech has yet to commence operations in FYE 31 December 2023.

The lower losses recorded in FYE 31 December 2023 were mainly attributable to the expenses incurred to obtain the relevant approval from the relevant authorities during the financial year.

FYE 31 December 2023 vs FYE 31 December 2024

For the FYE 31 December 2024, the Company recorded a loss before tax of RM0.13 million, as compared to a loss before tax of RM0.15 million in FYE 31 December 2023. This was mainly attributable to continued cost containment measures implemented during the year.

7. MATERIAL CONTRACTS

As at the LPD, Gammatech has not entered into any material contracts (not contracts entered into in the ordinary course of business) within the 2 years immediately preceding the date of this Circular.

8. MATERIAL LITIGATION

As at LPD, Gammatech is not engaged in any material litigation, claims and/or arbitration either as plaintiff or defendant, which may have a material effect on the financial position or business of Gammatech and there is no proceeding which is pending or threatened against Gammatech, or of any fact likely to give rise to any proceeding which may materially and adversely affect the financial position or business of Gammatech.

9. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**Material commitments**

Kindly refer to Section 5 of Appendix VII of this Circular for the details of material commitments incurred or known to be incurred by Gammatech which upon becoming due or enforceable, may have a material impact on the financial position or business of Gammatech.

Contingent liabilities

As at LPD, there are no contingent liabilities incurred or known to be incurred by Gammatech, which upon becoming due or enforceable, may have a material impact on the financial position or business of Gammatech.

APPENDIX III – SALIENT TERMS OF THE SPA

1. Agreement to sell and purchase

The Vendor hereby agrees to sell and Gammatech hereby agrees to purchase the Land for the Purchase Consideration subject to the terms and conditions herein contained.

2. Condition Precedent

2.1 The SPA shall be conditional upon the following conditions being obtained and/or fulfilled within six (6) months from the date of this Agreement (the “**Conditional Period**”), or such other extended period as may be mutually agreed upon by the parties:

(a) By Gammatech

- (i) the receipt of approval from the board of directors and shareholders of Gammatech for the Proposed Acquisition and the issuance of the Consideration Shares in favour of the Vendor;
- (ii) the receipt of approval from the board of directors and shareholders of Flexidynamic (being the 51% shareholder of Gammatech) for the Proposed Acquisition;
- (iii) the receipt of approval from Bursa Securities for the listing of and quotation for the Consideration Shares on the ACE Market of Bursa Securities;

(b) By the Vendor

- (i) the receipt of approval from the board of directors and shareholders of the Vendor for the disposal of the Land to Gammatech; and

(c) By the parties

- (i) such other consent and/or approval that may be required for the Proposed Acquisition.

2.2 In the event either party fails to comply with its obligations under Clause 2.1 (not due to the default of the other party), the SPA shall be deemed terminated by mutual agreement. Upon such termination, neither party shall have any claim against the other, save for any antecedent breach, and the Vendor shall be at liberty to deal with the Land as it deems fit without reference to Gammatech.

2.3 The SPA shall become unconditional on the date when all Conditions Precedent in Clause 2.1 are fulfilled in writing by the parties, which date shall be referred to as the “**Unconditional Date**”.

3. Purchase Consideration and Terms of Payment

3.1 The Purchase Consideration shall be satisfied by Gammatech through the allotment of the Consideration Shares at an issue price of RM1.00 per Consideration Share, within three (3) months from the Unconditional Date or such other extended period as may be mutually agreed in writing by the parties, to the Vendor or its authorised nominee(s).

3.2 For the avoidance of doubt, the allotment of the Consideration Shares shall be subject to the successful registration of the Land in the name of Gammatech as provided in the SPA and the parties’ compliance with their respective representations, undertakings, covenants, and obligations under the SPA, and the date on which the Consideration Shares are allotted to the Vendor and/or its nominee(s) shall be referred to as the “**Completion**”, with the date thereof known as the “**Completion Date**”.

APPENDIX III – SALIENT TERMS OF THE SPA

3.3 The Consideration Shares, upon issuance and allotment, shall rank equally in all respects with the existing ordinary shares of Gammatech, save that Consideration Shares shall not be entitled to any dividends, rights, allotments or other distributions declared, made or paid where the entitlement date is prior to the date of allotment.

4. Deposit of Issue Document of Title

4.1 Upon execution of the SPA, the Vendor shall deposit the original issue document of title of the Land with the Gammatech's solicitors.

4.2 The original title shall be held by the Gammatech's solicitors as stakeholders, who are authorised by both parties to present it for registration of the Land in the name of the Gammatech upon compliance with the following conditions:

- (i) the SPA becoming unconditional (i.e. immediately or after the Unconditional Date); and
- (ii) receipt by the Gammatech's solicitors of the sum of RM16,080,184 from Flexidynamic as Flexidynamic's contribution to Gammatech pursuant to the SHA ("**Flexidynamic's Contribution**") and upon registration of the Memorandum of Transfer ("**MOT**") in favour of Gammatech, Gammatech's solicitors shall be irrevocably authorised to release Flexidynamic's Contribution to Gammatech.

5. Vendor's Undertaking

5.1 The Vendor covenants and undertakes that, from the date of the SPA up to and including the Completion Date, it shall not, whether directly or indirectly, create, permit, or allow to be created, registered, or lodged any caveat, charge, lien, mortgage, pledge, claim, or other encumbrance whatsoever over the Land ("**Encumbrance**") except with the prior written consent of Gammatech.

5.2 In the event the Land becomes encumbered (other than by or on behalf of Gammatech) in a manner that prevents or restricts registration of the Land in the Gammatech's name, Gammatech may give written notice to the Vendor requiring removal of such Encumbrance, and the Vendor shall do so within fourteen (14) days from receipt of such notice or within any mutually agreed extended period. Failure to remove the Encumbrance within the prescribed time shall be deemed a material breach of the SPA, entitling Gammatech to terminate the SPA by written notice.

6. Delivery of Vacant Possession

6.1 Considering that the Land is a vacant land, vacant possession thereof shall be deemed delivered by the Vendor to Gammatech on the Completion Date.

7. Non-Registration of Documents

7.1 If for any reason not attributable to either party, the registration of the MOT in favour of Gammatech is rejected by the relevant authority and such rejection cannot be remedied by the parties, Gammatech shall provide details and/or notice of such failure to the Vendor, following which the SPA shall be terminated and Clause 8 shall apply.

7.2 Upon termination of the SPA, neither party shall have any claim against the other, save for any antecedent breach of the SPA. The Vendor shall thereafter be at liberty to dispose of or otherwise deal with the Land as it deems fit without reference to Gammatech.

APPENDIX III – SALIENT TERMS OF THE SPA

8. Default and Termination

- 8.1 If either party fails to fulfil its obligations under the SPA and not due to the default of the other party, the SPA shall be deemed mutually terminated. Upon such termination, neither party shall have any claim against the other, except for any antecedent breach, and the Vendor shall be free to dispose of or deal with the Land as it deems fit without reference to Gammatech.
- 8.2 Following such termination, the MOT shall be deemed null and void, and Gammatech's solicitors are expressly authorised to forthwith release Flexidynamic's Contribution to Flexidynamic and to submit the MOT to the Inland Revenue Board of Malaysia for a refund of the stamp duty paid.

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Our Ref : 36V240257

15th April 2025

**THE BOARD OF DIRECTORS
FLEXIDYNAMIC HOLDINGS BERHAD**
Unit No. A-3A-28, IOI Boulevard
Jalan Kenari 5
Bandar Puchong Jaya
47170 Puchong
Selangor Darul Ehsan

Dear Sirs,

VALUATION CERTIFICATE OF A PLOT OF FREEHOLD VACANT INDUSTRIAL LAND IDENTIFIED AS GM 2418, LOT NO. 2202, LOCALITY OF 9TH MILE SIJANGKANG, MUKIM OF TELOK PANGLIMA GARANG, DISTRICT OF KUALA LANGAT, STATE OF SELANGOR DARUL EHSAN
[Property Address: Lot 2202, Jalan Nuri, Kawasan Perusahaan Kebun Baru, Batu 9, 42500 Telok Panglima Garang, Selangor Darul Ehsan]

This Valuation Certificate has been prepared for inclusion in the Circular to shareholders of Flexidynamic Holdings Berhad in relation to the proposed acquisition of a parcel of industrial freehold land held under GM2418, Lot 2202, Mukim Teluk Panglima Garang, Daerah Kuala Langat, Selangor measuring approximately 1.6314 hectares by Gammatech Sdn Bhd (“Gammatech”), a 51%-owned subsidiary of Flexidynamic Holdings Berhad from H&A Ventures Sdn Bhd for a total consideration of RM15,450,000, to be satisfied via issuance of 15,450,000 new ordinary shares in Gammatech (“Proposed Acquisition”).

In accordance with the instructions from Flexidynamic Holdings Berhad, we have valued the subject property vide our valuation report reference no. 36V240257 dated 15th April 2025 for the purpose of submission to Bursa Malaysia Securities Berhad (“Bursa Securities”) in relation to the Proposals which include a proposed acquisition of a parcel of industrial freehold land held under GM2418, Lot 2202, Mukim Teluk Panglima Garang, Daerah Kuala Langat, Selangor measuring approximately 1.6314 hectares by Gammatech Sdn Bhd (“Gammatech”), a 51%-owned subsidiary of Flexidynamic Holdings Berhad from H&A Ventures Sdn Bhd for a total consideration of RM15,450,000, to be satisfied via issuance of 15,450,000 new ordinary shares in Gammatech (“Proposed Acquisition”).

We are pleased to certify that we have conducted the valuation on the legal interest of the subject property as at the material date of valuation on 28th March 2025.

This Valuation Certificate has been prepared in compliance with the Malaysian Valuation Standards (Sixth Edition 2019) issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia and the Asset Valuation Guidelines [SC-GL/AV-2009 (R1-2017)] issued by the Securities Commission, Malaysia.

...2/-

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Board Reg. No. VEPN(1)0065/19

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www.rahim-co.com





2/-

Our Ref : 36V240257

BASIS OF VALUATION

The basis of valuation for the purpose of the report and valuation is the Market Value as defined in the Malaysian Valuation Standards (Sixth Edition 2019) and on 'As is' basis.

For the purpose as mentioned above, we have prepared this Valuation Certificate which summarises our report, dated 15th April 2025 vide reference no. 36V240257 and outlines key factors which have been considered in arriving at our opinion of the Market Value. This Valuation Certificate does contain all the necessary data and supporting information included in our report. For further information in relation to those contained herein, reference should be made to the said report.

Brief description of the subject property is as follows: -

IDENTIFICATION OF PROPERTY

Property Address : Lot 2202, Jalan Nuri, Kawasan Perusahaan Kebun Baru, Batu 9, 42500 Telok Panglima Garang, Selangor Darul Ehsan

Property Type : A corner plot of freehold vacant industrial land

Subject Property : GM 2418, Lot No. 2202, Locality of 9th Mile Sijangkang, Mukim of Telok Panglima Garang, District of Kuala Langat, State of Selangor Darul Ehsan

Tenure : Freehold interest

Surveyed Land Area : 1.6314 hectares (about 4.031 acres / 175,602 sq. feet).

Registered Owner : H&A Ventures Sdn Bhd

Category of Land Use : Industry

Express Condition : "Industri Sederhana"

Restriction-in-Interest : Nil

Encumbrances : Nil

Location of Property : The subject property is located within the locality of Kawasan Perusahaan Batu 9 Kebun Baru. It is sited at the north-eastern fringe of Telok Panglima Garang town and is within the local authority of Majlis Perbandaran Kuala Langat.

Kawasan Perusahaan Batu 9 Kebun Baru is an established industrial development area which has been mostly developed with individual designed factory complexes. There are left over with few plots of vacant development/industrial lands.

...3/-



3/-

Our Ref : 36V240257

IDENTIFICATION OF PROPERTY (CONT'D)

Location of Property (Cont'd) : Other industrial schemes located within the vicinity are Taman Industri Sijangkang Utama which is located due north, new industrial area namely Teluk Mengkuang area which is situated due further south-west, and Kawasan Perindustrian Jenjarom which is located due further due south-east of the subject property.

GENERAL DESCRIPTION

Brief Description of The Subject Property : The subject site is a corner plot of land and is rectangular in shape. It encompasses a titled land area of 1.6314 hectares (about 4.031 acres / 175,602 sq. feet).

The subject site enjoys a main road frontage of about 81.272 metres (267 feet) onto Jalan Nuri along its western boundary, and a return frontage of about 203.123 metres (666 feet) onto Lorong Perak 2 along its northern boundary.

Physically, it is generally flat in terrain and lies about the same level with the frontage roads.

As noted during inspection, the eastern and southern boundaries are demarcated by metal cladding sheets and galvanized mesh wire fencings respectively, whilst the western and northern boundaries are not demarcated by any form of fencing. It has been cleared, grown with short grasses and currently vacant.

Planning Provision : The subject property is designated for medium industry use as noted in the title. Our verbal enquiry with Planning Department of Majlis Perbandaran Kuala Langat revealed that the subject property is zoned for industrial use as per the Majlis Perbandaran Kuala Langat Local Plan 2030.

As per a copy of the Approval Letter bearing Reference No. MPKL/JPP/15/81/2022(13) dated 21st October 2022 with the Approved "Kebenaran Merancang" Plan bearing Reference No. MPKL/JPP/PS/15/81/2022, and the copies of Approved Building Plans bearing Reference No. 51/2023 vide the Approval Letter bearing Reference No. MPKL/JKB/1/5/13/2023(15) dated 23rd October 2023, the subject property has been approved for the development of a factory complex which consists of a 1-storey sterilization plant, 1-storey detached factory, two units of 2-storey office, guard house, TNB-substation, refuse chamber, pump house and firefighting tanks.

Subsequently, as per a copy of the approval letter bearing Reference No. MPKL/JPP/15/81/2022(22) dated 10th March 2025 issued by Majlis Perbandaran Kuala Langat, the abovementioned approved development is still valid.

...4/-



4/-

Our Ref : 36V240257

MARKET VALUE

Definition : Market Value as defined under Standard 4 of Malaysian Valuation Standards (Sixth Edition 2019) – Market Value Basis of Valuation, as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion.”

Date of Valuation : 28th March 2025

Approaches to Valuation : In arriving at the Market Value of the subject property, the **Comparison Approach** of valuation has been adopted.

Pursuant to Paragraph 4.06 of the Asset Valuation Guidelines issued by the Securities Commission Malaysia, at least two valuation approaches are to be adopted. However, only the Comparison Approach is adopted for the purpose of this valuation exercise.

Despite the subject property having obtained approval for the development of a factory complex, however the proposed development which includes the sterilization plant is intended for own use, and not for sale or rental income generation. In view that the factory is customized for specific own use and there is no available rental or sales data of similar property to measure the Gross Development Value, which is important parameter to derive at the land value via the Residual Method under the Income Approach.

Furthermore, there are adequate sale comparables within the vicinity of the subject property which can be relied upon.

The **Comparison Approach** entails critical analysis of recent evidence of values of comparable properties in the neighbourhood and making adjustments for differences.

The comparables adopted with the analysis of each comparable are shown in the table below.

...5/-



5/-

Our Ref : 36V240257

Analysis of Comparables

Description	Comparable 1	Comparable 2
Property Type	Vacant industrial land	Vacant industrial land
Title/Lot No.	Geran Mukim 2344, Lot 2606, Mukim of Telok Panglima Garang, District of Kuala Langat	Pajakan Negeri 119837, Lot 19454, Bandar Sijangkang, District of Kuala Langat
Location	Off Jalan Sungai Rambai, Kawasan Perindustrian Sungai Rambai	Jalan Sijangkang Utama 1, Batu 8 Sijangkang
Category of land use	Industry	Industry
Zoning	Industrial	Industrial (factory outlet/showroom)
Tenure	Freehold	Leasehold expiring on 2094
Land Area	About 11,761 sq. metres (2.906 acres / 126,594 sq. feet)	About 26,870 sq. metres (6.640 acres / 289,226 sq. feet)
Vendor	Waivest Sdn Bhd	Commercial Plastic Holdings Sdn Bhd
Purchaser	AG Malaya Holdings Sdn Bhd	Sea Master Group Sdn Bhd
Consideration	RM9,367,956/-	RM26,030,364/-
Date	21 st June 2023	11 th November 2022
Source	Valuation and Property Services Department	Valuation and Property Services Department
Analysis	About RM74/- per sq. foot	About RM90/- per sq. foot
Adjustments	Upward adjustment made on time factor, general location, accessibility/visibility and position. Downward adjustment made on land size.	Upward adjustment made on time factor, position, land size, zoning/planning and tenure. Downward adjustment made on general location.
Adjusted Value	RM88/- per sq. foot	RM97/- per sq. foot

...6/-

APPENDIX IV – VALUATION CERTIFICATES



6/-

Our Ref : 36V240257

Description	Comparable 3	Comparable 4
Property Type	Vacant industrial land	Vacant industrial land
Title/Lot No.	Pajakan Mukim 2633, Lot 11252, Mukim of Telok Panglima Garang, District of Kuala Langat	HSM 12143, PT 957 (Lot 13278), Mukim of Telok Panglima Garang, District of Kuala Langat
Location	Jalan Sijangkang Utama 1, Batu 8 Sijangkang	Jalan Kasawari, Kawasan Perusahaan Kebun Baru, Batu 9
Category of land use	Industry	Industry
Zoning	Industrial (factory outlet/showroom)	Industrial
Tenure	Leasehold expiring on 2093	Freehold
Land Area	About 8,564 sq. metres (2.116 acres / 92,182 sq. feet)	About 8,174 sq. metres (2.020 acres / 87,984 sq. feet)
Vendor	Lee Leng Leng	MG Steel Sdn Bhd
Purchaser	Panelbase System Industries Sdn Bhd	Plastik V Sdn Bhd
Consideration	RM7,900,000/-	RM6,862,830/-
Date	4 th August 2022	25 th February 2022
Source	Valuation and Property Services Department	Valuation and Property Services Department
Analysis	About RM86/- per sq. foot	About RM78/- per sq. foot
Adjustments	Upward adjustment made on time factor, position, zoning/planning and tenure. Downward adjustment made on general location and land size.	Upward adjustment made on time factor. Downward adjustment made on land size.
Adjusted Value	RM88/- per sq. foot	RM80/- per sq. foot

...7/-



7/-

Our Ref : 36V240257

Valuation Rationale

Based on adjustments made on all comparables above, we have arrived at the adjusted values of the comparables ranging between RM80/- per sq. foot to RM97/- per sq. foot.

Comparable 4 has the least adjustment and is similar to the subject property in term of location. However, it was transacted in February 2022, which was months after the severity of the Covid-19 pandemic had subsided and the property market took a beating due to the uncertainty of the pandemic in February 2022. Hence, we do not consider Comparable 4 as a good comparable to base on our opinion of value for the subject property.

We have adopted the adjusted value of Comparable 1, i.e. RM88/- per sq. foot as the best comparable as it is the latest transaction amongst the four comparables. The adopted value of RM88/- per sq. foot is further supported by the adjusted value of Comparable 3.

Therefore, we have adopted RM88/- per sq. foot as the market value for the subject property, which translate to RM15,452,999/-. We have rounded it down to **RM15,450,000/-**.

Opinion of Market Value

We are of the opinion that the Market Value of the subject property as at 28th March 2025, subject to the limiting conditions attached in the full valuation report, in its existing condition, free from all encumbrances, with the title held under freehold interest and being good, marketable and registrable as well as with vacant possession is at **RM15,450,000/-**.
(Ringgit Malaysia: Fifteen Million, Four Hundred and Fifty Thousand Only).

Yours faithfully,
RAHIM & CO INTERNATIONAL SDN BHD


Sr. WONG MEI TING, MRISM
Registered Valuer (V-1131)
Branch Manager





Our Ref : 36V240257(update)

23rd October 2025

**THE BOARD OF DIRECTORS
FLEXIDYNAMIC HOLDINGS BERHAD**
Unit No. A-3A-28, IOI Boulevard
Jalan Kenari 5
Bandar Puchong Jaya
47170 Puchong
Selangor Darul Ehsan

Dear Sirs,

**UPDATE VALUATION CERTIFICATE OF A PLOT OF FREEHOLD
VACANT INDUSTRIAL LAND IDENTIFIED AS GM 2418, LOT NO.
2202, LOCALITY OF 9TH MILE SIJANGKANG, MUKIM OF TELOK
PANGLIMA GARANG, DISTRICT OF KUALA LANGAT, STATE OF
SELANGOR DARUL EHSAN**
[Property Address: Lot 2202, Jalan Nuri, Kawasan Perusahaan
Kebun Baru, Batu 9, 42500 Telok Panglima Garang, Selangor Darul
Ehsan]

This Update Valuation Certificate has been prepared for inclusion in the Circular to shareholders of Flexidynamic Holdings Berhad (“Flexidynamic”) in relation to the proposed acquisition of a parcel of industrial freehold land held under GM2418, Lot 2202, Mukim Teluk Panglima Garang, Daerah Kuala Langat, Selangor measuring approximately 1.6314 hectares by Gammatech Sdn Bhd (“Gammatech”), a 51%-owned subsidiary of Flexidynamic from H&A Ventures Sdn Bhd for a total consideration of RM15,450,000, to be satisfied via issuance of 15,450,000 new ordinary shares in Gammatech (“Proposed Acquisition”).

In accordance with the instructions from Flexidynamic, we have prepared a full valuation report and Valuation Certificate vide Reference No. 36V240257 dated 15th April 2025. The subject property was inspected and referenced on 28th March 2025.

Subsequently, we were instructed by Flexidynamic to conduct an update valuation on the subject property. From the said assignment, the subject property was re-inspected on 17th October 2025 and we have taken 17th October 2025 as the material date of valuation.

Having re-inspected the subject property on 17th October 2025 and investigated available data relevant to the matter, we hereby submit the Update Valuation Certificate of the subject property. This Update Valuation Certificate should be read together with the said full valuation report and Valuation Certificate vide reference no. 36V240257 dated 15th April 2025. We have prepared this Update Valuation on the same criteria and upon the same terms and conditions as contained in the said full valuation report.

...2/-

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Kuala Terengganu, Kuching, Melaka,
Pulau Pinang, Petaling Jaya, Seremban,
Subang Jaya, Sungai Petani, Tawau, Temerloh

www.rahim-co.com





2/-

Our Ref : 36V240257(update)

Basis of Valuation

The basis of valuation is the Market Value as defined in the Malaysian Valuation Standards (Seventh Edition 2025) and on 'As is' basis, which is the same as the last valuation on 28th March 2025.

Subject Land

Based on our inspection on 17th October 2025, there is no physical change to the subject property since the last valuation which was inspected on 28th March 2025.

Legal Interest

An official title search was conducted on 21st October 2025. The search revealed that there is no change in the legal description since the last valuation on 28th March 2025.

Planning Provision

The designated land use of the subject property remains the same, i.e. for medium industry use as per the title and as per our verbal enquiry with Planning Department of Majlis Perbandaran Kuala Langat.

The approved development of the factory complex which consists of a 1-storey sterilization plant, 1-storey detached factory, two units of 2-storey office, guard house, TNB-substation, refuse chamber, pump house and firefighting tanks are still valid and remain the same as per last valuation on 28th March 2025.

Market Observation

Selangor state continues to contribute the highest volume to the national market share, with 34.5% (1,433 transactions). Selangor industrial market showed improved market activity in 1H 2025. There were 1,433 transactions worth RM6,816.90 million recorded in 1H 2025, increased by 10.1% in transaction volume and 4.1% in transaction value as compared with 1H 2024 (1,302 transactions worth RM6,550.17 million).

...3/-



3/-

Our Ref : 36V240257(update)

Valuation Approach

In arriving at the Market Value of the subject property, we have adopted only one valuation approach, i.e. **Comparison Approach**, which is same as the last valuation on 28th March 2025.

The Comparison Approach entails critical analysis of recent evidence of values of comparable properties in the neighbourhood and making adjustments for differences.

The new comparable adopted with the analysis is shown in the table below.

Analysis of Comparables

Description	Comparable 1
Property Type	Vacant industrial land
Title/Lot No.	HSM 45746, PT 20284, Mukim of Telok Panglima Garang, District of Kuala Langat, State of Selangor
Location	Jalan Teratai, Kawasan Perindustrian Sungai Rambai
Category of land use	Industry
Zoning	Industrial
Tenure	Freehold
Land Area	About 6,490 sq. metres (1.604 acres / 69,858 sq. feet)
Vendor	Lim Hwee Chuan & Tan Tien Sang
Purchaser	Infinity Packaging Sdn Bhd
Consideration	RM5,660,000/-
Date	3 rd June 2025
Source	Valuation and Property Services Department
Analysis	About RM81/- per sq. foot
Adjustments	Upward adjustment made on general location and position. Downward adjustment made on land size.
Adjusted Value	RM89/- per sq. foot

...4/-



4/-

Our Ref : 36V240257(update)

Valuation Rationale

Based on adjustments made on comparable above, we have arrived at the adjusted value of the comparable at RM89/- per sq. foot.

The industrial property market is generally stable, and our adjustments of the new comparable worked out to be almost the same with our last valuation on 28th March 2025, i.e. RM88/- per sq. foot. In view of this, after taking into consideration new transaction together with our comparables adopted in the valuation report, we have maintained the market value of the subject property as per last valuation on 28th March 2025, i.e. RM88/- per sq. foot, which translate to RM15,452,999/-. We have rounded it down to **RM15,450,000/-**.

Opinion of Market Value

We are of the opinion that the Market Value of the subject property as at 17th October 2025, subject to the limiting conditions attached in the full valuation report, in its existing condition, free from all encumbrances, with the title held under freehold interest and being good, marketable and registrable as well as with vacant possession is at **RM15,450,000/-**.
(Ringgit Malaysia: Fifteen Million, Four Hundred and Fifty Thousand Only).

Yours faithfully,
RAHIM & CO INTERNATIONAL SDN BHD


Sr. WONG MEI TING, MRISM
Registered Valuer (V-1131)
Director Subang





8 August 2025

The Board of Directors
Flexidynamic Holdings Berhad
A-3A-28, IOI Boulevard
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47170 Puchong
Selangor

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Tower 1, Faber Towers
Jalan Desa Bahagia
Taman Desa
58100 Kuala Lumpur

Tel : 03-7971 1822
Fax: 03-7972 1821

Dear Sirs,

INDEPENDENT FINANCIAL FEASIBILITY EVALUATION ON THE STERILISATION BUSINESS TO BE UNDERTAKEN BY FLEXIDYNAMIC HOLDINGS BERHAD (“FLEXIDYNAMIC” OR “THE GROUP”)

1. INTRODUCTION

Eco Asia Capital Advisory Sdn Bhd (“**Eco Asia**”) was appointed by the Board of Directors of Flexidynamic (“**Board**”) to perform an independent financial feasibility evaluation on the Group’s proposed diversification into the sterilisation business, which involves the construction of a sterilisation facility to provide sterilisation services using gamma radiation (“**Sterilisation Business**”) (“**Proposed Diversification**”).

2. RESTRICTIONS

This independent financial feasibility report (“**Report**”) is prepared strictly and solely for the use by the Board and for the inclusion into the Circular to shareholders of Flexidynamic in consideration of the Proposed Diversification and is not intended for general circulation in whole or in part. Accordingly, we shall not be responsible or liable for any losses or damages as a result of reliance by any party contrary to the provision set out in this Report or our engagement letter.

Save for the purpose stated herein, this Report cannot be relied upon by any party other than the Board, Flexidynamic and its shareholders. Accordingly, we are not responsible or liable for any form of losses however occasioned to any third party as a result of the circulation, publication, reproduction or used of, or reliance on this Report, in whole or in part.

Neither Eco Asia nor any of its partners, principals, directors, shareholders, agents or employees undertake responsibility arising in any way whatsoever to any person other than to Flexidynamic in respect of this Report, including any error or omission therein, however caused. We are under no obligation to update our Report in respect of any events or information that come to our attention subsequent to the date of this Report.

3. DECLARATION OF INDEPENDENCE

Eco Asia and/or its directors and employees who are involved in this exercise do not own any equity ownership in Flexidynamic or involve in formulation, deliberations and negotiation of any terms and conditions in relation to the Proposed Diversification. Our scope is limited to expressing an independent opinion on the financial feasibility of the Sterilisation Business.



4. RESULTS OF EVALUATION

In our evaluation of the financial feasibility of the Sterilisation Business, Eco Asia has computed the Sterilisation Business’s project Internal Rate of Return (“**Project IRR**”) and Project Net Present Value (“**Project NPV**”) based on the projected cash flow of the Sterilisation Business that covers a period of twelve (12) years from year 2025 to year 2036 prepared by the management of Flexidynamic (“**Future Financials**”). The results of our evaluation are as follow:

Evaluation Criteria	Project IRR	Project NPV (RM’ million)
Based on the assumptions adopted by the management of Flexidynamic in preparation of the Future Financials.	12.28%	47.17
Benchmark comparison	Weighted average cost of capital (“ WACC ”) of the Sterilisation Business of 5.73%	-
Interpretation of results	The Sterilisation Business is financially feasible as the Project IRR is higher than the WACC	Positive Project NPV indicates that a project is financially feasible as the project's returns exceed its investment costs after adjusting for the time value of money.

5. CONCLUSION

Based on our evaluation on the Future Financials provided by the management of Flexidynamic, the Sterilisation Business is **financially feasible**. Our opinion is supported by the following:

- (1) Sterilisation Business’s Project IRR of 12.28% is higher than the WACC of 5.73%; and
- (2) Positive Project NPV of RM47.17 million.

It is important to note, however, that our opinion is subject to uncertainty, given the subjectivity and judgment of the assumptions used by the management in the preparation of the Future Financials. Any material deviation from these assumptions could have a substantial impact on the Sterilisation Business’s Project IRR and Project NPV.

Readers are advised to read the entire Report and specifically Section 6, 7 and 8 that covers areas on our evaluation, the base case assumptions, effects of the changes in key basis and assumptions that could affect the Project IRR and Project NPV of the Sterilisation Business, risk consideration in our evaluation as well as other risk factors detailed in the Circular.

Yours faithfully,
 For and on behalf of
Eco Asia Capital Advisory Sdn Bhd

Woon Soon Fai
Head of Corporate Finance

APPENDIX V – INDEPENDENT FINANCIAL FEASIBILITY REPORT ON THE STERILISATION BUSINESS TO BE UNDERTAKEN BY FLEXIDYNAMIC

TABLE OF CONTENTS

	SECTION	PAGE
1.	Introduction	2
2.	Source of Information	2
3.	Scope and Limitation	3
4.	Date of Opinion	3
5.	Background Information on the Sterilisation Business	4
6.	Financial Feasibility Evaluation	4 - 9
7.	Results of Evaluation	10
8.	Risk Consideration in the Evaluation of the Financial Feasibility	11
9.	Conclusion	11

APPENDIX V – INDEPENDENT FINANCIAL FEASIBILITY REPORT ON THE STERILISATION BUSINESS TO BE UNDERTAKEN BY FLEXIDYNAMIC

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Report.

Board	Board of Directors of Flexidynamic
Bursa Securities	Bursa Malaysia Securities Berhad
Beta	Risk measurement of general industry and financial risk of a listed company. The industry risk that are measured are general risk affecting a listed company, also known as systematic risk. It does not measure company specific risk. The beta measurement which excludes financial risk is known as unlevered beta, and beta measurement that includes financial risk is known as levered beta
CAPM	Capital Asset Pricing Model
Eco Asia	Eco Asia Capital Advisory Sdn Bhd
Eco Santec	Eco Santec Sdn Bhd
Future Financials	Projected cash flow of the Sterilisation Business that covers a period of twelve (12) years from year 2025 to year 2036, prepared by the management of Flexidynamic
Flexidynamic Group or	Flexidynamic Holdings Berhad and its subsidiary companies
FCFE	Free Cash Flow to Equity represents the cash flow that is available to equity shareholders of a company
FCFF	Free Cash Flow to Firm represents the cash flow at the business level and is used to value the firm or indirectly, the firm's equity
Gammatech	Gammatech Sdn Bhd
IRR	Internal Rate of Return
Malacca Securities	Malacca Securities Sdn Bhd
Management	Management of Flexidynamic
Project NPV	Sterilisation Business's Project Net Present Value, computed based on the FCFF derived from the Future Financials of the Sterilisation Business, discounted based on the WACC
Project IRR	Sterilisation Business's project IRR, computed based on the FCFF derived from the Future Financials of the Sterilisation Business
Report	Independent Financial Feasibility Report
Sterilisation Business	Involves the construction of a sterilisation facility by Gammatech to provide sterilisation services using gamma radiation
WACC	Weighted Average Cost of Capital

APPENDIX V – INDEPENDENT FINANCIAL FEASIBILITY REPORT ON THE STERILISATION BUSINESS TO BE UNDERTAKEN BY FLEXIDYNAMIC

1. INTRODUCTION

Eco Asia was appointed by the Board to perform an independent financial feasibility study on the Group's proposed diversification into the Sterilisation Business as part of the Group's Proposed Diversification.

On 11 July 2025, the Board announced that Flexidynamic has entered into shareholders agreement with Eco Santec and Gammatech to regulate the relationship among the parties and to formalise the terms governing the management and operation of Gammatech on the Sterilisation Business.

On 14 July 2025, Malacca Securities had, on behalf of the Board announced that Flexidynamic proposes to undertake (i) the Proposed Diversification, (ii) proposed subscription of 16,080,184 new ordinary shares in Gammatech, (iii) proposed acquisition of a parcel of industrial freehold land located at Kuala Langat, (iv) proposed private placement of up to 89,903,000 new ordinary shares in Flexidynamic and (v) proposed bonus issue of warrants on the basis of 1 warrant for every 4 Flexidynamic Shares (collectively, referred to as the "**Proposals**")

2. SOURCES OF INFORMATION

In preparation of this Report, Eco Asia has relied on the following sources of information and documents: -

- (i) Future Financials;
- (ii) Shareholders' Agreement between Flexidynamic, Eco Santec and Gammatech in respect of Gammatech dated 11 July 2025;
- (iii) Announcement by Flexidynamic in respect of the Proposals dated 14 July 2025;
- (iv) Circular to shareholders of Flexidynamic in relation to the Proposals ("**Circular**")
- (v) Other relevant information, documents, representation and explanation furnished to us by the Management; and
- (vi) Other publicly available information relevant to this independent financial feasibility study.

Although the information was obtained from sources considered as reliable by Eco Asia, we make no representation as to and accepts no liability for any representation in relation to the accuracy or completeness of the information obtained.

3. SCOPE AND LIMITATION

Eco Asia was not involved in the formulation and deliberation on the terms and conditions of the Proposals. Our scope is limited to expressing an opinion on the financial feasibility of the Sterilisation Business to the Board and shareholders of Flexidynamic based on the information and documents made available to us as mentioned in paragraph 2 above.

Our role does not extend to us expressing an opinion on the commercial merits of the Sterilisation Business. The assessment of the commercial merits of the Sterilisation Business is solely the responsibility of the Board, although we may draw upon their views in arriving at our opinion. Further, our terms of reference do not include us rendering an expert opinion on the legal, accounting and taxation issues relating to the Sterilisation Business.

We have made all reasonable enquiries and conducted our own reviews, where possible, with regards to the information provided to us. We have also relied on the Management to exercise due care to ensure that all information and documents as mentioned above and that all relevant facts, information and representations necessary for our assessment have been disclosed to us and that such information is accurate, valid and there is no omission of material facts, which would make any information provided to us incomplete, misleading or inaccurate. This includes carrying out reasonableness checking and/or corroborating documents prepared by and/or signed off by independent parties where possible.

Our procedures and inquiries do not include any verification work that constitutes an audit on the information that we have relied upon in preparing this Report. Accordingly, we issue no warranty or any other form of assurance as to the accuracy or completeness of the information provided by the Management.

The Directors of Flexidynamic have individually and collectively, accept full responsibility to all material facts, financial and other information contained in this Report, and for the accuracy of the information in respect of the Sterilisation Business (save for those in relation to our evaluation and opinion) as prepared herein and confirmed that after making all reasonable enquires and to the best of their knowledge and belief, there are no other facts omitted which would make any statement herein incomplete, false and/or misleading.

It should be noted that the evaluation in itself is highly dependent on, amongst others, the prevailing economic, market and other conditions that may change significantly over a relatively short period of time. It should also be highlighted that the evaluation may be materially or adversely affected should the actual results or events differ from any of the bases and assumptions upon which the evaluation was based. As such, the adoption of such bases and assumptions does not imply that we warrant their validity or achievability.

No representation or warranty, whether expressed or implied, is given by Eco Asia that the information and documents provided will remain unaltered subsequent to the issuance of this Report.

4. DATE OF OPINION

The date of our opinion is 4 August 2025 (herein also referred to as the “**Date of Opinion**”)

APPENDIX V – INDEPENDENT FINANCIAL FEASIBILITY REPORT ON THE STERILISATION BUSINESS TO BE UNDERTAKEN BY FLEXIDYNAMIC

5. BACKGROUND INFORMATION ON THE STERILISATION BUSINESS

The provision of sterilisation services shall be undertaken by Gammatech, a 51%-owned subsidiary company of Flexidynamic upon the completion of the sterilisation facility. The Group intends to offer its sterilisation services to industries and businesses which require sterilisation solutions, including but not limited to the medical, pharmaceutical, food and agricultural processing sectors.

The construction of the sterilisation facility is expected to commence in the 3rd quarter of 2025, expected completion by December 2026. Details on the sterilisation facility is as follow: -

Location	:	A parcel of industrial freehold land held under GM 2418, Lot 2202, Teluk Panglima Garang, Kuala Langat, Selangor measuring approximately 1.6314 hectares.
Size	:	Built-up area of 46,522 sq. ft.
Production capacity	:	Maximum allowable Cobalt-60 activity of 4,000,000 curies.

Source: Flexidynamic

6. FINANCIAL FEASIBILITY EVALUATION

6.1 Method of Evaluation

In establishing our opinion, we adopted widely accepted financial metrics, including the Project IRR and Project NPV in evaluating the financial feasibility of the Sterilisation Business.

These evaluations are based on the Future Financials of the Sterilisation Business prepared by the Management, after taking into account key business considerations and potential risk factors that may impact the sterilisation operation. Main considerations of our evaluation are as follow: -

No.	Evaluation	Financial Feasibility
1.	Compare the results of the Project IRR with the WACC	<p>If the Project IRR of the Sterilisation Business is lesser than the WACC, then accepting the project will result in the company being unable to generate the required return by the capital provider. Hence, the outcome is not financially feasible.</p> <p>If the Project IRR of the Sterilisation Business is greater than the WACC, then accepting the project will result in the company being able to generate a return that is higher than the required return by the capital provider. Hence, the outcome is financially feasible.</p>

APPENDIX V – INDEPENDENT FINANCIAL FEASIBILITY REPORT ON THE STERILISATION BUSINESS TO BE UNDERTAKEN BY FLEXIDYNAMIC

No.	Evaluation	Financial Feasibility
2.	Project NPV	<p>Positive Project NPV indicates that a project is financially feasible as the project's returns exceed its investment costs after adjusting for the time value of money.</p> <p>Negative Project NPV indicates that a project is not financially feasible as the project's returns is lesser than its investment costs after adjusting for the time value of money.</p>

6.2 Key Metrics Used in FCFF

A discounted FCFF is a commonly used investment appraisal technique to evaluate the intrinsic value of a business or project by estimating the present value of its expected future cash flows after the application of an appropriately selected discount rate. Since businesses or projects often generate value beyond the projected period, a terminal value is used to capture the value of future cash flows beyond the explicit projected periods.

The projected FCFF as determined annually based on the Future Financials of the Sterilisation Business shall be discounted using their respective WACC. The WACC formula is as follows:

$$WACC = \left[\text{Cost of Equity} \times \frac{\text{Equity}}{\text{Capital}} \right] + \left[\text{Cost of Debt} \times \frac{\text{Debt}}{\text{Capital}} \times (1 - \text{Tax rate}) \right]$$

The cost of equity represents the expected return required by equity investors to compensate for the risk of investing in a particular business. It takes into consideration a combination of risk associated with the industry as well as financing risk. These risks are translated into the cost of equity which is built upon the CAPM. The cost of equity formula is as follows:

$$\text{Cost of Equity} = \text{Risk Free Rate} + [\text{Re-gear} \text{ Beta} \times (\text{Market Return} - \text{Risk Free Rate})]$$

In arriving at the appropriate discount rate for the Sterilisation Business, the following key inputs are used in determining the cost of equity and WACC are presented below: -

WACC Inputs	
Risk -free Rate ⁽¹⁾	3.39 %
Market Return ⁽²⁾	10.33 %
Re-gear Beta ⁽³⁾	0.22
Illiquidity Premium ⁽⁴⁾	4.00 %
Debt to Capital ratio ⁽⁵⁾	55.00 %
Equity to Capital ratio ⁽⁵⁾	45.00 %
Cost of equity derived using CAPM	8.92 %
Cost of debt ⁽⁶⁾	4.13 %
Tax rate	24.00 %
WACC	5.73 %

APPENDIX V – INDEPENDENT FINANCIAL FEASIBILITY REPORT ON THE STERILISATION BUSINESS TO BE UNDERTAKEN BY FLEXIDYNAMIC

Notes:

- (1) Based on the risk-free rate for Malaysia as extracted from <http://www.bnm.gov.my>. This risk-free rate is based on the yield of 10 years Malaysian Government Securities as at the Date of Opinion.
- (2) Based on the historical average market return for Malaysia as extracted from S&P Global. The historical average market return is based on the average return of FTSE Bursa Malaysia Top 100 Index for the past 10 years extracted on the Date of Opinion.
- (3) Re-gear beta is arrived at based on the historical average Beta of Flexidynamic since the Group was listed on Bursa Securities on 30 March 2021, re-gear based on the expected debt and equity financing required for the Sterilisation Business.
- (4) An illiquidity premium of 4.0% had been applied to derive the discount rate using CAPM to account for the lack of marketability and unsystematic risk of the Sterilisation Business, reference to the cost of illiquidity by Aswath Damodaran.
- (5) Derived based on the expected debt and equity financing required to the finance the Sterilisation Business amounting to RM39.88 million and RM32.45 million respectively.
- (6) Based on the indicative term sheet by Malayan Banking Berhad to finance the proposed construction of the sterilisation facility.

Terminal value is commonly computed based on (i) liquidation value, (ii) multiple approach or (iii) stable growth approach. For the purpose of this evaluation, we have used the stable growth model to compute the terminal value as this usually applies to companies that are growing but on a moderate pace.

For the purpose of this evaluation, a terminal growth rate of 0.0% was applied in determining the terminal value, taking into consideration the broader risks associated with the Sterilisation Business as well the overall sterilisation industry. The terminal value adopted for the Sterilisation Business of RM142.59 million are computed as follow: -

$$\text{Terminal Value} = \frac{\text{FCFF}_n \times (1 + g)}{\text{WACC} - g}$$

Where;

- | | | |
|------|---|---|
| n | = | represents time, being the last year of the Future Financials |
| WACC | = | Discount rate derived using WACC |
| g | = | terminal growth rate |

6.3 Major Basis and Assumptions Adopted in the Future Financials

The Future Financials have been prepared based on a set of basis and assumptions made by the Management, which includes assumptions about future events and outlook that may or may not necessarily occur. We wish to highlight that the Future Financials are based on prevailing economic, market and other conditions as at the Date of Opinion which may change significantly over a short period of time. The resultant effect of such changes may materially and/or adversely affect the evaluation. Accordingly, we do not express any opinion on the achievability of the Future Financials.

The FCFF for each financial year in the Future Financials used to derive the Project IRR and Project NPV of the Sterilisation Business are dependent on the achievability of the specific assumptions and general assumptions as set out below.

Specific Assumptions

- (i) The construction of the sterilisation facility is assumed to be completed by December 2026, of which the operations are assumed to commence in January 2027. The sterilisation facility is assumed to operate 24 hours a day, 27 days a month. Non- operational days are allocated for repair and maintenance work.
- (ii) The Sterilisation Business is estimated to require an initial capital expenditure of approximately RM54.20 million, mainly to facilitate the construction of the sterilisation facility, purchase of machineries and equipment as well as the purchase of the initial 1.00 million curies of cobalt-60. The required capital expenditure is assumed to be funded through a mixture of debt and equity financing as well as internally generated funds from the Group.
- (iii) Production capacity is estimated based on the amount of radioactive activity available in the sterilisation facility, measured based on the quantity of cobalt-60 after taking into consideration the decay constant of 1.096% per month. The cumulative total radioactive activity of the sterilisation facility over the projected period is as follow: -

Purchase in Year	Cumulative radioactive activity (curies)
2026	1,000,000
2027	1,200,000
2028	1,400,000
2029	1,600,000
2030	1,800,000
2031	2,000,000
2032	2,300,000
2033	2,600,000
2034	2,900,000
2035	3,200,000
2036	3,500,000

The Management is assumed to be able to obtain any additional debt financing required to purchase the required quantity of cobalt-60 needed to achieve the cumulative radioactive activity mentioned above. Management is assumed to obtain an additional debt financing of approximately RM12.14 million in year 2027 to facilitate the purchase of cobalt-60. The terms of the additional debt financing are expected to be similar to the initial term loan to be obtained for the construction of the sterilisation facility.

APPENDIX V – INDEPENDENT FINANCIAL FEASIBILITY REPORT ON THE STERILISATION BUSINESS TO BE UNDERTAKEN BY FLEXIDYNAMIC

- (iv) The cost of cobalt-60 is assumed to remain constant at USD4.00 per curie throughout the projected period. Management is assumed to top up the amount of required cobalt-60 (after taking into consideration the decay constant) on a yearly basis in order to meet its projected cumulative total radioactive activity per annum.
- (v) Revenue per annum is based on the expected utilisation rate of 90% of the total radioactive activities, based on the sterilisation price of RM500.00 per tote. The sterilisation price is assumed to remain constant throughout the projected period, in line with the purchase price of cobalt-60. Any material increase in the purchase price of cobalt-60 is assumed to be pass on to the customer via an increase in sterilisation price per tote.
- (vi) Direct costs consist of depreciation in relation to cobalt-60 and other fixed assets, staff cost and other direct costs such as consumables, service and maintenance, transportation, utilities and rental of auxiliary equipment.

Depreciation is computed based on the estimated useful life of 15 years for cobalt-60 and 5 to 20 years for other fixed assets.

Staff cost of approximately RM2.25 million per annum and other direct costs of RM0.95 million per annum, are expected to increase by 2% to 3% per annum throughout the projected period.

- (vii) Gross profit (“GP”) margin is expected to range from 19% to 58% throughout the projected period. In the first 5 years, depreciation of fixed assets accounted for approximately 30% to 40% of total direct costs. As such, the increase in GP margin especially from year 6 onward is mainly driven by the increase in sterilisation volume, coupled with lower depreciation expenses, especially from year 6 onwards as certain fixed assets have been fully depreciated.
- (viii) Administrative expenses of approximately RM0.89 million per annum, consisting administrative staff cost, licensing fees and insurance expenses, are expected to increase by 2% to 3% per annum throughout the projected period.
- (ix) Tax expense is estimated based on Malaysia corporate tax rate of 24%.

APPENDIX V – INDEPENDENT FINANCIAL FEASIBILITY REPORT ON THE STERILISATION BUSINESS TO BE UNDERTAKEN BY FLEXIDYNAMIC

General Assumptions

- (i) There will be no significant changes in the principal activities, key management personal, operating policies, accounting and business policies to be adopted by the Sterilisation Business.
- (ii) The Future Financials have been prepared based on prevailing economic conditions and information available as at the date of its preparation and does not encompass any assessment of the potential for future changes in the economic conditions in Malaysia and globally.
- (iii) There will be no significant changes to the prevailing economic, political and market conditions in Malaysia and elsewhere that will have direct and indirect effects on the activities and performance of the Sterilisation Business.
- (iv) There will be no material changes to the present legislation and government's regulations and other operation regulations or restrictions affecting the Sterilisation Business's activities or the market in which it operates.
- (v) Other than as set out above, there will be no significant changes in the credit period granted or received by the Sterilisation Business.
- (vi) The statutory income tax rate and other relevant duty and tax rate for the Sterilisation Business will remain at their respective existing rates with no significant changes in the bases of taxation and there will be no significant changes in the structure which would adversely affect the cash flows of the Sterilisation Business.
- (vii) There will be no material adverse effect from service disruptions, equipment or network breakdown or other similar occurrences, wars, epidemic, terrorist attacks and other natural risks, both domestic and foreign, which will adversely affect the operations, income and expenditure of the Sterilisation Business.
- (viii) The rate of inflation will not fluctuate significantly from their projected levels.
- (ix) The exchange rate between RM and the various currencies in which the Sterilisation Business derives its income/expenses in will not fluctuate significantly from their projected levels.
- (x) There will be no substantial impairment to the carrying value of the Sterilisation Business's investment, property, plant and equipment and other assets.
- (xi) There will be no significant changes in wages, supplies, administration, overhead expenses and other costs other than those projected.
- (xii) There will be adequate supply of manpower and other relevant resources to the Sterilisation Business for its business activities.
- (xiii) There will be no major legal proceedings against the Sterilisation Business which will adversely affect the activities or performance of the Sterilisation Business or give rise to any contingent liability which will materially affect the financial position or business of the Sterilisation Business.

APPENDIX V – INDEPENDENT FINANCIAL FEASIBILITY REPORT ON THE STERILISATION BUSINESS TO BE UNDERTAKEN BY FLEXIDYNAMIC

7. RESULTS OF EVALUATION

In our evaluation of the financial feasibility of the Sterilisation Business, Eco Asia has computed the Sterilisation Business’s Project IRR and Project NPV based on the base case projected cash flow prepared by the Management. The results of our evaluation are as follow:

Financial evaluation	Results	Eco Asia’s commentary
Project IRR	12.28%	The Project IRR is computed based on the discounted FCFE. We noted that the Project IRR of 12.28% is higher than the WACC of the Sterilisation Business of 5.73%. Hence, we are of the opinion that the Sterilisation Business is financially feasible based on the base case projected cash flow.
Project NPV	RM 47.17 million	Positive Project NPV indicates that a project is financially feasible as the project's returns exceed its investment costs after adjusting for the time value of money.

We have also conducted a sensitivity analysis to assess the potential impact arising from a downward adjustment to certain key assumptions. The effects to the Project IRR and Project NPV arising from the adjustment to the following key assumptions are as follow: -

No	Key Assumption	Project IRR (%)	Project NPV (RM million)
	Base Case	12.28	47.17
1.	If sterilisation price per tote decreased by 10% compared to the base case	8.11	16.65
2.	If cost of cobalt-60 increased by 10% compared to the base case	9.94	30.14
3.	If forex rates increased by 10% compared to the base case	9.89	29.80
4.	If direct operational costs increased by 10% compared to the base case	11.60	41.93
5.	If the commencement of the sterilisation operation was delayed by 3 months compared to the base case	11.19	39.87

From the above illustration, it is noted that a decrease in projected sterilisation price or an increase in projected cost would result in a lower Project IRR and Project NPV.

Considered on a stand-alone basis for each of the assumption, it is noted that the fluctuation in projected sterilisation price per tote is the most sensitive to the Project IRR and Project NPV of the Sterilisation Business. This is followed by the increase in forex rates, increase in the cost of cobalt-60, commencement of the operation is delayed by 3 months and finally the increase in operational costs.

8. RISK CONSIDERATIONS IN THE EVALUATION OF THE FINANCIAL FEASIBILITY

The Future Financials of the Sterilisation Business could be affected by a number of major risk factors including the following broad categories of risks among others: -

- (i) The sterilisation facility has yet to be constructed as at the Date of Opinion. Any delays in the commencement of the sterilisation operations shall have a negative effect on the NPV of the project;
- (ii) Any unforeseen factors resulting in the non-satisfactory maintenance of the sterilisation facility during the project period may lead to operational interruptions which shall have a negative effect to the NPV of the project;
- (iii) The evaluation of the Sterilisation Business assumes 24-hours a day production time with 27 working days a month. Any unforeseen situation which prevents the operation of the sterilisation facility shall have a negative effect to the NPV of the project;
- (iv) The projected operation of the sterilisation facility is dependent on the quantity of cobalt-60 stored within the facility. Any disruption in the supply of cobalt-60 will result in an insufficient radioactive activity required to achieve its projected revenue and hence will have a negative effect to the NPV of the project; and
- (v) Significant global macroeconomics events that lead to an increase in interest rates shall cause the benchmark WACC and cost of equity to increase and hence, result in a lower NPV of the project.

9. CONCLUSION

Based on our evaluation on the Future Financials provided by the Management, the Sterilisation Business is **financially feasible**. Our opinion is supported by the following:

- (1) Sterilisation Business's Project IRR of 12.28% is higher than the WACC of 5.73%; and
- (2) Positive Project NPV of RM47.17 million.

It is important to note, however, that our opinion is subject to uncertainty, given the subjectivity and judgment of the assumptions used by the Management in the preparation of the Future Financials. Any material deviation from these assumptions could have a material impact on the Sterilisation Business's Project IRR and Project NPV.

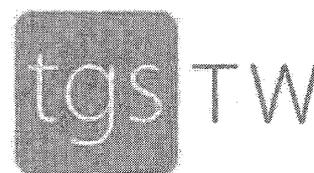
Readers are advised to read the entire Report and specifically Section 6, 7 and 8 that covers areas on our evaluation, the base case assumptions, effects of the changes in key basis and assumptions that could affect the Project IRR and Project NPV of the Sterilisation Business, risk consideration in our evaluation as well as other risk factors detailed in the Circular.

FLEXIDYNAMIC HOLDINGS BERHAD
Registration No.: 201901010656 (1319984-V)
(Incorporated in Malaysia)

**PRO FORMA CONSOLIDATED
STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024**

TGS TW PLT

CHARTERED ACCOUNTANTS



Date: 24 February 2026

The Board of Directors
Flexidynamic Holdings Berhad
A-3A-28, IOI Boulevard
Jalan Kenari 5
Bandar Puchong Jaya
47170 Puchong
Selangor

TGS TW PLT
202106000004 (LLP0026851-LCA) & AF002345
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Unit E-16-2B,
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No.1, Jalan 1/68F, Jalan Tun Razak
50400 Kuala Lumpur.
Tel : +603 9771 4326
Email: tgsaudt@tgs-tw.com
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Dear Sirs,

FLEXIDYNAMIC HOLDINGS BERHAD (“FLEXIDYNAMIC” OR “THE COMPANY”) REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

We have completed our assurance engagement to report on the compilation of Pro Forma Consolidated Statements of Financial Position of Flexidynamic Holdings Berhad and of its subsidiaries (collectively known as “the Group” or “Flexidynamic Group”) as at 31 December 2024.

The applicable criteria on the basis of which the Board of Directors of the Company have compiled the Pro Forma Consolidated Statements of Financial Position are set out in Note 1 of the Pro Forma Consolidated Statements of Financial Position, and in accordance with the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants (“Guidance Note”) (“Applicable Criteria”).

As part of this process, information about the Group’s consolidated financial position has been extracted by the Directors from the audited statements of financial position of the Group as at 31 December 2024, on which was reported by us to the members of the Group on 25 April 2025 without any modification.

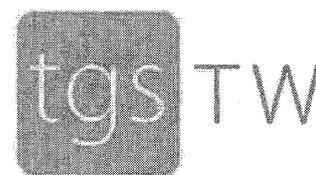
Directors’ Responsibility for the Pro Forma Consolidated Statements of Financial Position

The Board of Directors is solely responsible for compiling the Pro Forma Consolidated Statements of Financial Position on the basis of Applicable Criteria.

Our Independence and Quality Control

We are independent 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 of 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.

Our firm applies *International Standard on Quality Management (“ISQM”) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Our Responsibility

Our responsibility is to express an opinion, about whether the Pro Forma Consolidated Statements of Financial Position have been properly compiled, in all material respects, by the Directors on the basis of the Applicable Criteria.

We conducted our engagement in accordance with *International Standard on Assurance Engagements (“ISAE”) 3420 Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the Pro Forma Consolidated Statements of Financial Position on the basis of the Applicable Criteria.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Consolidated Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Statements of Financial Position.

The purpose of the Pro Forma Consolidated Statements of Financial Position is solely to illustrate the impact of significant events or transactions or unadjusted financial information on the entity as if the events had occurred or the transactions had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

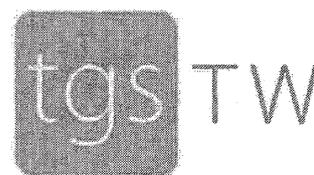
A reasonable assurance engagement to report on whether the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, involves performing procedures to assess whether the certain assumptions and adjustments used by the Board of Directors of the Group in the compilation of the Pro Forma Consolidated Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Consolidated Statements of Financial Position reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the event or transaction in respect of which the Pro Forma Consolidated Statements of Financial Position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Consolidated Statements of Financial Position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Opinion

In our opinion, the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects on the basis of the Applicable Criteria.

Other Matters

This report has been prepared solely for illustrative purposes and are not intended to be used for any other purposes. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully,

TGS TW PLT

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

A handwritten signature in black ink, appearing to read 'Quek Keng Yee', written over a light blue horizontal line.

QUEK KENG YEE
03852/10/2026 J
Chartered Accountant

Kuala Lumpur

FLEXIDYNAMIC HOLDINGS BERHAD

(Incorporated in Malaysia)

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

1. BASIS OF PREPARATION

The Pro Forma Consolidated Statements of Financial Position have been prepared based on accounting policies and basis which are consistent with those disclosed in the audited consolidated financial statements of Flexidynamic Group for the financial year ended 31 December 2024.

The Pro Forma Consolidated Statements of Financial Position of Flexidynamic Group have been prepared for illustrative purposes and on the assumptions that the Consolidated Statement of Financial Position were affected on that date by the Proposals as below assuming that all the transactions mentioned as per Pro Forma Consolidated Statements of Financial Position had taken place on 31 December 2024 .

2. PROPOSALS

(a) Pro Forma I – Proposed Diversification

The Board is seeking the approval from the shareholders of the Company in the forthcoming EGM for the Proposed Diversification pursuant to Rule 10.13(1) of the Listing Requirements in anticipation that the Sterilisation Business is expected to result in either:

- The diversion of 25.0% or more of the Net Assets (“NA”) of the Group to the Sterilisation Business; or
- The contribution from the Sterilisation Business of 25.0% or more of the net profit of the Group.

(b) Pro Forma II – Proposed Subscription, Acquisition and Private Placement

The Proposed Subscription entails subscription of 16,080,184 new Gammatech Sdn. Bhd.’s (“Gammatech”) Shares for a total cash consideration of RM16,080,184 to facilitate the construction of the Sterilisation Facility and for Flexidynamic to maintain 51% equity stake in Gammatech.

The Proposed Acquisition entails the acquisition of the Land from H&A Ventures Sdn. Bhd. (“H&A”) for the Purchase Consideration of RM15,450,000 to be satisfied via the issuance of 15,450,000 Consideration Shares in Gammatech to H&A at the issue price of RM1.00 per Consideration Share.

The Proposed Private Placement entails the issuance of up to 89,903,000 Placement Shares, representing approximately 30.0% of the total number of issued shares, at an indicative issue price of RM0.20 per share.

APPENDIX VI – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE FLEXIDYNAMIC GROUP AS AT 31 DECEMBER 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS’ LETTER THEREON

FLEXIDYNAMIC HOLDINGS BERHAD

(Incorporated in Malaysia)

**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(CONT’D)**

2. PROPOSALS (CONT’D)

**(b) Pro Forma II – Proposed Subscription, Acquisition and Private Placement
(Cont’d)**

The gross proceeds from Proposed Private Placement of RM17,980,600 are expected to be utilised as follows:

	RM
Proposed Subscription	16,080,184 Δ
Working Capital	900,416
Expenses for Proposals	<u>1,000,000</u>
	<u><u>17,980,600</u></u>

Δ Set up cost from Sterilisation Business:

	RM
Capital expenditure	54,642,000
Operating expenditure	<u>4,092,000</u>
	<u><u>58,734,000</u></u>

The above set up cost will be funded via the following:

	RM
Proposed Private Placement	16,080,184
Bank borrowings	27,735,000
Internal generated funds	<u>14,918,816</u>
	<u><u>58,734,000</u></u>

FLEXIDYNAMIC HOLDINGS BERHAD

(Incorporated in Malaysia)

**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(CONT’D)**

2. PROPOSALS (CONT’D)

(c) Pro Forma III – Proposed Bonus Issue of Warrants

The Proposed Bonus Issue of Warrants entails the issuance of up to 99,940,500 free Warrants, on the basis of 1 Warrant for every 4 existing Shares held in the Company by the Entitled Shareholders on the Entitlement Date.

For illustrative purposes, the effects of the Proposed Bonus Issue of Warrants shall be illustrated based on the following 2 scenarios:

Minimum Scenario

Assuming the completion of the Proposed Private Placement and none of the ESOS Options are exercised prior to the implementation of the Proposed Bonus Issue of Warrants.

Accordingly, up to 97,395,731 Warrants may be issued pursuant to the Proposed Bonus Issue of Warrants. In addition, up to 97,395,731 new Shares may be issued upon full exercise of the Warrants at indicative exercise price of RM0.20 per share.

Maximum Scenario

Assuming the completion of the Proposed Private Placement and all of the 10,179,075 outstanding ESOS Options are exercised at RM0.28 per share prior to the implementation of the Proposed Bonus Issue of Warrants.

Accordingly, up to 99,940,500 Warrants may be issued pursuant to the Proposed Bonus Issue of Warrants. In addition, up to 99,940,500 new Shares may be issued upon full exercise of the Warrants at indicative exercise price of RM0.20 per share.

APPENDIX VI – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE FLEXIDYNAMIC GROUP AS AT 31 DECEMBER 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON

**FLEXIDYNAMIC HOLDINGS BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024**

MINIMUM SCENARIO

The Pro Forma Consolidated Statements of Financial Position of the Group as at 31 December 2024 as set out below are provided for illustrative purposes only to show the effects of the subsequent events and should be read in conjunction with the notes accompanying to the Pro Forma Consolidated Statements of Financial Position.

	Note	As at 31 Dec 2024		Adjustments for Proposed Subscription, Acquisition and Private Placement		Proforma II After Proposed Subscription, Acquisition and Private Placement		Adjustments for Proposed Bonus Issue of Warrants		Proforma III After Proposed Bonus Issue of Warrants	
		RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
ASSETS											
Non-current assets											
Property, plant and equipment	1.1	8,633,178	8,633,178	70,092,000	78,725,178	-	78,725,178	-	-	78,725,178	
Investment properties		12,914,743	12,914,743	-	12,914,743	-	12,914,743	-	-	12,914,743	
Deferred tax assets		3,670,805	3,670,805	-	3,670,805	-	3,670,805	-	-	3,670,805	
Other receivable		1,667	1,667	-	1,667	-	1,667	-	-	1,667	
Total non-current assets		25,220,393	25,220,393		95,312,393		95,312,393			95,312,393	
Current assets											
Inventories		7,732,779	7,732,779	-	7,732,779	-	7,732,779	-	-	7,732,779	
Trade receivables		27,249,633	27,249,633	-	27,249,633	-	27,249,633	-	-	27,249,633	
Other receivables		12,336,138	12,336,138	-	12,336,138	-	12,336,138	-	-	12,336,138	
Contract assets		5,737,266	5,737,266	-	5,737,266	-	5,737,266	-	-	5,737,266	
Contract costs		337,200	337,200	-	337,200	-	337,200	-	-	337,200	
Tax recoverable		3,012,431	3,012,431	-	3,012,431	-	3,012,431	-	-	3,012,431	
Fixed deposits with licensed banks	1.2	450,594	450,594	(450,594)	-	-	-	-	-	-	
Cash and bank balances	1.3	9,778,291	9,778,291	(9,475,806)	302,485	19,479,146	19,479,146			19,781,631	
Total current assets		66,634,332	66,634,332		56,707,932		56,707,932			76,187,078	
Total assets		91,854,725	91,854,725		152,020,325		152,020,325			171,499,471	

APPENDIX VI – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE FLEXIDYNAMIC GROUP AS AT 31 DECEMBER 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON

**FLEXIDYNAMIC HOLDINGS BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONT'D)**

MINIMUM SCENARIO (CONT'D)

The Pro Forma Consolidated Statements of Financial Position of the Group as at 31 December 2024 as set out below are provided for illustrative purposes only to show the effects of the subsequent events and should be read in conjunction with the notes accompanying to the Pro Forma Consolidated Statements of Financial Position. (Cont'd)

Note	As at 31 Dec 2024	Adjustments for			RM
		Proforma I After Proposed Diversification	Proforma II After Proposed Subscription, Acquisition and Private Placement	Proforma III After Proposed Bonus Issue of Warrants	
		RM	RM	RM	RM
EQUITY AND LIABILITIES					
EQUITY					
1.4	Share capital 37,739,013 (20,431,412)	37,739,013 (20,431,412)	17,710,600 -	55,449,613 (20,431,412)	74,928,759 (20,431,412)
	Capital reserve 631,154	631,154	-	631,154	631,154
1.5	Share-based payment reserve 1,525,102	1,525,102	-	1,525,102	1,525,102
	Foreign exchange reserve 5,628	5,628	-	5,628	5,628
1.6	Retained earnings 22,341,600 41,811,085	22,341,600 41,811,085	(730,000)	21,611,600 58,791,685	21,611,600 78,270,831
1.7	Non-controlling interests 212,934	212,934	15,450,000	15,662,934	15,662,934
	Total equity 42,024,019	42,024,019		74,454,619	93,933,765
LIABILITIES					
Non-current liabilities					
1.8	Lease liabilities 415,095	415,095	-	415,095	415,095
	Bank borrowings 12,372,396	12,372,396	27,735,000	40,107,396	40,107,396
	Employees' benefits 78,538	78,538	-	78,538	78,538
	Total non-current liabilities 12,866,029	12,866,029		40,601,029	40,601,029

APPENDIX VI – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE FLEXIDYNAMIC GROUP AS AT 31 DECEMBER 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON

**FLEXIDYNAMIC HOLDINGS BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONT'D)**

MINIMUM SCENARIO (CONT'D)

The Pro Forma Consolidated Statements of Financial Position of the Group as at 31 December 2024 as set out below are provided for illustrative purposes only to show the effects of the subsequent events and should be read in conjunction with the notes accompanying to the Pro Forma Consolidated Statements of Financial Position. (Cont'd)

	Note	As at 31 Dec 2024	Adjustments for			RM
			Proforma I After Proposed Diversification	Proforma II After Proposed Subscription, Acquisition and Private Placement	Proforma III After Proposed Bonus Issue of Warrants	
		RM	RM	RM	RM	RM
EQUITY AND LIABILITIES (CONT'D)						
Current liabilities						
Trade payables		16,151,520	-	16,151,520	-	16,151,520
Other payables and accruals		1,698,732	-	1,698,732	-	1,698,732
Contract liabilities		16,163,811	-	16,163,811	-	16,163,811
Lease liabilities		275,444	-	275,444	-	275,444
Bank borrowings		2,662,604	-	2,662,604	-	2,662,604
Current tax liabilities		12,566	-	12,566	-	12,566
Total current liabilities		36,964,677		36,964,677		36,964,677
Total liabilities		49,830,706		77,565,706		77,565,706
Total equity and liabilities		91,854,725		152,020,325		171,499,471
Issued ordinary share capital	1.4	299,679,925	89,903,000	389,582,925	97,395,731	486,978,656
Net assets per share (sen)		13.95		15.09		16.07
Lease liabilities and Loans and borrowings		15,725,539		43,460,539		43,460,539
Gearing ratio (times)		0.37		0.58		0.46

APPENDIX VI – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE FLEXIDYNAMIC GROUP AS AT 31 DECEMBER 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON

**FLEXIDYNAMIC HOLDINGS BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONT'D)**

MAXIMUM SCENARIO

The Pro Forma Consolidated Statements of Financial Position of the Group as at 31 December 2024 as set out below are provided for illustrative purposes only to show the effects of the subsequent events and should be read in conjunction with the notes accompanying to the Pro Forma Consolidated Statements of Financial Position. (Cont'd)

	Note	As at 31 Dec 2024	Adjustments for		Adjustments for		Proforma III After Proposed Bonus Issue of Warrants
			Proforma I After Proposed Diversification	Proposed Subscription, Acquisition and Private Placement	Proforma II After Proposed Subscription, Acquisition and Private Placement	Proposed Bonus Issue of Warrants	
		RM	RM	RM	RM	RM	RM
ASSETS							
Non-current assets							
Property, plant and equipment	1.1	8,633,178	8,633,178	70,092,000	78,725,178	-	78,725,178
Investment properties		12,914,743	12,914,743	-	12,914,743	-	12,914,743
Deferred tax assets		3,670,805	3,670,805	-	3,670,805	-	3,670,805
Other receivable		1,667	1,667	-	1,667	-	1,667
Total non-current assets		25,220,393	25,220,393		95,312,393		95,312,393
Current assets							
Inventories		7,732,779	7,732,779	-	7,732,779	-	7,732,779
Trade receivables		27,249,633	27,249,633	-	27,249,633	-	27,249,633
Other receivables		12,336,138	12,336,138	-	12,336,138	-	12,336,138
Contract assets		5,737,266	5,737,266	-	5,737,266	-	5,737,266
Contract costs		337,200	337,200	-	337,200	-	337,200
Tax recoverable		3,012,431	3,012,431	-	3,012,431	-	3,012,431
Fixed deposits with licensed banks	1.2	450,594	450,594	(450,594)	-	-	-
Cash and bank balances	1.3	9,778,291	9,778,291	(9,475,806)	302,485	22,838,241	23,140,726
Total current assets		66,634,332	66,634,332		56,707,932		79,546,173
Total assets		91,854,725	91,854,725		152,020,325		174,858,566

APPENDIX VI – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE FLEXIDYNAMIC GROUP AS AT 31 DECEMBER 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON

**FLEXIDYNAMIC HOLDINGS BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONT'D)**

MAXIMUM SCENARIO (CONT'D)

The Pro Forma Consolidated Statements of Financial Position of the Group as at 31 December 2024 as set out below are provided for illustrative purposes only to show the effects of the subsequent events and should be read in conjunction with the notes accompanying to the Pro Forma Consolidated Statements of Financial Position. (Cont'd)

	Note	As at 31 Dec 2024		Adjustments for Proposed Subscription, Acquisition and Private Placement		Proforma II After Proposed Subscription, Acquisition and Private Placement		Adjustments for Proposed Bonus Issue of Warrants		Proforma III After Proposed Bonus Issue of Warrants	
		RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
EQUITY AND LIABILITIES											
EQUITY											
Share capital	1.4	37,739,013	37,739,013	17,710,600	55,449,613	24,363,343	79,812,956				
Merger deficit		(20,431,412)	(20,431,412)	-	(20,431,412)	-	(20,431,412)				(20,431,412)
Capital reserve		631,154	631,154	-	631,154	-	631,154				631,154
Share-based payment reserve	1.5	1,525,102	1,525,102	-	1,525,102	-	1,525,102				-
Foreign exchange reserve		5,628	5,628	-	5,628	-	5,628				5,628
Retained earnings	1.6	22,341,600	22,341,600	(730,000)	21,611,600	-	21,611,600				21,611,600
		41,811,085	41,811,085		58,791,685		81,629,926				81,629,926
Non-controlling interests	1.7	212,934	212,934	15,450,000	15,662,934	-	15,662,934				15,662,934
Total equity		42,024,019	42,024,019		74,454,619		97,292,860				97,292,860
LIABILITIES											
Non-current liabilities											
Lease liabilities		415,095	415,095	-	415,095	-	415,095				415,095
Bank borrowings	1.8	12,372,396	12,372,396	27,735,000	40,107,396	-	40,107,396				40,107,396
Employees' benefits		78,538	78,538	-	78,538	-	78,538				78,538
Total non-current liabilities		12,866,029	12,866,029		40,601,029		40,601,029				40,601,029

APPENDIX VI – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE FLEXIDYNAMIC GROUP AS AT 31 DECEMBER 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON

**FLEXIDYNAMIC HOLDINGS BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONT'D)**

MAXIMUM SCENARIO (CONT'D)

The Pro Forma Consolidated Statements of Financial Position of the Group as at 31 December 2024 as set out below are provided for illustrative purposes only to show the effects of the subsequent events and should be read in conjunction with the notes accompanying to the Pro Forma Consolidated Statements of Financial Position. (Cont'd)

	Note	As at 31 Dec 2024		Adjustments for Proposed Subscription, Acquisition and Private Placement		Proforma II After Proposed Subscription, Acquisition and Private Placement		Adjustments for Proposed Bonus Issue of Warrants		Proforma III After Proposed Bonus Issue of Warrants	
		RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
EQUITY AND LIABILITIES (CONT'D)											
Current liabilities											
Trade payables		16,151,520	16,151,520	-	16,151,520	16,151,520	-	-	-	16,151,520	16,151,520
Other payables and accruals		1,698,732	1,698,732	-	1,698,732	1,698,732	-	-	-	1,698,732	1,698,732
Contract liabilities		16,163,811	16,163,811	-	16,163,811	16,163,811	-	-	-	16,163,811	16,163,811
Lease liabilities		275,444	275,444	-	275,444	275,444	-	-	-	275,444	275,444
Bank borrowings		2,662,604	2,662,604	-	2,662,604	2,662,604	-	-	-	2,662,604	2,662,604
Current tax liabilities		12,566	12,566	-	12,566	12,566	-	-	-	12,566	12,566
Total current liabilities		36,964,677	36,964,677		36,964,677	36,964,677		36,964,677		36,964,677	36,964,677
Total liabilities		49,830,706	49,830,706		49,830,706	49,830,706		49,830,706		49,830,706	49,830,706
Total equity and liabilities		91,854,725	91,854,725		91,854,725	91,854,725		91,854,725		91,854,725	91,854,725
Issued ordinary share capital	1.4	299,679,925	299,679,925	89,903,000	389,582,925	389,582,925	110,119,575	499,702,500		499,702,500	499,702,500
Net assets per share (sen)		13.95	13.95		15.09	15.09		16.34		16.34	16.34
Lease liabilities and Loans and borrowings		15,725,539	15,725,539		43,460,539	43,460,539		43,460,539		43,460,539	43,460,539
Gearing ratio (times)		0.37	0.37		0.58	0.58		0.45		0.45	0.45

APPENDIX VI – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE FLEXIDYNAMIC GROUP AS AT 31 DECEMBER 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS’ LETTER THEREON

FLEXIDYNAMIC HOLDINGS BERHAD

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

1. EFFECTS ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

1.1 PROPERTY, PLANT AND EQUIPMENT

The movements in property, plant and equipment are as follows:

Minimum and Maximum Scenario

	RM
As at 31 December 2024/As per Proforma I	8,633,178
Pursuant to Proposed Subscription	-
Pursuant to Proposed Acquisition	15,450,000
Pursuant to Proposed Private Placement	<u>54,642,000</u>
As per Pro Forma II and III	<u><u>78,725,178</u></u>

1.2 FIXED DEPOSITS WITH LICENSED BANKS

The movements in fixed deposits with licensed banks are as follows:

Minimum and Maximum Scenario

	RM
As at 31 December 2024/As per Proforma I	450,594
Pursuant to Proposed Subscription	-
Pursuant to Proposed Acquisition	-
Pursuant to Proposed Private Placement	<u>(450,594)</u>
As per Pro Forma II and III	<u><u>-</u></u>

1.3 CASH AND BANK BALANCES

The movements in cash and bank balance are as follows:

Minimum Scenario

	RM
As at 31 December 2024/As per Proforma I	9,778,291
Pursuant to Proposed Subscription	-
Pursuant to Proposed Acquisition	-
Pursuant to Proposed Private Placement	<u>(9,475,806)</u>
As per Pro Forma II	302,485
Pursuant to Proposed Bonus Issue of Warrants	<u>19,479,146</u>
As per Pro Forma III	<u><u>19,781,631</u></u>

APPENDIX VI – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE FLEXIDYNAMIC GROUP AS AT 31 DECEMBER 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS’ LETTER THEREON

FLEXIDYNAMIC HOLDINGS BERHAD

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONT’D)

1. EFFECTS ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT’D)

1.3 CASH AND BANK BALANCES (CONT’D)

The movements in cash and bank balance are as follows: (Cont’d)

Maximum Scenario

	RM
As at 31 December 2024/As per Proforma I	9,778,291
Pursuant to Proposed Subscription	-
Pursuant to Proposed Acquisition	-
Pursuant to Proposed Private Placement	<u>(9,475,806)</u>
As per Pro Forma II	302,485
Exercised 10,179,075 outstanding ESOS Options	2,850,141
Pursuant to Proposed Bonus Issue of Warrants	<u>19,988,100</u>
As per Pro Forma III	<u><u>23,140,726</u></u>

1.4 SHARE CAPITAL

The movements in share capital are as follows:

Minimum Scenario

	Number of Share Unit	Amount RM
As at 31 December 2024/As per Proforma I	389,582,925	37,739,013
Pursuant to Proposed Subscription	-	-
Pursuant to Proposed Acquisition	-	-
Pursuant to Proposed Private Placement	<u>89,903,000</u>	<u>17,710,600</u>
As per Pro Forma II	479,485,925	55,449,613
Pursuant to Proposed Bonus Issue of Warrants	<u>97,395,731</u>	<u>19,479,146</u>
As per Pro Forma III	<u><u>576,881,656</u></u>	<u><u>74,928,759</u></u>

APPENDIX VI – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE FLEXIDYNAMIC GROUP AS AT 31 DECEMBER 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS’ LETTER THEREON

FLEXIDYNAMIC HOLDINGS BERHAD

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONT’D)

1. EFFECTS ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT’D)

1.4 SHARE CAPITAL (CONT’D)

The movements in share capital are as follows: (Cont’d)

Maximum Scenario

	Number of Share Unit	Amount RM
As at 31 December 2024/As per Proforma I	389,582,925	37,739,013
Pursuant to Proposed Subscription	-	-
Pursuant to Proposed Acquisition	-	-
Pursuant to Proposed Private Placement	<u>89,903,000</u>	<u>17,710,600</u>
As per Pro Forma II	479,485,925	55,449,613
Exercised 10,179,075 outstanding ESOS Options	10,179,075	2,850,141
Utilised share-based payment reserve	-	1,525,102
Pursuant to Proposed Bonus Issue of Warrants	<u>99,940,500</u>	<u>19,988,100</u>
As per Pro Forma III	<u><u>589,605,500</u></u>	<u><u>79,812,956</u></u>

1.5 SHARE-BASED PAYMENT RESERVE

The movements in share-based payment reserve are as follows:

Minimum and Maximum Scenario

	RM
As at 31 December 2024/As per Proforma I and II	1,525,102
Pursuant to Proposed Bonus Issue of Warrants	<u>(1,525,102)</u>
As per Pro Forma III	<u><u>-</u></u>

APPENDIX VI – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE FLEXIDYNAMIC GROUP AS AT 31 DECEMBER 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS’ LETTER THEREON

FLEXIDYNAMIC HOLDINGS BERHAD

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONT’D)

1. EFFECTS ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT’D)

1.6 RETAINED EARNINGS

The movements in retained earnings are as follows:

Minimum and Maximum Scenario

	RM
As at 31 December 2024/As per Proforma I	22,341,600
Pursuant to Proposed Subscription	-
Pursuant to Proposed Acquisition	-
Pursuant to Proposed Private Placement	<u>(730,000)</u>
As per Pro Forma II and III	<u><u>21,611,600</u></u>

1.7 NON-CONTROLLING INTERESTS

The movements in non-controlling interest are as follows:

Minimum and Maximum Scenario

	RM
As at 31 December 2024/As per Proforma I	212,934
Pursuant to Proposed Subscription	-
Pursuant to Proposed Acquisition	15,450,000
Pursuant to Proposed Private Placement	<u>-</u>
As per Pro Forma II and III	<u><u>15,662,934</u></u>

1.8 BANK BORROWINGS

The movements in bank borrowings are as follows:

Minimum and Maximum Scenario

	RM
As at 31 December 2024/As per Proforma I	12,372,396
Pursuant to Proposed Subscription	-
Pursuant to Proposed Acquisition	-
Pursuant to Proposed Private Placement	<u>27,735,000</u>
As per Pro Forma II and III	<u><u>40,107,396</u></u>

APPENDIX VI – PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF THE FLEXIDYNAMIC GROUP AS AT 31 DECEMBER 2024 TOGETHER WITH THE REPORTING ACCOUNTANTS’ LETTER THEREON

FLEXIDYNAMIC HOLDINGS BERHAD

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

APPROVAL BY THE BOARD OF DIRECTORS

Approved and adopted by the Board of Directors in accordance with a resolution dated 24 February 2026.

On behalf of the Board of Directors



TAN KONG LEONG



SIN KUO WEI

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there is no false or misleading statement or other facts the omission of which would make any information in this Circular false or misleading.

2. CONSENTS AND DECLARATION OF CONFLICT OF INTERESTS**(i) Malacca Securities**

Malacca Securities, being the Principal Adviser for the Proposals and Placement Agent for the Proposed Private Placement, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

Malacca Securities hereby declares that there is no situation of conflict of interest that exists or is likely to exist in its relation to its role as the Principal Adviser for the Proposals.

(ii) Rahim & Co

Rahim & Co, being the Independent Valuer for the Land, has given and has not subsequently withdrawn its written consent to the inclusion of its name, its Valuation Report and Valuation Certificates and all references thereto, in the form and context in which they appear in this Circular.

Rahim & Co hereby declares that there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Independent Valuer for the Land in relation to the Proposed Acquisition.

(iii) SMITH ZANDER

SMITH ZANDER, being the Independent Market Researcher, has given and has not subsequently withdrawn its written consent to the inclusion of its name, report and all references thereto in the form and context in which they appear in this Circular.

SMITH ZANDER hereby declares that there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Independent Market Researcher.

(iv) Eco Asia

Eco Asia, being the independent financial adviser to conduct a financial feasibility study on the Sterilisation Business, has given and has not subsequently withdrawn its written consent to the inclusion of its name, its letter on the opinion on the financial feasibility of the Sterilisation Business involving the construction of a Sterilisation Facility by Flexidynamic and all references thereto in the form and context in which they appear in this Circular.

Eco Asia hereby declares that there is no situation of conflict of interest that exists or is likely to exist in its relation to its role as the Independent Financial Adviser.

APPENDIX VII – FURTHER INFORMATION

3. MATERIAL CONTRACTS

Save as disclosed below, Flexidynamic Group (including Gammatech) has not entered into any material contracts (not contracts entered into in the ordinary course of business) within the 2 years immediately preceding the date of this Circular:

- (i) The share sale agreement dated 19 June 2025 between the Company (as the buyer) and Harps Investment Asia Pte Ltd (as the vendor) for the acquisition of 5,800,000 ordinary shares in Formtech for a total purchase consideration of RM8.4 million. The share sale agreement was completed on 1 August 2025;
- (ii) The share sale agreement with the Company (as the buyer), Dietmar Trumm and Valluvan A/L A. Peramuthu (as the vendors) for the acquisition of 2,100,000 ordinary shares and 400,000 ordinary shares in Formtech for a total purchase consideration of RM2.0 million. The share sale agreement was completed on 1 August 2025;
- (iii) The SPA; and
- (iv) The SHA.

4. MATERIAL LITIGATION

As at LPD, Flexidynamic Group (including Gammatech) is not engaged in any material litigation, claims and/or arbitration either as plaintiff or defendant, which may have a material effect on the financial position or business of the Group and there is no proceeding which is pending or threatened against Flexidynamic Group, or of any fact likely to give rise to any proceeding which may materially and adversely affect the financial position or business of the Group.

5. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

5.1 Material commitments

Save for the Proposed Acquisition and estimated total set up cost for the Sterilisation Facility amounting to RM58.73 million (which consist of bank borrowings amounting to RM27.74 million), there are no material commitments incurred or known to be incurred by Flexidynamic Group (including Gammatech) which upon becoming due or enforceable, may have a material impact on the financial position or business of Flexidynamic Group. Further details on the additional financial commitments are set out in **Appendix I** of this Circular.

5.2 Contingent liabilities

As at LPD, there are no contingent liabilities incurred or known to be incurred by Flexidynamic Group (including Gammatech), which upon becoming due or enforceable, may have a material impact on the financial position or business of Flexidynamic Group.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of Flexidynamic at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia, during normal business hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM:

- (i) Constitution of the Company;
- (ii) the audited financial statements of Flexidynamic Group for the FYE 31 December 2023 and FYE 31 December 2024 and the latest unaudited financial results of Flexidynamic Group for the 9-month financial period ended 30 September 2025;
- (iii) the audited financial statements of Gammatech for the FYE 31 December 2023 and FYE 31 December 2024;
- (iv) the material contracts referred to in Section 3 of this Appendix;
- (v) the Independent Market Research Report dated 24 February 2026;
- (vi) the draft Deed Poll;
- (vii) the Independent Financial Feasibility Report on the Sterilisation Business to be undertaken by Flexidynamic;
- (viii) the Valuation Report and Valuation Certificates by Rahim & Co; and
- (ix) the letters of consent and declaration of conflict of interest referred to in Section 2 of this Appendix.

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FLEXIDYNAMIC HOLDINGS BERHAD
(Registration No. 201901010656 (1319984-V))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“**EGM**”) of Flexidynamic Holdings Berhad (“**Flexidynamic**” or the “**Company**”) will be held at Seminar Room 1, Kelab Golf Negara Subang, Jalan SS 7/2, Kelana Jaya, 47301 Petaling Jaya, Selangor on Wednesday, 8 April 2026 at 10:30 a.m. or any adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolutions, with or without modifications:

ORDINARY RESOLUTION 1

PROPOSED DIVERSIFICATION OF THE EXISTING PRINCIPAL ACTIVITIES OF FLEXIDYNAMIC AND ITS SUBSIDIARIES (“GROUP**”) TO INCLUDE PROVISION OF STERILISATION SERVICES USING GAMMA RADIATION (“**PROPOSED DIVERSIFICATION**”)**

“**THAT** subject to the passing of Ordinary Resolutions 2, 3 and 4 as well as approvals of all relevant parties and/or authorities being obtained (if required), approval be and is hereby given to the Company to diversify the existing business of Flexidynamic and its subsidiaries to include the provision of sterilisation services using gamma radiation;

AND THAT the Board be and is hereby empowered and authorised to take all such steps and do all acts, deeds and things as are necessary to give full effect to the Proposed Diversification with full powers to assent to any conditions, modifications, variations and/or amendments as the Board may in its absolute discretion deem fit, necessary, expedient, appropriate and/or as may be required or imposed or permitted by any relevant authorities in connection with the Proposed Diversification.”

ORDINARY RESOLUTION 2

PROPOSED SUBSCRIPTION OF 16,080,184 NEW ORDINARY SHARES IN GAMMATECH SDN BHD (“GAMMATECH**”) (“**SUBSCRIPTION SHARES**”) FOR A TOTAL CASH CONSIDERATION OF RM16,080,184 (“**SUBSCRIPTION PRICE**”) (“**PROPOSED SUBSCRIPTION**”)**

“**THAT** subject to the passing of Ordinary Resolutions 1, 3 and 4, approval be and is hereby given for the Company to subscribe for 16,080,184 new ordinary shares in the capital of Gammatech for a total cash consideration of RM16,080,184;

AND THAT approval be and is hereby given for the Board of Directors to sign or execute all relevant documents pertaining thereto for and on behalf of the Company.”

ORDINARY RESOLUTION 3

PROPOSED ACQUISITION OF A PARCEL OF INDUSTRIAL FREEHOLD LAND HELD UNDER GM 2418, LOT 2202, TELUK PANGLIMA GARANG, KUALA LANGAT, SELANGOR MEASURING APPROXIMATELY 1.6314 HECTARES (“LAND”) BY GAMMATECH, A 51%-OWNED SUBSIDIARY OF FLEXIDYNAMIC FROM H&A VENTURES SDN BHD (“H&A”) (“VENDOR”) FOR A TOTAL CONSIDERATION OF RM15,450,000 (“PURCHASE CONSIDERATION”), TO BE SATISFIED VIA ISSUANCE OF 15,450,000 NEW ORDINARY SHARES IN GAMMATECH (“CONSIDERATION SHARES”) (“PROPOSED ACQUISITION”)

“**THAT** subject to the passing of Ordinary Resolutions 1, 2 and 4 as well as the approvals of all relevant parties and/or authorities being obtained (if required), approval be and is hereby given to Gammatech Sdn Bhd, a 51%-Owned Subsidiary of the Company to acquire a parcel of industrial freehold land held under GM 2418, Lot 2202, Teluk Panglima Garang, Kuala Langat, Selangor, bearing the postal address Lot 2202, Jalan Nuri, Kawasan Perusahaan Kebun Baru, Batu 9, 42500 Teluk Panglima Garang, Selangor Darul Ehsan, measuring approximately 1.6314 hectares from H&A Ventures Sdn Bhd for a total consideration of RM15,450,000, to be satisfied via issuance of 15,450,000 new ordinary shares in Gammatech, subject to and upon the terms and conditions of the sale and purchase agreement dated 14 July 2025 entered into between Gammatech and H&A in relation to the Proposed Acquisition;

AND THAT the Board of Directors of the Company (“**Board**”) be and is hereby empowered and authorised to take all such steps and do all acts, deeds and things to enter into any arrangements, transactions, agreements and/or undertakings and to execute, sign and deliver on behalf of the Company, all such documents as may be necessary, expedient and/or appropriate to implement and give full effect to the Proposed Acquisition with full powers to assent to any conditions, modifications, variations and/or amendments as the Board may in its absolute discretion deem fit, necessary, expedient, appropriate and/or as may be imposed or permitted by any relevant authorities in connection with the Proposed Acquisition and to do all such things as the Board may consider necessary or expedient or in the best interest of the Company.”

ORDINARY RESOLUTION 4

PROPOSED PRIVATE PLACEMENT OF UP TO 89,903,000 NEW ORDINARY SHARES IN FLEXIDYNAMIC (“SHARES” OR “FLEXIDYNAMIC SHARES”), REPRESENTING UP TO 30.0% OF THE EXISTING TOTAL NUMBER OF ISSUED SHARES OF FLEXIDYNAMIC TO INDEPENDENT THIRD-PARTY INVESTOR(S) TO BE IDENTIFIED LATER AT AN ISSUE PRICE TO BE DETERMINED LATER (“PROPOSED PRIVATE PLACEMENT”)

“**THAT** subject to the passing of Ordinary Resolutions 1, 2 and 3 and subject to the approvals being obtained from the relevant authorities and/ or parties, approval be and is hereby given to the Board of Directors of Flexidynamic (“**Board**”) to issue and allot up to 89,903,000 new ordinary shares in Flexidynamic (“**Shares**” or “**Flexidynamic Shares**”), representing up to 30.0% of the existing total number of issued shares of Flexidynamic (“**Placement Shares**”) to independent third-party investor(s) to be identified later at an issue price to be determined later by the Board (“**Price Fixing Date**”) upon such terms and conditions as disclosed in the Circular to the shareholders of the Company dated 4 March 2026 (“**Circular**”);

THAT the issue price of the Placement Shares will be determined based on a discount of not more than 10% to the 5-day volume-weighted average market price of the Shares up to and including the last trading day immediately preceding the Price-Fixing Date;

THAT the Board be and is hereby authorised to utilise the proceeds to be derived from the Proposed Private Placement for such purposes as set out in the Circular and the Board be and is hereby authorised with full power to vary the manner and/ or purpose of the utilisation of such proceeds from the Proposed Private Placement in the manner as the Board may deem fit, necessary and/ or expedient, subject (where required) to the approval of the relevant authorities and in the best interest of the Company;

THAT such Placement Shares will, upon allotment and issuance, rank equally in all respects with the existing Flexidynamic Shares, save and except that the Placement Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution where the entitlement date precedes the relevant date of allotment and issuance of the Placement Shares;

THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/ or arrangements as may be necessary to give effect and complete the Proposed Private Placement and to assent to any conditions, modifications, variations and/ or amendments in any manner as may be required by the relevant authorities or as the Board may deem necessary in the best interest of the Company and to take such steps as they may deem appropriate, necessary and/ or expedient in order to implement, finalise, give full effect and to complete the Proposed Private Placement;

AND THAT this resolution constitutes a specific approval for the issuance of securities in the Company contemplated herein and shall continue to be in full force and effect until all Placement Shares to be issued pursuant to or in connection with the Proposed Private Placement have been duly allotted and issued in accordance with the terms of the Proposed Private Placement.”

ORDINARY RESOLUTION 5

PROPOSED BONUS ISSUE OF WARRANTS ON THE BASIS OF 1 WARRANT FOR EVERY 4 FLEXIDYNAMIC SHARES HELD BY THE ENTITLED SHAREHOLDERS ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER (“ENTITLED SHAREHOLDERS”) (“ENTITLEMENT DATE”) (“PROPOSED BONUS ISSUE OF WARRANTS”)

“**THAT** subject to the approvals of all relevant regulatory authorities being obtained, the Board of Directors of the Company (“**Board**”) be and is hereby authorised to issue and allot of 99,940,500 Warrants on the basis of 1 Warrant for every 4 existing Flexidynamic Shares held by the entitled Shareholder on an entitlement date to be determined and announce later;

THAT the Board be hereby authorised to enter into and execute the deed poll constituting the Warrants (“**Deed Poll**”) with full powers to assent to any condition, modification, variation and/ or amendment in any manner as may be required or imposed by the relevant authorities or as the Board may deem necessary or expedient in the best interest of the Company, and with full powers for the Board to implement, finalise and give full effect to the Deed Poll;

THAT the Board be hereby authorised to allot and issue such appropriate number of Warrants in accordance with the provisions of the Deed Poll and where required, to adjust the exercise price and/ or the number of Warrants to be issued (including, without limitation, any additional Warrants as may be required or permitted to be issued) in consequence of the adjustments pursuant to the provisions of the Deed Poll;

THAT the Board be hereby authorised to allot and issue such appropriate number of new Shares pursuant to the exercise of the Warrants or additional Warrants issued pursuant to adjustments as provided for under the Deed Poll by the holders of the Warrants in accordance with the provisions of the Deed Poll;

THAT in determining the entitlements under the Proposed Bonus Issue of Warrants, fractional entitlements, if any, shall be disregarded and dealt with in such manner as the Board in its absolute discretion deems fit and expedient, and in the best interest of the Company;

THAT the new Flexidynamic Shares to be issued pursuant to the exercise of the Warrants shall, upon allotment, issuance and full payment of the exercise price, rank equally in all respects with the existing Flexidynamic Shares, save and except that the new Flexidynamic Shares will not be entitled to any dividends, rights, allotments and/ or other forms of distributions that may be declared, made or paid to the shareholders of the Company, the entitlement date of which is prior to the date of allotment and issuance of the new Flexidynamic Shares;

THAT the Board be hereby authorised to use the proceeds to be raised from the exercise of the Warrants for such purposes and in such manner as set out in Section 6.6 of the circular to shareholders of the Company dated 4 March 2026 (“**Circular**”), and the Board be authorised with full powers to vary the manner and/or purpose of the use of such proceeds in such manner as the Board may deem fit, necessary and/or expedient or in the best interest of the Company, subject to the approval of the relevant authorities (where required);

AND THAT the Board be hereby authorised to sign and execute all documents, do all acts, deeds and things as may be required to give effect to and to complete the Proposed Bonus Issue of Warrants with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things for and on behalf of the Company in any manner as they may deem fit or necessary or expedient to implement, finalise and give full effect to the Proposed Bonus Issue of Warrants.”

By Order of the Board
FLEXIDYNAMIC HOLDINGS BERHAD

LIM SECK WAH (MAICSA NO. 0799845) (SSM PC NO: 202008000054)
TANG CHI HOE (KEVIN) (MAICSA NO. 7045754) (SSM PC NO: 202008002054)
Company Secretaries
Selangor Darul Ehsan
4 March 2026

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 EGM, the Company shall be requesting the Record of Depositors as at 27 March 2026. Only a depositor whose name appears on the Record of Depositors as at 27 March 2026 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 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, Malaysia or the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or by electronic lodgement via Vistra Share Registry and IPO (MY) portal at <https://srmy.vistra.com> 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 EGM 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.

Personal data privacy:

*By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.*



FLEXIDYNAMIC HOLDINGS BERHAD
(Registration No. 201901010656 (1319984-V))
(Incorporated in Malaysia)

PROXY FORM

(Before completing the form please refer to the notes below)

No. of shares held	CDS Account No. of Authorised Nominee

I/We _____ NRIC/Passport/Co. No. _____
(FULL NAME IN BLOCK LETTERS)

of _____ Tel No. _____ /
(ADDRESS)

Email Address _____

being a member of **FLEXIDYNAMIC HOLDINGS BERHAD**, hereby appoint

Proxy 1 – Full name in Block Letters	NRIC/Passport No.	No. of shares	% of shareholdings
Address:			
Email Address:			

*and/or failing him/her (*delete if not applicable)

Proxy 2 – Full name in Block Letters	NRIC/Passport No.	No. of shares	% of shareholdings
Address:			
Email Address:			

or failing him/her, the Chairman of the Meeting, as my/our proxy(ies) to vote for me/us and on my/our behalf at the Extraordinary General Meeting (“**EGM**”) of the Company to be held at Seminar Room 1, Kelab Golf Negara Subang, Jalan SS 7/2, Kelana Jaya, 47301 Petaling Jaya, Selangor, on Wednesday, 8 April 2026 at 10:30 a.m. or any adjournment thereof.

My/our proxy(ies) shall vote as follows:

ORDINARY RESOLUTIONS		For	Against
(1)	Proposed Diversification		
(2)	Proposed Subscription		
(3)	Proposed Acquisition		
(4)	Proposed Private Placement		
(5)	Proposed Bonus Issue of Warrants		

(Please indicate with an “X” in the space provided how you wish your vote to be cast on the resolutions specified in the Notice of the Extraordinary General Meeting. If you do not do so, the proxy(ies) will vote or abstain from voting at his/her/their discretion).

Dated this _____ day of _____ 2026

Signature/Seal of Shareholder



Notes:-

1. For the purpose of determining a member who shall be entitled to attend, speak and vote at the EGM, the Company shall be requesting the Record of Depositors as at 27 March 2026. Only a depositor whose name appears on the Record of Depositors as at 27 March 2026 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.
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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.
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, Malaysia or the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or by electronic lodgement via Vistra Share Registry and IPO (MY) portal at <https://srmy.vistra.com> not less than 48 hours before the time set for holding the meeting or any adjournment thereof. Kindly refer to the Administrative Guide for EGM for further information on electronic submission of Form of Proxy.
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Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Share Registrar of
FLEXIDYNAMIC HOLDINGS BERHAD
Registration No.: 201901010656 (1319984-V))
Incorporated in Malaysia
c/o TRICOR INVESTOR & ISSUING HOUSE SDN BHD
Unit 32-01, Level 32, Tower A,
Vertical Business Suite, Avenue 3,
Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur
Malaysia

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