FLEXIDYNAMIC HOLDINGS BERHAD

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

UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2026

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2026[(1)]

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	Unaudited 30/06/2026 RM'000	Unaudited 30/06/2025 RM'000	Unaudited 30/06/2026 RM'000	Unaudited 30/06/2025 RM'000
Revenue	11,130	14,367	28,919	31,835
Cost of sales	(9,656)	(14,001)	(24,299)	(28,928)
Gross profit	1,474	366	4,620	2,907
Other income	510	204	757	388
Reversal/(Allowance) of expected credit losses on receivables	20	(105)	20	(210)
Selling and distribution expenses	(233)	(146)	(420)	(339)
Administrative expenses	(2,318)	(1,812)	(4,630)	(3,380)
Other expenses	(507)	(629)	(956)	(1,047)
Loss from operations	(1,054)	(2,122)	(609)	(1,681)
Finance costs	(265)	(173)	(452)	(317)
Finance income	5	6	10	14
Loss before tax	(1,314)	(2,289)	(1,051)	(1,984)
Tax (expenses)/income	(85)	114	(48)	37
Loss after tax	(1,399)	(2,175)	(1,099)	(1,947)
Other comprehensive loss: -				
Item that will be reclassified subsequently to profit or loss				
Foreign currency translations differences	2	5	28	6
Total comprehensive loss for the financial period	(1,397)	(2,170)	(1,071)	(1,941)
Loss attributable to: -				
Owners of the Company	(1,226)	(1,997)	(822)	(1,788)
Non-controlling interest	(173)	(178)	(277)	(159)
	(1,399)	(2,175)	(1,099)	(1,947)
Total comprehensive loss attributable to: -				
Owners of the Company	(1,225)	(1,994)	(808)	(1,785)
Non-controlling interest	(172)	(176)	(263)	(156)
Total comprehensive loss for the financial period	(1,397)	(2,170)	(1,071)	(1,941)
Loss per share attributable to owners of the Company (sen): -				
Basic	(0.41)	(0.67)	(0.27)	(0.60)
Diluted	(0.41)	(0.67)	(0.27)	(0.60)

NOTE:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the audited financial statements of Flexidynamic Holdings Berhad ("**Flexidynamic**" or "**the Company**") and its subsidiaries ("**the Group**") for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2026[1]

ASSETS	Unaudited As At 30/06/2026 RM'000	Audited As At 31/12/2025 RM'000
Non-current assets		
Property, plant and equipment	11,394	11,665
Investment properties	12,692	12,766
Goodwill	6,939	6,939
Deferred tax assets	1,673	1,665
Other receivables	13	-
Total non-current assets	32,711	33,035
Current assets		
Inventories	7,278	7,862
Trade receivables	20,031	19,896
Other receivables	5,766	8,792
Contract assets	3,480	5,135
Tax recoverable	531	3,213
Fixed deposits with a licensed financial institution	953	944
Cash and bank balances and short-term investments	4,929	7,029
Total current assets	42,968	52,871
TOTAL ASSETS	75,679	85,906
EQUITY AND LIABILITIES		
EQUITY		
Share capital	37,739	37,739
Merger deficit	(20,431)	(20,431)
Capital reserve	631	631
Share based payment reserve	1,583	1,583
Foreign exchange reserve	25	11
Retained earnings	9,973	10,795
Equity attributable to owners of the Company	29,520	30,328
Non-controlling interest	(170)	93
TOTAL EQUITY	29,350	30,421
LIABILITIES		
Non-current liabilities		
Bank borrowings	14,630	15,205
Lease liabilities	532	526
Employees' benefits	75	78
Total non-current liabilities	15,237	15,809
Current Liabilities		
Trade payables	15,910	19,004
Other payables and accruals	6,646	10,313
Contract liabilities	3,923	5,259
Bank borrowings	3,950	4,433
Lease liabilities	663	667
Total current liabilities	31,092	39,676
TOTAL LIABILITIES	46,329	55,485
TOTAL EQUITY AND LIABILITIES	75,679	85,906
Net assets per ordinary share (RM) [2]	0.10	0.10

NOTES:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Financial Position are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to this interim financial report.

(2) Net assets per ordinary share is calculated based on the number of ordinary shares in issue of 299,679,925 shares. (2025: 299,679,925).

FLEXIDYNAMIC HOLDINGS BERHAD
Registration No: 201901010656 (1319984–V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2026(1)

	← Non-Distributable				→	Distributable			
	Share Capital RM'000	Merger Deficit RM'000	Capital Reserve RM'000	Share Based Payment Reserve RM'000	Foreign Exchange Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non-Controlling Interest RM'000	Total Equity RM'000
6 Months Ended 30June 2026									
Balance at 1 January 2026	37,739	(20,431)	631	1,583	11	10,795	30,328	93	30,421
Loss after tax	-	-	-	-	-	(822)	(822)	(277)	(1,099)
Foreign currency translations differences	-	-	-	-	14	-	14	14	28
Total comprehensive income/(loss) for the financial period	-	-	-	-	14	(822)	(808)	(263)	(1,071)
Balance at 30 June 2026 (Unaudited)	37,739	(20,431)	631	1,583	25	9,973	29,520	(170)	29,350
6 Months Ended 30 June 2025									
Balance at 1 January 2025	37,739	(20,431)	631	1,525	6	22,342	41,812	213	42,025
Transaction with owners:									
Share based payment relating to ESOS	-	-	-	29	-	-	29	-	29
Total transaction with owners	-	-	-	29	-	-	29	-	29
Loss after tax	-	-	-	-	-	(1,788)	(1,788)	(159)	(1,947)
Foreign currency translations differences	-	-	-	-	3	-	3	3	6
Total comprehensive loss for the financial period	-	-	-	-	3	(1,788)	(1,785)	(156)	(1,941)
Balance at 30 June 2025 (Unaudited)	37,739	(20,431)	631	1,554	9	20,554	40,056	57	40,113

NOTE:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2026[1]

	6 months ended Unaudited 30/06/2026 RM'000	6 months ended Unaudited 30/06/2025 RM'000
CASH FLOWS USED IN OPERATING ACTIVITIES		
Loss before tax	(1,051)	(1,984)
Adjustments for: -		
(Reversal)/Allowance for expected credit losses on receivables	(20)	210
Depreciation of property, plant and equipment	1,269	503
Depreciation of investment properties	74	74
Gain on disposal of property, plant and equipment	(178)	-
Finance costs	452	317
Finance income	(10)	(14)
Unrealised (gain)/loss on foreign exchange	(43)	443
Dividend income	(40)	(50)
Employees' benefits	(3)	(1)
Share based payment expenses	-	29
Operating profit/(loss) before working capital changes	450	(473)
Decrease/(Increase) in inventories	584	(14)
Decrease/(Increase) in receivables	2,898	(1,705)
(Decrease)/Increase in payables	(7,143)	380
Decrease/(Increase) in contract assets/liabilities	319	(610)
Cash generated used in operations	(2,892)	(2,422)
Tax paid	(46)	(153)
Tax refunded	2,694	99
Net cash used in operating activities	(244)	(2,476)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(120)	(261)
Interests received	1	14
Dividend received	40	50
Net cash used in investing activities	(79)	(197)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2026(1) (Cont'd)

	6 months ended Unaudited 30/06/2026 RM'000	6 months ended Unaudited 30/06/2025 RM'000
CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES		
Interests paid	(452)	(317)
Net (repayments)/drawdown of short-term borrowings	(506)	1,651
Drawdown of bank borrowings	-	200
Repayments of bank borrowings	(552)	(722)
Repayments of lease liabilities	(257)	(191)
Net cash (used in)/from financing activities	(1,767)	621
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,090)	(2,052)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	7,029	10,229
EFFECT OF EXCHANGE RATES CHANGES	(10)	(436)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	4,929	7,741
Represented by: -		
CASH AND CASH EQUIVALENTS		
Cash and bank balances	4,929	7,285
Fixed deposits with a licensed financial institution	953	456
	5,882	7,741
Less: Fixed deposits pledged with a licensed financial institution	(953)	-
	4,929	7,741

NOTE:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to this interim financial report.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2026

PART A – EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134, INTERIM FINANCIAL REPORTING

A1. BASIS OF PREPARATION

The interim financial report of the Group is unaudited and has been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board, Paragraph 9.22 and Appendix 9B of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2025. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2025.

A2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information and presentation adopted in the interim financial report are consistent with those adopted as disclosed in the Group's audited financial statements for the financial year ended 31 December 2025.

On 1 January 2026, the Group adopted the following new and amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2026.

- Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards – Annual Improvements – Volume 11
- Amendments to MFRS 7: Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments
- Amendments to MFRS 7: Financial Instruments: Disclosures – Annual Improvements – Volume 11
- Amendments to MFRS 7: Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity
- Amendments to MFRS 9: Financial Instruments – Amendments to the Classification and Measurement of Financial Instruments
- Amendments to MFRS 9: Financial Instruments – Contracts Referencing Nature-dependent Electricity
- Amendments to MFRS 9: Financial Instruments – Annual Improvements – Volume 11
- Amendments to MFRS 10: Consolidated Financial Statements – Annual Improvements – Volume 11
- Amendments to MFRS 107: Statement of Cash Flows – Annual Improvements – Volume 11

The adoption of the above standards did not have any material impact on the Group's financial statements.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2026

A2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

The new and amended standards and interpretations issued but not yet effective for 31 December 2026 reporting period are as below and have not been early adopted by the Group.

Standards	**Effective for financial period beginning on or after**
MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 and Amendments to MFRS 19: Subsidiaries without Public Accountability - Disclosures	1 January 2027
Amendments to MFRS 121: The Effects of Changes in Foreign Exchange Rates – Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendment to MFRS 10 and MFRS 128: Consolidated Financial Statements & Investments In Associates and Joint Ventures – Sales or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred to a date to be determined and announced

* Not applicable to the Group's operation

The Directors do not expect that the adoption of the standards and amendment listed above will have a material impact on the financial statements of the Group in the future periods.

A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report for the preceding financial year ended 31 December 2025 was issued without any qualification.

A4. SEASONAL OR CYCLICAL FACTORS

The nature of the Group's business is not subject to any significant seasonal or cyclical factors during the current financial quarter and period-to-date under review.

A5. MATERIAL AND UNUSUAL ITEMS

Save as disclosed in Section B1, B2 & B11, there were no material and unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial quarter and period-to-date under review.

A6. MATERIAL SUBSEQUENT EVENT

On 11 August 2026, Malacca Securities Sdn Bhd had, on behalf of the Company, announced that the approvals granted by Bursa Malaysia Securities Berhad for the Proposed Private Placement and Proposed Bonus Issue of Warrants had lapsed.

In view of the inter-conditionality of the proposals, the Board of Directors had decided not to proceed with the Proposed Diversification, Proposed Subscription and Proposed Acquisition. Consequently, Gammatech Sdn Bhd and H&A Ventures Sdn Bhd had, on the same date, mutually agreed to terminate the sale and purchase agreement in relation to the Proposed Acquisition.

A6. MATERIAL SUBSEQUENT EVENT (cont'd)

The above constitutes a non-adjusting event subsequent to the end of the interim financial quarter and financial period. Any financial impact arising from the termination, including the treatment of costs incurred in connection with the proposals, will be recognised in the appropriate subsequent financial period upon final determination.

Further details are disclosed in Note B6 on the status of corporate proposals.

A7. DEBT AND EQUITY SECURITIES

There were no other issuances, cancellations, repurchases, resales and repayments of debt and equity securities for the current financial quarter under review.

A8. CHANGES IN ESTIMATES OF AMOUNTS REPORTED PREVIOUSLY

There were no material changes in estimates of amounts reported in prior interim periods or prior financial year that have a material effect in the current financial quarter.

A9. DIVIDEND PAID

No dividends were paid during the current financial quarter under review.

A10. SEGMENTAL INFORMATION

The Group is principally engaged in the business of design, engineering, installation and commissioning of glove chlorination systems, design and installation of storage tanks, process tanks for glove manufacturing industry, supply and installation of mechanical and electrical ("M&E") engineering works and manufacturing glove formers.

The Group is currently involved in three operating segments, namely the glove manufacturing industry, M&E engineering industry and glove formers manufacturing. During the current financial quarter, these segments contributed approximately 65%, 14%, and 21% of the Group's total revenue, respectively.

The following table provides an analysis of the Group's revenue by geographical segment: -

	Individual Quarter 3 months ended		**Cumulative Quarter 6 months ended**	
	Unaudited 30/06/2026 RM'000	**Unaudited 30/06/2025 RM'000**	**Unaudited 30/06/2026 RM'000**	**Unaudited 30/06/2025 RM'000**
Local	10,645	13,559	27,445	30,008
Overseas [(1)]	485	808	1,474	1,827
	11,130	14,367	28,919	31,835

Note:

(1) Includes Vietnam, Thailand, and Sri Lanka.

A11. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There has been no valuation made on any property, plant and equipment during the current financial quarter under review.

A12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no other changes in the composition of the Group for the current financial quarter under review.

A13. CAPITAL COMMITMENTS

The capital commitments of the Group as at 30 June 2026 is as follows: -

	Unaudited As At 30/06/2026 RM'000
Authorised and contracted for: -	
Property, plant and equipment	34,273

A14. CONTINGENT LIABILITIES

As at 30 June 2026, the Company has outstanding contingent liabilities amounting to RM18.58 million being corporate guarantees given to financial institutions for banking facilities granted to certain subsidiaries.

A15. SIGNIFICANT RELATED PARTY TRANSACTIONS

The significant related party transactions which were entered into under agreed terms and conditions are summarised as follows: -

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	Unaudited 30/06/2026 RM'000	Unaudited 30/06/2025 RM'000	Unaudited 30/06/2026 RM'000	Unaudited 30/06/2025 RM'000
Rental expenses	19	17	38	34
Lease payment	6	6	12	12
Finance charges	-	-	-	1
Purchase of timber	5	31	14	142

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2026

PART B – EXPLANATORY NOTES PURSUANT TO CHARTER 9, APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

B1. PERFORMANCE REVIEW

	Individual Quarter 3 months ended			Cumulative Quarter 6 months ended		
	Unaudited 30/06/2026 RM'000	Unaudited 30/06/2025 RM'000	Changes %	Unaudited 30/06/2026 RM'000	Unaudited 30/06/2025 RM'000	Changes %
Revenue	11,130	14,367	(22.53)	28,919	31,835	(9.16)
Operating (Loss)/Profit	(567)	(1,388)	59.15	327	(424)	177.12
Loss before interest and tax	(1,054)	(2,122)	50.33	(609)	(1,681)	63.77
Loss before tax	(1,314)	(2,289)	42.60	(1,051)	(1,984)	47.03
Loss after tax	(1,399)	(2,175)	35.68	(1,099)	(1,947)	43.55
Loss attributable to: -						
Owners of the Company	(1,226)	(1,997)	38.61	(822)	(1,788)	54.03

(a) Results for current financial quarter

For the current financial quarter ended 30 June 2026 ("Q2 FY2026"), the Group recorded revenue of RM11.13 million, representing a decrease of RM3.24 million or 22.53% as compared to RM14.37 million recorded in the corresponding quarter of the preceding financial year ("Q2 FY2025"). The decrease was mainly attributable to the completion of the M&E engineering works at Loji Rawatan Air Chupak, Jajahan Gua Musang, Kelantan, as well as a lower number of refurbishment and upgrading projects undertaken for existing glove manufacturers.

The Group's revenue for Q2 FY2026 was principally derived from the design, engineering, installation and commissioning of glove chlorination systems, supply and installation of M&E engineering works, as well as manufacturing of glove formers. Revenue contribution from the local and overseas markets accounted for approximately 94.90% and 5.10%, respectively, to the Group's total revenue for the current financial quarter.

Notwithstanding the lower revenue, the Group's operating loss narrowed by RM0.82 million or 59.15% to RM0.57 million in Q2 FY2026, compared with an operating loss of RM1.39 million in Q2 FY2025. The improvement was mainly attributable to higher project margins and more effective cost management during the current financial quarter.

(b) Results for financial period-to-date

For the six-month financial period ended 30 June 2026, the Group recorded revenue of RM28.92 million, representing a decrease of RM2.92 million or 9.16% as compared with RM31.84 million recorded in the corresponding period of the preceding financial year. The decrease was mainly attributable to a lower number of refurbishment and upgrading projects undertaken for existing customers in the glove manufacturing industry.

Notwithstanding the lower revenue and higher administrative expenses arising from the consolidation of a newly acquired subsidiary, the Group recorded an operating profit of RM0.33 million for the current financial period, as compared with an operating loss of RM0.42 million in the corresponding period of the preceding financial year. This represented an improvement of approximately RM0.75 million or 177.12%.

The improved operating performance was mainly attributable to higher project margins and more effective cost management during the current financial period.

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

	Individual Quarter 3 months ended			
	Unaudited	**Unaudited**	**Change**	
	30/06/2026	**31/03/2026**		
	RM'000	**RM'000**	**RM'000**	**%**
Revenue	11,130	17,789	(6,659)	(37.43)
(Loss)/Profit before tax	(1,314)	263	(1,577)	(599.62)
(Loss)/Profit after tax	(1,399)	300	(1,699)	(566.33)
(Loss)/Profit attributable to: -				
Owners of the Company	(1,226)	404	(1,630)	(403.47)

For the Q2 FY2026, the Group recorded revenue of RM11.13 million, representing a decrease of RM6.66 million or 37.43% compared with RM17.79 million recorded in the immediate preceding quarter ended 31 March 2026 ("Q1 FY2026"). The decrease was mainly attributable to lower revenue contributions from the design, engineering, installation and commissioning of glove chlorination systems, as well as the lower contribution from M&E engineering works following the completion of certain projects during the current financial quarter.

The Group recorded a loss before tax of RM1.31 million in Q2 FY2026, compared with a profit before tax of RM0.26 million in Q1 FY2026. The decline in financial performance was mainly attributable to lower revenue and gross profit, coupled with higher finance costs incurred during the current financial quarter.

B3. PROSPECT AND OUTLOOK

The global rubber glove industry is expected to recover gradually, supported by normalised inventory levels and sustained demand. The Malaysian Rubber Glove Manufacturers Association has projected global glove demand to increase from approximately 421 billion pieces in 2025 to 455 billion pieces in 2026, which may support demand for the Group's glove-related engineering solutions. Nevertheless, the pace of recovery remains subject to industry overcapacity, competitive pricing and cautious capital expenditure by glove manufacturers.

The operating environment remains challenging due to intense regional competition, evolving trade policies, foreign exchange volatility and rising labour, energy, financing and raw-material costs. While these factors may affect customers' production and capital expenditure decisions, the need to enhance efficiency, quality and cost competitiveness may continue to support demand for the Group's automation, replacement and upgrading solutions.

For the M&E engineering segment, the Group will selectively pursue suitable water treatment, water intake and other infrastructure projects to replenish its order book, while considering project timing, execution risks, resource availability, costs and sustainable margins.

The Group will continue to enhance the production efficiency, product quality and market reach of its glove formers business to secure recurring orders, with its contribution dependent on customer qualification, order conversion, capacity utilisation and the recovery of the glove industry.

Moving forward, the Group will focus on replenishing its order book, improving project execution and maintaining prudent cost and working capital management, while selectively pursuing commercially viable projects with sustainable margins. The Board will remain vigilant with regards to developments in the operating environment and take appropriate measures to safeguard the Group's financial position while pursuing sustainable growth and long-term shareholder value.

B4. VARIANCE FROM PROFIT FORECAST

The Group did not publish any profit forecast for the current financial quarter under review in any public documents.

B5. TAXATION

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	Unaudited 30/06/2026 RM'000	**Unaudited 30/06/2025 RM'000**	**Unaudited 30/06/2026 RM'000**	**Unaudited 30/06/2025 RM'000**
Income tax	-	14	56	31
Deferred tax	85	(128)	(8)	(68)
	85	(114)	48	(37)
Effective tax rate	(6.47%)[(1)]	4.98%	(4.57%)[(1)]	1.86%

Notes:

(1) The Group's effective tax rate is lower than statutory tax rate i.e. 24% for the current financial quarter and current financial period ended 30 June 2026, principally due to recognition of deferred tax assets arising from temporary differences relating to contract liabilities recognised during current financial quarter and current financial period and utilisation of unabsorbed tax loss brought forward from prior financial year.

(2) Tax expense is recognised based on management's best estimate.

B6. STATUS OF CORPORATE PROPOSAL

Multiple Proposals

Save as disclosed below, there were no corporate proposals announced but not completed as at the date of this report.

On 14 July 2025, Malacca Securities Sdn Bhd ("Malacca Securities") had on behalf of the Company announced that the Company proposed to undertake the following:

(i) proposed diversification of the existing principal activities of the Company and its subsidiaries ("Group") 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, a 51%-owned subsidiary of the Company ("Gammatech") ("Subscription Shares") for a total cash consideration of RM16,080,184 ("Subscription Price") ("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 ("Land") by Gammatech, a 51%-owned subsidiary of the Company 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");

B6. STATUS OF CORPORATE PROPOSAL (cont'd)

Multiple Proposals (cont'd)

On 14 July 2025, Malacca Securities Sdn Bhd ("Malacca Securities") had on behalf of the Company announced that the Company proposed to undertake the following: (cont'd)

(iv) proposed private placement of up to 89,903,000 new ordinary shares in the Company ("Shares" or "Flexidynamic Shares"), representing up to 30% 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") ("Entitlement Date") ("Proposed Bonus Issue of Warrants").

On 21 August 2025, Malacca Securities had on behalf of the Company announced that the listing application in respect of the Proposed Private Placement and Proposed Bonus Issue of Warrants had been submitted to Bursa Securities.

On 13 February 2026, Malacca Securities had on behalf of the Company announced that Bursa Securities had vide its letter dated 12 February 2026 approved for the listing application in respect of the Proposed Private Placement and Proposed Bonus Issue of Warrants.

On 04 March 2026, the Company announced that the circular and notice to shareholders of the Proposed Diversification, Proposed Subscription, Proposed Acquisition, Proposed Private Placement and Proposed Bonus Issue of Warrants.

On 08 April 2026, the Company announced that all the resolutions set out in the Notice of Extraordinary General Meeting ("**EGM**") dated 04 March 2026 were tabled and duly passed at the EGM of the Company.

On 11 August 2026, Malacca Securities had, on behalf of the Company, announced that the approvals granted by Bursa Malaysia Securities Berhad for the Proposed Private Placement and Proposed Bonus Issue of Warrants had lapsed.

In view of the inter-conditionality of the proposals, the Board of Directors had decided not to proceed with the Proposed Diversification, Proposed Subscription and Proposed Acquisition. Consequently, Gammatech Sdn Bhd and H&A Ventures Sdn Bhd had, on the same date, mutually agreed to terminate the sale and purchase agreement in relation to the Proposed Acquisition.

B7. BORROWINGS

	Unaudited As At 30/06/2026 Foreign denomination '000	RM '000	Unaudited As At 30/06/2025 Foreign denomination '000	RM '000
Current:				
Secured				
Bank borrowings		3,950		4,441
Lease liabilities		657		357
Lease liabilities	THB 49	6	THB -	-
		4,613		4,798
Non-current:				
Secured				
Bank borrowings		14,630		11,723
Lease liabilities		499		614
Lease liabilities	THB 271	33	THB -	-
		15,162		12,337
Total borrowings		19,775		17,135
Exchange Rate: RM per THB100		12.2761		12.9655

B8. MATERIAL LITIGATION

The Group is not engaged in any material litigation either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened against the Group as at the date of this report.

B9. PROPOSED DIVIDEND

No dividend has been declared and proposed during the current financial quarter under review and for the financial period-to-date.

B10. LOSS PER SHARE

(a) Basic loss per share

The basic loss per share for the current financial quarter and financial period-to-date are as follows: -

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	Unaudited 30/06/2026	**Unaudited 30/06/2025**	**Unaudited 30/06/2026**	**Unaudited 30/06/2025**
Loss after tax attributable to owners of the Company (RM'000)	(1,226)	(1,997)	(822)	(1,788)
Weighted average number of ordinary shares in issue ('000)	299,680	299,680	299,680	299,680
Basic loss per share (sen)	(0.41)	(0.67)	(0.27)	(0.60)

(b) Diluted loss per share

The diluted loss per share for the current financial quarter and financial period-to-date are as follows: -

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	Unaudited 30/06/2026	**Unaudited 30/06/2025**	**Unaudited 30/06/2026**	**Unaudited 30/06/2025**
Loss after tax attributable to owners of the Company (RM'000)	(1,226)	(1,997)	(822)	(1,788)
Weighted average number of ordinary shares in issue ('000)	299,680	299,680	299,680	299,680
Effect of dilutive potential ordinary share - ESOS ('000)	-[(2)]	-[(2)]	-[(2)]	-[(2)]
Weighted average number of ordinary shares for diluted loss per share ('000)	299,680	299,680	299,680	299,680
Diluted loss per share (sen)[(1)]	(0.41)	(0.67)	(0.27)	(0.60)

Notes:

(1) The diluted loss per share of the Company has been adjusted for the dilutive effects of the potential ordinary shares, i.e., share options granted to the eligible Directors and employees on the assumption that the full exercise of the share options on the share options grant date.

(2) Diluted loss per share of the Company for the individual and cumulative quarter 30 June 2026 was equivalent to the basic loss per share as the share option had an anti-dilutive effect of the basic loss per share and the Company has no other dilutive potential ordinary shares in issue at the end of the reporting period.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2026

B11. NOTE TO THE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following items have been charged/(credited) in arriving loss: -

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	Unaudited 30/06/2026 RM'000	Unaudited 30/06/2025 RM'000	Unaudited 30/06/2026 RM'000	Unaudited 30/06/2025 RM'000
(Reversal)/Allowance for expected credit losses on receivables	(20)	105	(20)	210
Depreciation of property, plant and equipment	649	248	1,269	503
Depreciation of investment properties	37	37	74	74
Interest expenses	265	173	452	317
Realised loss on foreign exchange	16	3	57	2
Unrealised (gain)/loss on foreign exchange	(31)	351	(43)	443
Gain on disposal of property, plant and equipment	(178)	-	(178)	-
Interest income	(5)	(6)	(10)	(14)
Share based payment expenses	-	14	-	29