



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



STEP UP TO

NEW

HEIGHTS

ANNUAL REPORT 2025

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WHAT'S INSIDE



About Us

Flexidynamic Group is a solutions provider to the rubber glove manufacturing industry, headquartered in Malaysia and with an established market presence in Thailand, Vietnam, the United States of America, Indonesia and Sri Lanka. The Group's regional operations are supported by offices in Malaysia and Thailand, as well as its manufacturing facility located in Banting, Selangor.

Founded in 2012, Flexidynamic Engineering Sdn. Bhd. began with a primary focus on providing chlorination systems to glove manufacturers for the production of powder-free gloves. Over time, the Group progressively expanded its product offerings in line with the global growth of the rubber glove manufacturing industry.

In 2018, the Group acquired a 49% equity interest in Flexidynamic Engineering Co. Ltd., a Thai company, strengthening its operational presence in Thailand and supporting business expansion across the mainland of Southeast Asia.

As part of its strategic diversification efforts, Flexidynamic Group acquired a 51% equity interest in Gammatech Sdn. Bhd. in 2024, marking the Group's entry into the provision of sterilisation services using gamma radiation technology.

In August 2025, the Group acquired Formtech Engineering (M) Sdn. Bhd. This acquisition is expected to enhance the Group's product portfolio in glove formers, strengthening its position along the rubber glove manufacturing value chain while creating additional revenue opportunities.

With a comprehensive range of products and solutions, a commitment to continuous improvement and innovation, and a strong support network, Flexidynamic Group is well-positioned to pursue sustainable growth and expand its presence within and beyond the rubber glove manufacturing industry.

Our Values

Energy Efficiency

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



Customer Satisfaction

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



Value For Money

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



CORPORATE INFORMATION

BOARD OF DIRECTORS

DR. TEH CHEE GHEE*Independent Non-Executive Chairman***LIEW HENG WEI***Executive Director***IR. CHONG KAI FENG***Independent Non-Executive Director***TAN KONG LEONG***Managing Director***LION SUK CHIN***Executive Director***POH CHEE FONG***Independent Non-Executive Director
(Resigned on 30 June 2025)***SIN KUO WEI***Deputy Managing Director***NOOR ZALIZA YATI BINTI****YAHYA***Independent Non-Executive Director***AUDIT AND RISK
MANAGEMENT COMMITTEE**

Noor Zaliza Yati Binti Yahya (*Chairperson*)
Dr. Teh Chee Ghee (*Member*)
Ir. Chong Kai Feng (*Member*)

REMUNERATION COMMITTEE

Ir. Chong Kai Feng (*Chairman*)
Dr. Teh Chee Ghee (*Member*)
Noor Zaliza Yati Binti Yahya (*Member*)

NOMINATION COMMITTEE

Ir. Chong Kai Feng (*Chairman*)
Dr. Teh Chee Ghee (*Member*)
Noor Zaliza Yati Binti Yahya (*Member*)

REGISTERED OFFICE

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

HEAD OFFICE

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

COMPANY SECRETARIES

Lim Seck Wah
(MAICSA No. 0799845)
(SSM PC No: 202008000054)
Tang Chi Hoe (Kevin)
(MAICSA No. 7045754)
(SSM PC No: 202008002054)
Chen Li Chin
(MIA No. 43772)
(SSM PC No: 202508000413)

AUDITORS

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

SHARE REGISTRAR

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

STOCK EXCHANGE LISTING

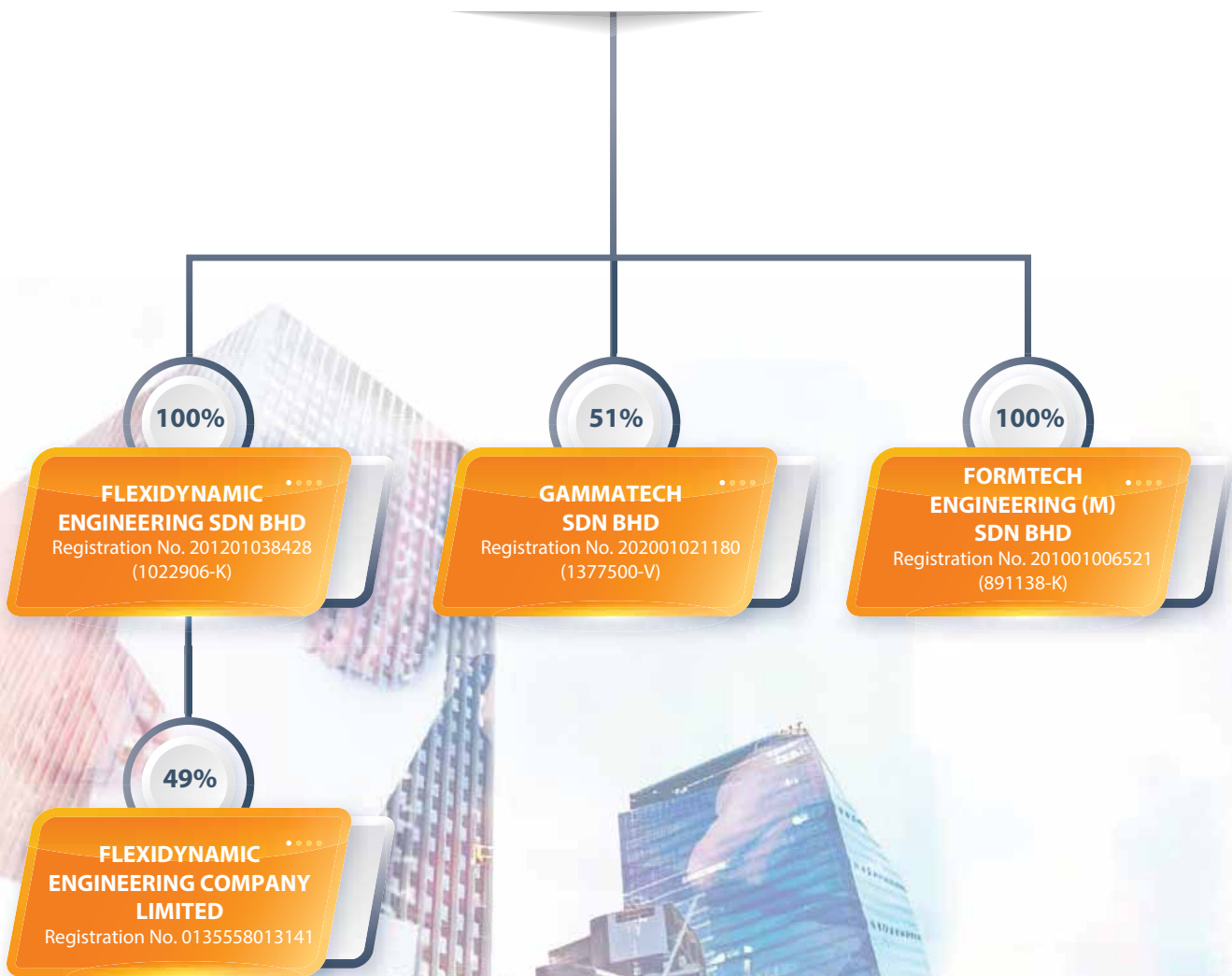
ACE Market of Bursa Malaysia
Securities Berhad



CORPORATE STRUCTURE

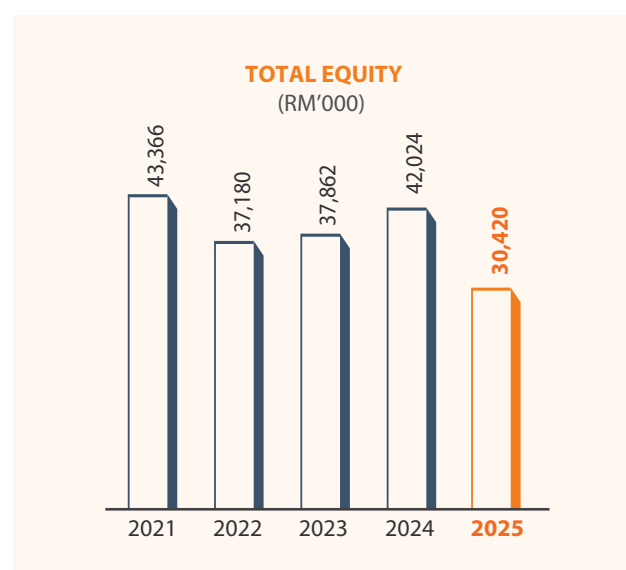
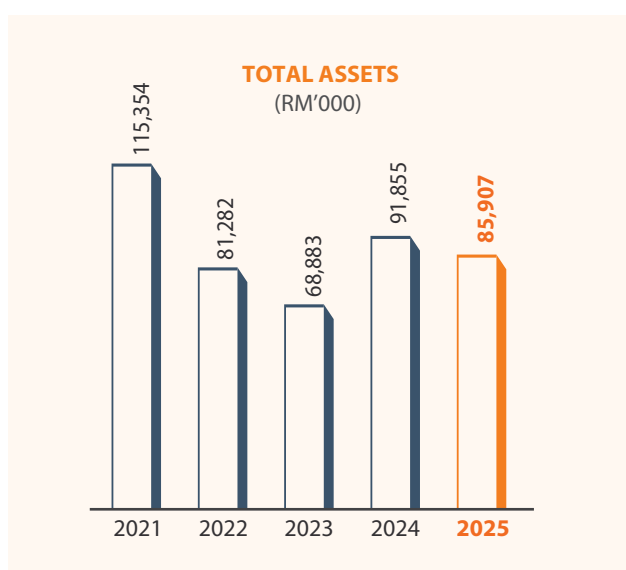
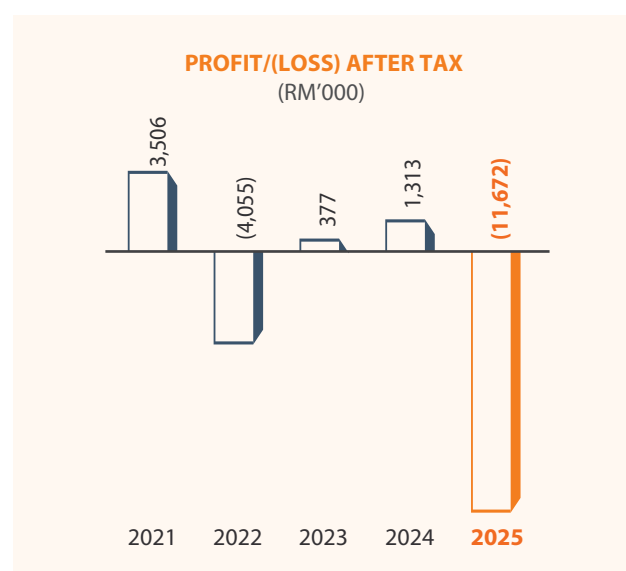
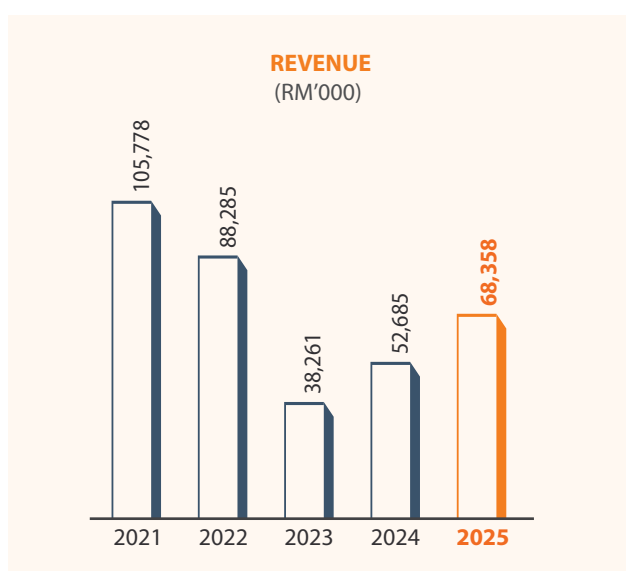


FLEXIDYNAMIC HOLDINGS BERHAD
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FINANCIAL HIGHLIGHTS

	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Revenue (RM'000)	105,778	88,285	38,261	52,685	68,358
Gross Profit (RM'000)	17,493	13,540	10,480	10,048	3,441
Gross Profit Margin	16.54%	15.34%	27.39%	19.07%	5.03%
Profit/(Loss) After Tax (RM'000)	3,506	(4,055)	377	1,313	(11,672)
Profit/(Loss) After Tax Margin	3.31%	(4.59%)	0.99%	2.49%	(17.07%)
Total Assets (RM'000)	115,354	81,282	68,883	91,855	85,907
Total Equity (RM'000)	43,366	37,180	37,862	42,024	30,420



PROFILE OF DIRECTORS

DR. TEH CHEE GHEE

Gender	Age	Nationality
Male	60 years old	Malaysian

Chairman of the Board of Directors

Member of Audit and Risk Management Committee

Member of Nomination Committee

Member of Remuneration Committee

Independent Non-Executive Director

Dr. Teh Chee Ghee was appointed to the Board on 1 July 2024.

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

Dr. Teh has extensive experience in finance, corporate management and academia. He previously held senior positions at various organisations, including Engtex Sdn. Bhd., TH Group Berhad and TSH Resources Berhad. He also previously served as the Acting Chief Operating Officer of Nilai Medical Centre (now known as Aurelius Hospital Nilai). He was a Senior Lecturer at Monash University Malaysia until his early retirement in January 2022, then rejoined Engtex as Chief Operating Officer from February 2022 to May 2024. He has served as an Associate Professor in Finance and Accounting at Mila University since August 2025.

He currently serves as an Independent Non-Executive Director of ACO Group Berhad listed on the ACE Market of Bursa Malaysia and LGMS Berhad listed on the Main Market of Bursa Malaysia.

Dr. Teh has no family relationship with any director and/or major shareholder of the Company, no conflict of interest with the Company, no convictions for offences within the past five years (other than traffic offences, if any), and no public sanction or penalty imposed by regulatory authorities during the financial year.

TAN KONG LEONG

Gender	Age	Nationality
Male	52 years old	Malaysian

Managing Director

Tan Kong Leong was appointed to our Board on 9 June 2020.

He is responsible for determining the strategic direction and growth of the Group and overseeing its overall business development.

He began his career in 1989 as an apprentice in automotive and metal workshops before working as a freelance air-conditioning technician in Kuala Lumpur in 1992. In 1996, he established T&L Air-cond Engineering, which initially provided air-conditioning installation and maintenance services and later ventured into the glove chlorination industry in 2000, supplying fabrication and installation services for glove chlorination systems and related tanks as a subcontractor.

Leveraging his industry experience, he founded Flexidynamic Engineering Sdn. Bhd. in November 2012 and has been serving as its Managing Director since then. In June 2020, he was appointed as the Managing Director of Flexidynamic Holdings Berhad.

He does not hold any directorship in other public listed companies and attended all Board meetings held during the financial year ended 31 December 2025.

PROFILE OF DIRECTORS

(cont'd)

SIN KUO WEI

<i>Gender</i>	<i>Age</i>	<i>Nationality</i>
Male	35 years old	Malaysian

Deputy Managing Director

Executive Director

Chairman of ESOS Committee

Sin Kuo Wei was appointed to our Board on 1 March 2022.

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

He joined the Group in March 2014 as a Project Engineer and was subsequently promoted through several roles within the engineering and research and development (R&D) functions, including Senior R&D Engineer, Manager of R&D, Senior Manager of R&D and General Manager. Throughout his tenure, he has been actively involved in project execution, product development and enhancement of the Group's engineering systems and solutions.

In March 2022, he was appointed as the Director of Flexidynamic Engineering Sdn. Bhd. and concurrently as the Deputy Managing Director and Executive Director of Flexidynamic Holdings Berhad, positions he currently holds.

He does not have any family relationship with any Director and/or major shareholder of the Company and attended all Board meetings held during the financial year ended 31 December 2025.

LIEW HENG WEI

<i>Gender</i>	<i>Age</i>	<i>Nationality</i>
Male	47 years old	Malaysian

Executive Director

Liew Heng Wei was appointed to our Board on 9 June 2020.

He is responsible for overseeing the Group's operational activities, including manufacturing operations, supervision of sub-contractors, management of foreign workers and sourcing of suppliers.

He began his career with Polydamic Project Sdn. Bhd. in 1997 as a Technician and was later promoted to Supervisor. In 2005, he joined ZYL Dynamic Sdn. Bhd. as a Supervisor, where he was involved in the design, production and installation coordination of glove chlorination systems.

In November 2012, he co-founded Flexidynamic Engineering Sdn. Bhd. with Tan Kong Leong and was appointed as Director. He was subsequently appointed as Executive Director of Flexidynamic Holdings Berhad in June 2020.

He is the spouse of Lion Suk Chin. He does not hold any directorship in other public listed companies and attended all Board meetings held during the financial year ended 31 December 2025.

PROFILE OF DIRECTORS

(cont'd)

LION SUK CHIN

<i>Gender</i>	<i>Age</i>	<i>Nationality</i>
Female	45 years old	Malaysian

Executive Director

Member of ESOS Committee

Lion Suk Chin was appointed to our Board on 9 June 2020.

She is responsible for overseeing the Group's administrative, human resource and operational processes, as well as ensuring compliance with relevant rules and regulations.

She holds a Diploma in Business Studies (Accounting) from Tunku Abdul Rahman College (now known as Tunku Abdul Rahman University College), obtained in 2002. She began her career in audit with Lai Yeow Kwang & Co and Guan & Associates before joining Tomei Gold & Jewellery Manufacturing Sdn. Bhd. in 2007, where she held several finance-related positions within the Tomei Consolidated Berhad group.

She joined the Group in August 2013 as Assistant Accountant and was subsequently promoted to Finance Manager in 2014, overseeing the Group's finance, administrative and human resource functions. In April 2019, she was appointed as Director of Flexidynamic Engineering Sdn. Bhd. and later as Executive Director of Flexidynamic Holdings Berhad in June 2020.

She is the spouse of Liew Heng Wei. She does not hold any directorship in other public listed companies and attended all Board meetings held during the financial year ended 31 December 2025.

IR. CHONG KAI FENG

<i>Gender</i>	<i>Age</i>	<i>Nationality</i>
Male	37 years old	Malaysian

Independent Non-Executive Director

Chairman of Nomination Committee

Chairman of Remuneration Committee

Member of Audit and Risk Management Committee

Member of ESOS Committee

Ir. Chong Kai Feng was appointed to the Board on 9 June 2020.

He holds a Bachelor's Degree in Mechanical Engineering from Multimedia University (2013) and a Master of Business Administration (MBA) from Monash University in 2018. He is a registered Professional Engineer with the Board of Engineers Malaysia and a member of the Institution of Engineers Malaysia since 2019. He is also an active member of the Perak Chinese Chamber of Commerce and Industry.

Ir. Chong began his career with Terminal Urus Sdn. Bhd., a subsidiary of Perak Transit Berhad, before joining Success Engineering Solutions (M) Sdn. Bhd., where he was promoted to Project Director in 2016. In 2017, he founded Kai Advisory (M) Sdn. Bhd. and currently serves as its Managing Director, overseeing business development and strategic growth. He also co-founded Winny Ker & Collaborations PLT in 2018, which ceased operations in 2024.

He does not hold any directorship in other public listed companies. He attended all Board meetings held during the financial year ended 31 December 2025.

PROFILE OF DIRECTORS

(cont'd)

NOOR ZALIZA YATI BINTI YAHYA

Gender	Age	Nationality
Female	47 years old	Malaysian

Independent Non-Executive Director

Chairperson of Audit and Risk Management Committee

Member of Nomination Committee

Member of Remuneration Committee

Noor Zaliza Yati Binti Yahya was appointed to the Board on 9 June 2020.

She holds a Bachelor of Accountancy (First Class Honours) from Universiti Putra Malaysia and is a member of both MICPA and MIA. She is a Chartered Accountant with more than 24 years of experience across diverse sectors, including oil and gas, financial services, and marine construction.

Noor Zaliza began her career in 1999 as a financial auditor at KPMG, subsequently joined Arthur Andersen & Co in 2000 and Ernst & Young in 2002. Throughout her career, she has held key roles in finance, statutory reporting, corporate services, treasury, and corporate taxation.

In 2010, she joined Petroliam Nasional Berhad (PETRONAS) and was seconded to Petronas Carigali Sdn. Bhd., where she started as a Cost Accountant. By 2012, she advanced to Head of Assets and Cost Allocation Management, overseeing financial reporting and asset management for Upstream Malaysia Finance.

From 2016 to 2017, Noor Zaliza served as Chief Financial Officer at Sapura Kencana GE Oil & Gas Services Sdn. Bhd., where she was responsible for full spectrum of finance functions, including statutory and management reporting, internal controls, treasury, and corporate taxation.

In 2019, she founded Zanoor Synergy Services, a sole proprietorship focused on life insurance, takaful, and unit trust investment activities. She later joined Firmus Consulting Sdn. Bhd. in 2020 as a Security Consultant, providing advisory services on information technology security policies and practices, before returning to focus on her own business.

Noor Zaliza also serves as Independent Non-Executive Director of Microlink Solutions Berhad. She attended all Board meetings held during the financial year ended 31 December 2025.

Other Information

- The Group has entered into recurrent related party transactions with parties in which the directors of the Company, namely Tan Kong Leong has direct and/or indirect interests as disclosed in Note 32 of the Financial Statements section of this Annual Report.
- Save for the above mentioned disclosure, none of the other Directors have any conflict of interest with the Company.
- None of the Directors has been convicted of any offences other than traffic offences, if any, within the past five (5) years and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the year.
- Tan Kong Leong and Liew Heng Wei are major shareholders of the Company.

PROFILE OF KEY SENIOR MANAGEMENT

Tan Kong Leong

Tan Kong Leong profile is available on Page 6

Sin Kuo Wei

Sin Kuo Wei profile is available on Page 7

Liew Heng Wei

Liew Heng Wei profile is available on Page 7

Lion Suk Chin

Lion Suk Chin profile is available on Page 8

Chen Li Chin

Female | 44 years old | Malaysian

Financial Controller

Member of ESOS Committee

Chen Li Chin joined the Group on 14 June 2021 as Financial Controller and was appointed as Joint Company Secretary of the Company on 20 August 2025.

She is responsible for overseeing the Group's financial management functions, including accounting, taxation, corporate finance, treasury and company secretarial matters.

She is a Chartered Accountant and a member of MIA since 2018. She is also a Fellow Member of ACCA and a licensed Company Secretary registered with the Companies Commission of Malaysia.

Prior to joining the Group, she held senior audit and leadership roles at Grant Thornton Malaysia, where she was involved in statutory audits of listed companies, initial public offerings, due diligence reviews and corporate exercises. She also previously served as Financial Controller at IRS Software Solution (M) Sdn. Bhd..

She does not hold any directorship in other public listed companies and has no family relationship with any Director or major shareholder of the Company.

PROFILE OF KEY SENIOR MANAGEMENT

(cont'd)

Loh Wei Keat

Male | 45 years old | Malaysian

Senior Project Manager

Loh Wei Keat joined the Group on 1 April 2013 as an Engineer and was promoted to Project Manager in 2014, and subsequently to Senior Project Manager in 2017.

He currently oversees project execution, ensuring timely delivery, quality compliance, and cost efficiency across the Group's operations.

He holds a qualification in Computing and Information Technology from Inti College.

He brings over 20 years of experience in project management and engineering. He began his career in the HVAC industry, handling project supervision, system design, and project management for commercial and high-profile developments.

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

Other Information

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

CHAIRMAN'S STATEMENT



Dear Valued Shareholders,

On behalf of the Board of Directors ("**Board**"), I hereby present the sixth annual report and audited financial statements of Flexidynamic Holdings Berhad ("**Flexidynamic**" or the "**Company**") and its subsidiaries ("**Group**") for the financial year ended 31 December 2025 ("**FY2025**").



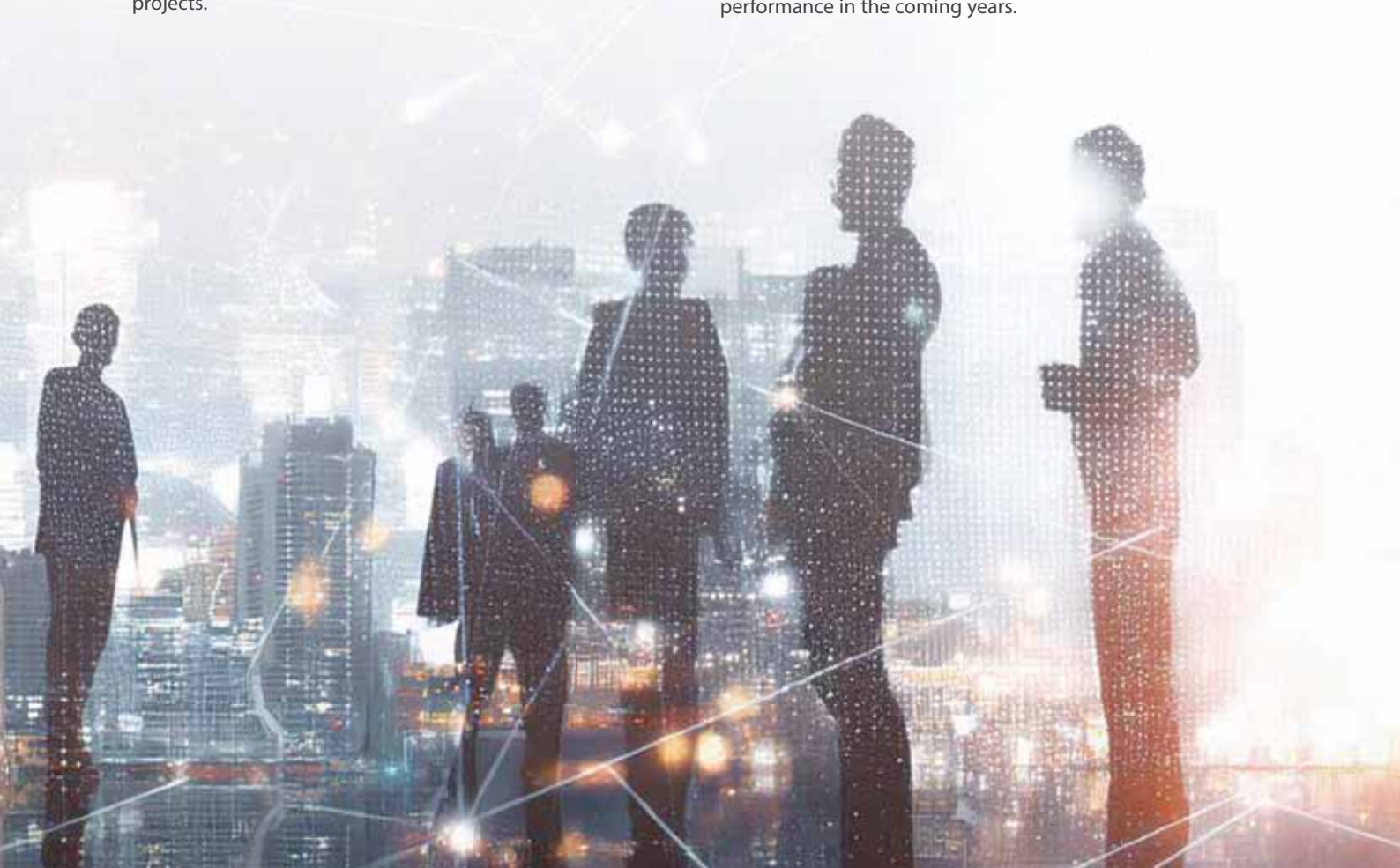
OVERVIEW OF FINANCIAL PERFORMANCE

FY2025 was a year of transition and strategic repositioning for the Group. Despite a challenging operating environment, the Group continued to strengthen its revenue base while advancing several key initiatives that will support long-term growth and diversification.

For the financial year under review, the Group recorded revenue of RM68.36 million, a notable increase from RM52.69 million in FY2024, mainly driven by higher project deliveries and sustained demand for engineering solutions and plant-upgrading works within the rubber glove manufacturing sector, as well as for infrastructure-related projects.

Despite the encouraging revenue growth, the Group recorded a loss after tax of RM11.67 million for FY2025 compared with a profit after tax of RM1.31 million in FY2024. The Group's performance during the year was affected by margin compression in certain engineering projects, additional allowance for expected credit losses and inventories written off recognised during the financial year.

While these factors impacted short-term profitability, the Board views FY2025 as an important year in strengthening the Group's operational foundation and executing strategic initiatives that will position the Group for improved performance in the coming years.



CHAIRMAN'S STATEMENT

(cont'd)

STRATEGIC DEVELOPMENTS

During the year, the Group continued to reinforce its core competencies as an engineering solutions provider serving the rubber glove manufacturing industry. The Group also expanded its participation in mechanical and electrical ("M&E") engineering works, including infrastructure-related projects, which contributed positively to revenue growth.

A key strategic milestone achieved during the year was the completion of the acquisition of Formtech Engineering (M) Sdn. Bhd., a manufacturer of glove formers. This acquisition represents a strategic expansion into upstream manufacturing within the glove production value chain, enabling the Group to enhance its product offerings and strengthen its long-term competitiveness.

In addition, the Group is making progress in diversifying into gamma radiation sterilisation services that supports the medical device and healthcare supply chain.

MOVING FORWARD

The rubber glove manufacturing sector has experienced a cyclical downturn over the past few years, following the surge in demand during the COVID-19 pandemic. However, the industry is gradually stabilising as global demand normalises and manufacturers continue to optimise their production capacity.

The Group expects opportunities to arise from plant upgrades, maintenance works and efficiency improvement initiatives undertaken by glove manufacturers. At the same time, the Group will continue exploring opportunities to diversify into other engineering and industrial sectors to broaden its revenue streams and mitigate sectoral concentration risk.

The Group will continue to adopt a prudent and disciplined approach in managing its operations, costs and financial resources. 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.

APPRECIATION

On behalf of the Board, I would like to extend our sincere appreciation to our shareholders for their continued trust and confidence in the Group. We also wish to thank our valued customers, business partners, financial institutions and professional service providers for their continued support.

Finally, I would like to express my heartfelt appreciation to the management team and employees of the Group for their dedication, resilience and hard work throughout the year.

Together, we remain committed to strengthening the Group's foundation and delivering sustainable long-term value to all stakeholders.

DR. TEH CHEE GHEE

Independent Non-Executive Chairman




MANAGEMENT DISCUSSION AND ANALYSIS



GROUP OVERVIEW

Flexidynamic Holdings Berhad (“**Flexidynamic**” or the “**Company**”) and its subsidiaries (“**Group**”) are principally involved in the design, engineering, installation, and commissioning of glove chlorination systems and storage tanks and process tanks for the glove manufacturing industry; supply and installation of mechanical and electrical (“**M&E**”) engineering works and manufacturing of glove formers.

The Group is currently involved in three operating segments including (1) glove chlorination systems, storage and process tanks, other products and services, trading and trading of replacement parts, repair, refurbishment and maintenance; (2) M&E engineering works; and (3) manufacturing of glove formers.

	Product/Services	Key Features
	Glove Chlorination Systems	Online/Offline systems
	Storage & Process Tanks	Fiberglass Reinforced Plastic (“ FRP ”)/Stainless Steel tanks for chlorine, acid, alkali, and raw materials
	Replacement Parts Trading	Supplying spare parts
	Repair & Maintenance	Maintenance, refurbishment, and servicing of equipment
	M&E Engineering Works	Mechanical and electrical engineering for water treatment plant
	Manufacturing of Glove Formers	High-quality ceramic hand molds

MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

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

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

During FY2025, the Group continued to navigate a challenging operating environment characterised by global economic uncertainty, volatile raw material prices, and cautious capital expenditure among glove manufacturers. Despite these headwinds, the Group remained focused on strengthening its core engineering capabilities while progressing towards diversification into new business segments.

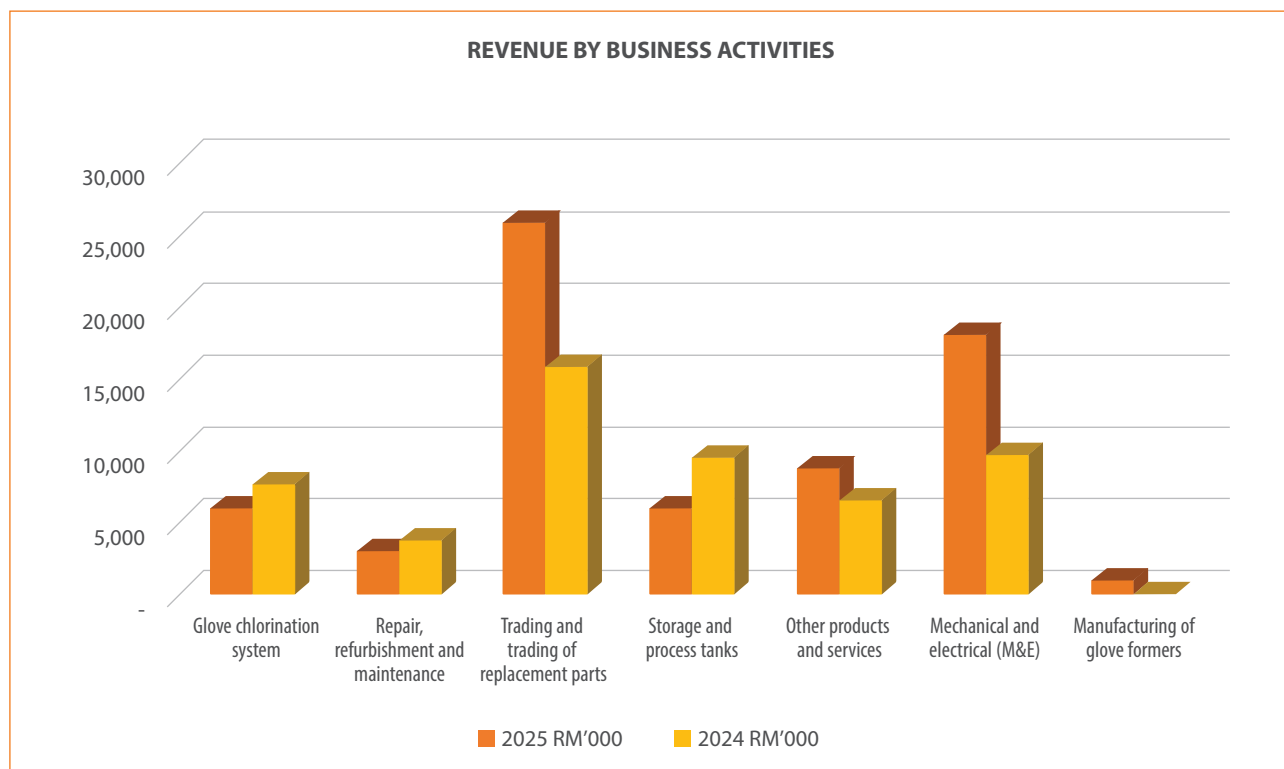
FINANCIAL PERFORMANCE

For FY2025, the Group recorded revenue of RM68.36 million, compared with RM52.69 million in FY2024, reflecting increase mainly attributable to higher project deliveries and sustained demand for engineering solutions and plant upgrading works within the rubber glove manufacturing sector and infrastructure-related projects.

Despite the encouraging revenue growth, the Group recorded a loss after tax of RM11.67 million for FY2025 compared with a profit after tax of RM1.31 million in FY2024. The Group's performance during the year was affected by margin compression in certain engineering projects, additional allowance for expected credit losses and inventories written off recognised during the financial year.

Revenue by Segment

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

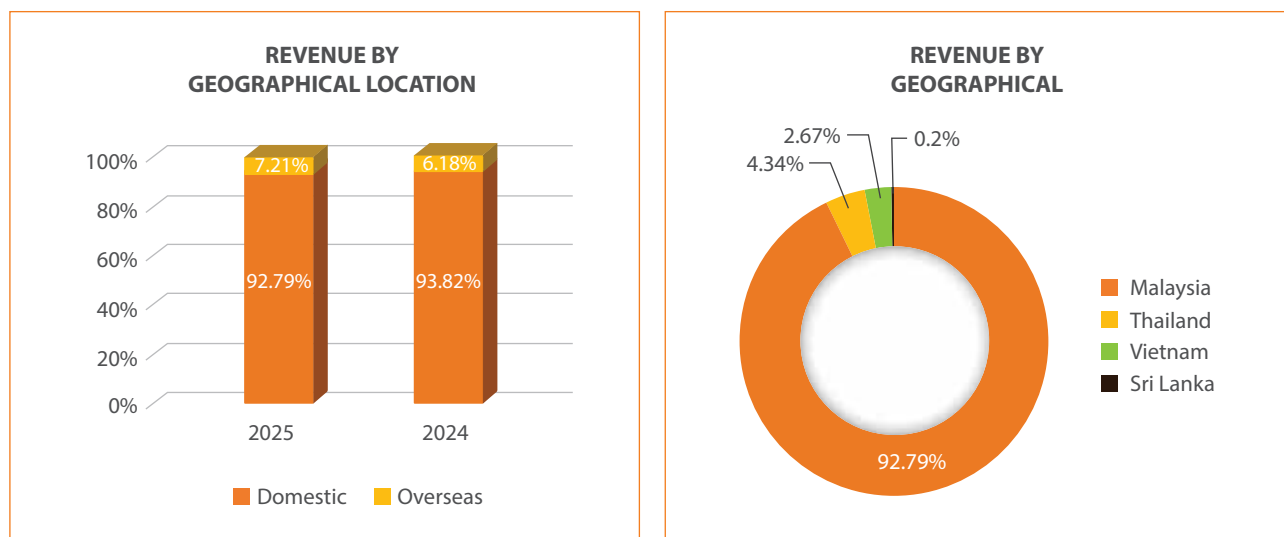


MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

Revenue by Geographical Location

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



For FY2025, the Group recorded RM68.36 million in total revenue, of which RM63.43 million, equivalent to 92.79% was contributed by domestic sales. Meanwhile, the balance of RM4.93 million in revenue was contributed by overseas sales. Significant increase in the domestic market primarily driven by increased demand for system and equipment upgrades, storage and process tanks for existing customers, contributions from the sub-contract for M&E engineering works and new business segment from manufacturing of glove formers.

Financial Position

FY2025, the Group's total assets stood at RM85.91 million, representing a decrease of RM5.95 million or 6.48% from RM91.86 million recorded in FY2024. The reduction was mainly attributable to prudent provisions made for trade receivables and inventories written off during the financial year following management's review of the recoverability and realisable value.

Total equity decreased to RM30.42 million from RM42.03 million in FY2024, representing a decline of 27.62%, primarily reflecting the financial performance recorded during the year and the impact of the provisions recognised.

Notwithstanding the above, the Group maintained a stable liquidity position with current assets continuing to exceed current liabilities. The Group's working capital remained supported by trade receivables, inventories and cash balances. During the year, management enhanced credit monitoring procedures and intensified collection efforts to strengthen receivables management and improve overall working capital efficiency.

In terms of capital structure, the Group maintained a manageable gearing level, with borrowings mainly utilised to support operational requirements and capital expenditure. The Group continues to adopt a prudent financing strategy while actively monitoring its debt profile to ensure adequate liquidity and financial flexibility.

Appropriate provisions were recognised during the financial year in accordance with applicable financial reporting standards following management's assessment of the recoverability of receivables and the net realisable value of inventories. These measures reflect the Group's commitment to maintaining prudent financial management and transparent financial reporting practices.

MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

Liquidity and Capital Resources

The Group continues to adopt a prudent approach in managing its liquidity position to ensure sufficient financial resources are available to support operational requirements and strategic initiatives.

The Group's cash flow slightly decreased due to diversification into new business segment by acquisition of Formtech Engineering (M) Sdn. Bhd. ("**Formtech**") in FY2025. The Group will continue to monitor financial management to preserve cash for future business expansion and maintain a better level of liquidity and cash flows for operation working capital.

As the Group is expanding into strategic businesses, it continues to gain and maintain access to financing to provide additional liquidity support for operational needs and capital commitments when required. These facilities provide the Group with financial flexibility to manage short-term funding requirements while supporting ongoing business operations. The Group's gearing ratio is at 0.68 times.

SUSTAINABILITY AND ESG COMMITMENT

The Group recognises the importance of sustainability and responsible corporate practices. In line with the National Sustainability Reporting Framework ("**NSRF**") promoted by the Securities Commission and Bursa Malaysia, the Group continues to integrate environmental, social and governance ("**ESG**") considerations into its business operations.

From an environmental perspective, the Group strives to provide engineering solutions that enhance operational efficiency and optimise resource utilisation for customers. Internally, the Group promotes responsible environmental practices including energy efficiency and waste management initiatives.

On the social front, the Group prioritises employee safety, talent development and workforce well-being. We remain committed to maintaining a safe and inclusive workplace environment while continuously developing the capabilities of our workforce.

From a governance standpoint, the Board remains committed to maintaining high standards of corporate governance, transparency and accountability in safeguarding the interests of shareholders and stakeholders.

Further details of the Group's sustainability initiatives are set out in the Sustainability Statement of this Annual Report.

EXPECTED OR PERCEIVED RISKS

1. Industry Concentration Risk

Historically, the Group's core engineering business has been closely linked to the glove manufacturing industry. As such, fluctuations in capital expenditure cycles within the glove sector may impact demand for the Group's financial performance.

To mitigate this concentration risk, the Group is actively pursuing diversification initiatives, including the development of gamma radiation sterilisation services. This strategic initiative aims to broaden the Group's revenue base and reduce reliance on a single industry sector over the medium to long term.

2. Operational and Production Risks

The Group's engineering operations involve fabrication and manufacturing processes that may be exposed to operational disruptions, including machinery downtime, supply chain delays, volatility in the prices of raw materials or labour constraints.

To manage the risks, the Group has implemented various operational control measures such as preventive maintenance programmes for machinery and equipment, supplier diversification to ensure material supply continuity and continuous monitoring of production processes.

These initiatives help minimise operational disruptions and maintain product quality and delivery reliability.

MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

EXPECTED OR PERCEIVED RISKS (CONT'D)

3. Credit Risk

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

The Group has implemented several measures to manage credit risk, including:

- *conducting credit assessments on new customers*
- *establishing appropriate credit limits*
- *monitoring aging profiles of trade receivables*
- *maintaining regular follow-ups on outstanding balances*

Management also performs periodic reviews of receivables to assess recoverability and recognises impairment provisions where necessary in accordance with applicable financial reporting standards.

4. Strategic Execution Risk

The Group's long-term growth strategy includes diversification into new business segments such as gamma radiation sterilisation services. The successful implementation of such initiatives requires careful planning, capital investment and operational expertise.

The Group adopts a phased approach in executing its diversification strategy, supported by feasibility assessments, technical expertise and prudent capital allocation. Management continues to monitor project progress closely to ensure that strategic initiatives are implemented effectively.

FORWARD LOOKING

The Group expects its performance to be supported by the gradual recovery in demand from the glove manufacturing industry, underpinned by ongoing industry rationalisation and replacement demand for system upgrades. The contribution from the Group's core engineering and project-based activities is expected to remain stable, subject to project execution timelines and prevailing cost conditions.

Following the completion of the acquisition of Formtech, the Group anticipates that the expanded product offering in glove formers will strengthen its presence along the glove manufacturing value chain and provide additional revenue opportunities. In addition, the Group is making progress in diversifying into the business of gamma radiation sterilisation services.

The Group has undertaken initiatives to broaden its business activities and strengthen its position along the value chain. However, the Board expects that the contribution from these initiatives will be progressive, and their financial impact will depend on market acceptance, operational readiness and prevailing economic conditions.

In view of the foregoing, the Group will continue to adopt a prudent and disciplined approach in managing its operations, costs and financial resources. The Board will remain vigilant with regards to developments in the financial position and operating environment while pursuing sustainable growth and long-term shareholder value.





SUSTAINABILITY STATEMENT

FY2025

SUSTAINABILITY STATEMENT

(cont'd)

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SUSTAINABILITY STATEMENT

(cont'd)

OUR STATEMENT AT A GLANCE

In line with the National Sustainability Reporting Framework (“NSRF”) promoted by the Securities Commission and Bursa Malaysia, the Group continues to integrate environmental, social and governance (“ESG”) considerations into its business operations. At Flexidynamic, these foundational pillars are deeply embedded in our organisational DNA, shaping our core identity and fundamental values. Ensuring our growth as a provider of innovative chlorination system solutions is matched by our progress as a responsible corporate citizen remains our priority. A key milestone this year was the successful acquisition of Formtech Engineering (M) Sdn. Bhd. (“FORMTECH”). We have moved swiftly to integrate our established sustainability protocols and operational standards into this new subsidiary, ensuring our expanded footprint upholds the Group’s high expectations for efficiency and ethical conduct.

By maintaining a rigorous focus on our long-term vision, we are pleased to report steady progress in our sustainability journey during this period. This performance reflects our ongoing commitment to operational excellence and responsible growth. Building upon our successful transition in the prior year, we have improved our disclosures in accordance with the International Financial Reporting Standards (“IFRS”). This reporting year, we have deepened our climate-related financial analysis, providing our stakeholders with even greater transparency regarding the resilience of our operations and the strategic steps we are taking to mitigate long-term climate risks.

Defining the Scope and Boundary

This Sustainability Statement covers the Group’s performance from 1 January 2025 to 31 December 2025 (“FY2025”). The reporting boundary includes our Puchong headquarters and our Banting manufacturing facilities. Notably, this year’s scope has been expanded to incorporate our new subsidiary, Formtech Engineering (M) Sdn. Bhd., providing a comprehensive view of our total ESG footprint. By including historical data alongside these consolidated metrics, we offer stakeholders a transparent view of our growth and ongoing trajectory of improvement.

Flexidynamic Holdings Berhad	
	Location
Flexidynamic Engineering Sdn. Bhd.	Headquarters, Puchong, Selangor
	Factory and Office, Banting, Selangor
Formtech Engineering (M) Sdn. Bhd.	Factory and Office, Nilai, Negeri Sembilan

Aligning with the Reporting Frameworks

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



SUSTAINABILITY STATEMENT

(cont'd)

Assuring Data Integrity

To ensure the highest standards of data integrity and transparency, Flexidynamic commissioned an independent third-party assurance review of our FY2025 Sustainability Report, conducted by Eco Sentido Sdn. Bhd. This verification process involved a rigorous assessment of our data collection and compilation stages, specifically auditing key environmental and social indicators—including Scope 1, 2, and 3 emissions, water consumption, and occupational health and safety records—against GRI Standards and Bursa Malaysia requirements. By validating the accuracy of our disclosures across our corporate and manufacturing operations, this independent assurance provides our stakeholders with confidence in our reporting. It serves as a foundational baseline for our ongoing commitment to operational excellence and responsible corporate growth.

Valuing Feedback

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

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

ASSOCIATIONS

Associates and Memberships

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



Malaysian Rubber Glove Manufacturers Association (“MARGMA”)



SUSTAINABILITY STATEMENT

(cont'd)

HIGHLIGHTS OF FLEXIDYNAMIC'S SUSTAINABILITY INITIATIVES

Our commitment to embedding sustainable practices across our operations has yielded key outcomes across the three ESG pillars. These highlights reflect our focus on balancing robust business growth with responsible environmental and social stewardship.

Ethical Governance



Zero
substantiated cases of corruption



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

Environmental Stewardship



29% increase in Group-wide energy consumption in FY2025 as compared to FY2024



69% increase in total GHG Emissions in FY2025 as compared to FY2024



1% decrease in energy intensity in FY2025 as compared to FY2024

Social Responsibility



99.2% procurement budget allocated to local suppliers and vendors



80% customer satisfaction score in FY2025



Zero substantiated cases of human rights violation and incidents of discrimination



RM40,000 invested in corporate social responsibility

Note on Reporting Scope: FY2025 data reflects the Group's expanded operational footprint and increased manufacturing capacity following our recent acquisition. While this growth naturally led to an increase in absolute consumption and emissions, it is important to view these figures in the context of our expanded scale. We remain dedicated to optimising resource efficiency and improving our intensity metrics across all combined operations moving forward.

SUSTAINABILITY STATEMENT

(cont'd)

ESG RATINGS AND PERFORMANCE BENCHMARKING

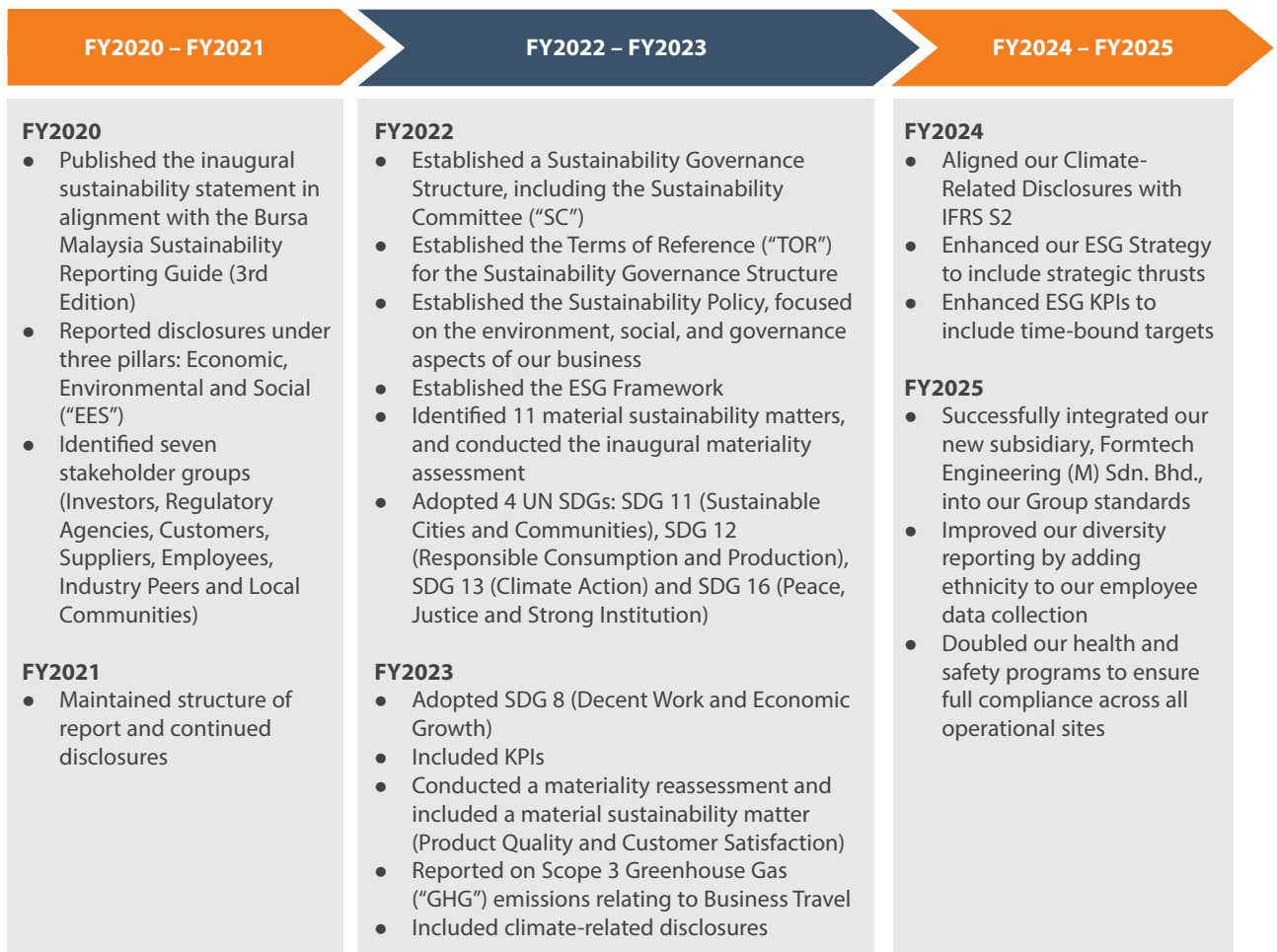
In December 2025, the Group achieved an ESG score of 3.6 out of 5.0 from FTSE Russell, ranking in the 61st percentile of its global supersector. This is above both the industry and subsector averages, highlighting our competitive standing and effective Management of ESG risks and opportunities. This performance serves as a key benchmark for our stakeholders, validating our commitment to transparency and sustainable value creation across our global operations.



OUR SUSTAINABILITY PROGRESS THROUGH THE YEARS

In terms of sustainability performance, we have achieved many milestones since our first sustainability statement. Over the years, we have steadily integrated sustainable practices across our operations, ensuring that ESG considerations are woven into the fabric of our business model. We continue to chart our sustainability journey ahead, resolute in achieving our long-term strategic objectives while advancing towards a sustainable future.

Our growth is reflected in the continuous refinement of our disclosures and the successful realisation of the targets we set for ourselves. By consistently hitting our key performance indicators, we demonstrate that sustainability is not just a reporting requirement, but a core component of Flexidynamic’s long-term value creation.
















SUSTAINABILITY STATEMENT

(cont'd)

FOCUSING ON OUR SUSTAINABILITY APPROACH

Flexidynamic's ESG Strategy

Our ESG strategy is guided by our core values and aspirations, with a strategic thrust towards long-term sustainability. In FY2025, we further solidified this approach by successfully achieving the short- and medium-term KPIs set across our three primary pillars. We remain committed to the UN SDGs, engaging our stakeholders and continuously evaluating our impact to support the UN 2030 Agenda.

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

SUSTAINABILITY STATEMENT

(cont'd)

Sustainability Policy

The Board has reviewed and reaffirmed the Sustainability Policy, which continues to serve as the foundation for our sustainability objectives and guides their deep integration across our operations. This policy outlines our enduring commitments and ensures that sustainability principles remain embedded in our strategies, actions, and procedures. In FY2025, our structured and consistent approach has further matured, driving positive and sustainable outcomes across the entire organisation.



Ethical Governance

- Adhere to all regulatory and legal requirements
- Prevent all forms of bribery and corruption
- Take appropriate remedial actions in the event of shortcomings
- Ensure the protection and privacy of customers' and employees' personal data
- Conduct business with the highest standards of ethics
- Standardise governance policies across all subsidiaries and newly acquired units
- Validate sustainability data through independent third-party assurance



Environmental Stewardship

- Mitigate our environmental impacts through the implementation of proper waste and effluent management practices
- Incorporate monitoring systems to evaluate and aid in long-term improvement
- Improve resource, water and energy consumption efficiency by optimising business activities and promoting environmentally friendly business practices
- Initiate climate change adaptation activities through assessment of risks and opportunities
- Assess climate-related risks and opportunities to strengthen the Group's long-term business resilience



Social Responsibility

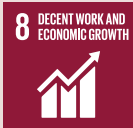


- Foster a conducive work environment for employees by implementing health and safety best practices across our operations
- Respect internationally recognised human rights and labour standards and advocating against practices such as child labour, forced labour, trafficking, and modern slavery at every stage of the value chain
- Embrace diversity and inclusivity by enforcing a zero-tolerance policy for bullying, harassment and discrimination
- Standardise employee welfare and benefit policies across all subsidiaries to ensure equitable treatment
- Enhance employee professional development by providing trainings and upskilling opportunities aligned with Group's objectives

SUSTAINABILITY STATEMENT

(cont'd)

Flexidynamic's Contribution to the UN SDGs

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

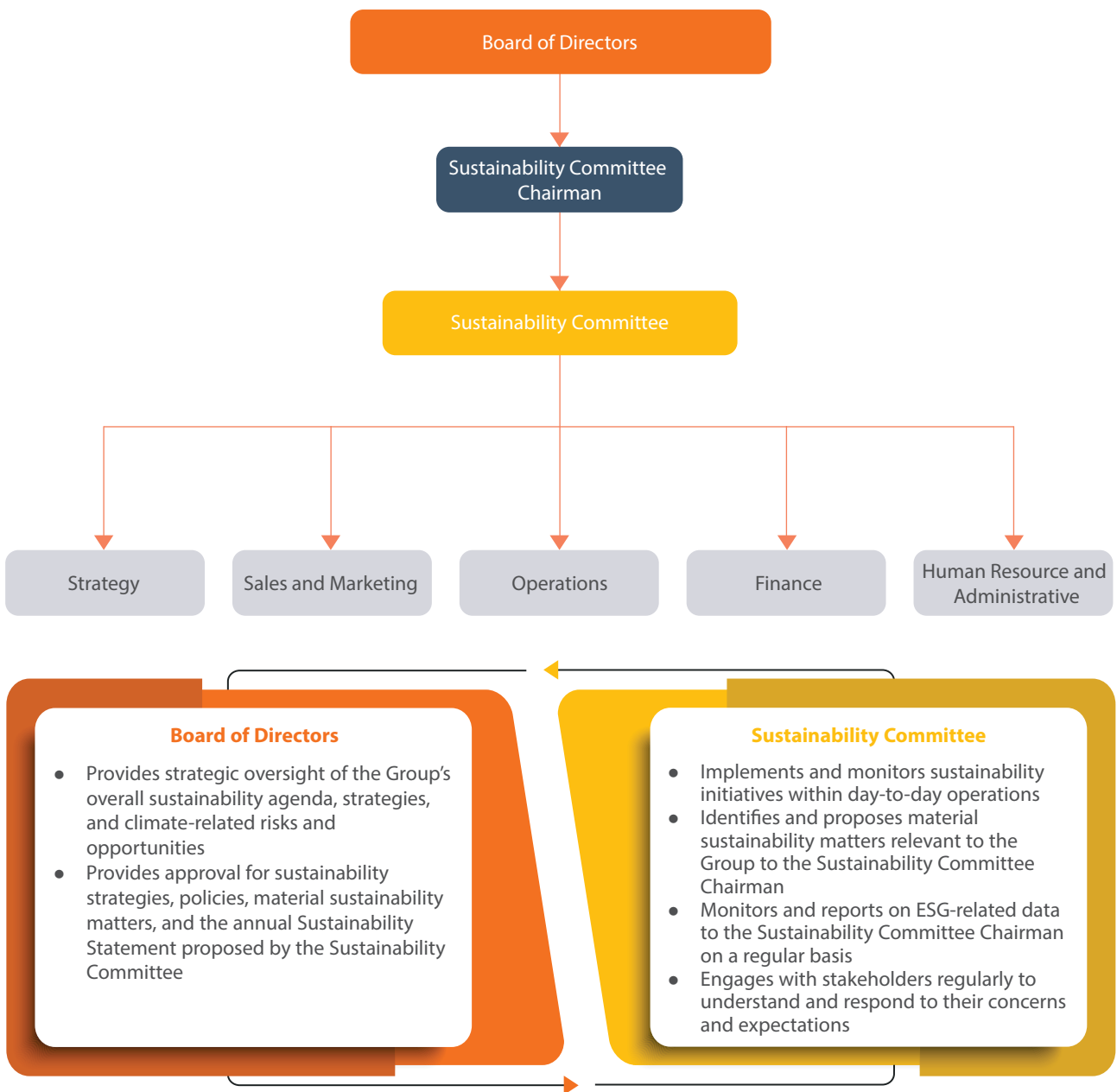
SDG	Target	Our Actions	Our Achievement in FY2025
	Target 8.3: Promote decent job creation and entrepreneurship	<ul style="list-style-type: none"> Employs 48 individuals in FY2024 The Group provides capacity building on various topics for our employees, encouraging professional development Allocated 99.5% of our procurement spending on local suppliers 	<ul style="list-style-type: none"> Increased our workforce to 148 individuals, providing stable and meaningful employment. Enhanced our capacity-building programs, resulting in 1,208.7 total training hours across technical and soft skill modules. Maintained our commitment to the local economy by allocating over 99.2% of procurement spending to local suppliers.
	Target 8.8: Protect labour rights and promote a safe, secure working environment	<ul style="list-style-type: none"> Our health and safety management system complies with the Occupational Safety and Health Act ("OSHA") 2022, enforced by the Department of Occupational Safety and Health ("DOSH") Provided employees access to adequate, safe and affordable housing Provided health and safety training for 9 employees 	<ul style="list-style-type: none"> Our health and safety management system continues to exceed the requirements of the Occupational Safety and Health Act ("OSHA") 2022. Provided all eligible employees with access to high-standard, safe, and affordable housing. Significantly expanded safety training, reaching 94 employees to foster a "Safety First" culture.
	Target 13.2: Integrate climate change measures into policies, strategies and planning	<ul style="list-style-type: none"> Disclosed our Scope 1 and 2 GHG emissions since FY2022 Commenced disclosure of Scope 3 GHG emissions in FY2023 (limited to business travel) Reduced total energy consumption by 13% in FY2024 	<ul style="list-style-type: none"> Successfully matured our IFRS S2 alignment, progressively integrating climate risk assessments into our annual strategic planning. Continued in rigorous disclosure of Scope 1, 2 and 3 GHG emissions, resulting in 69% increase in emission due to business expansion.
	Target 16.5: Substantially reduce corruption and bribery	<ul style="list-style-type: none"> Upheld ethical business standards with the established Anti-Bribery and Corruption Policy, Ethics and Compliance Whistleblowing Policy and Code of Ethics and Conduct 	<ul style="list-style-type: none"> Maintained ethical business standards with the established Anti-Bribery and Corruption Policy, Ethics and Compliance Whistleblowing Policy and Code of Ethics and Conduct.

SUSTAINABILITY STATEMENT

(cont'd)

Sustainability Governance Structure

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







SUSTAINABILITY STATEMENT

(cont'd)




Engaging with Stakeholders

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

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

SUSTAINABILITY STATEMENT

(cont'd)

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

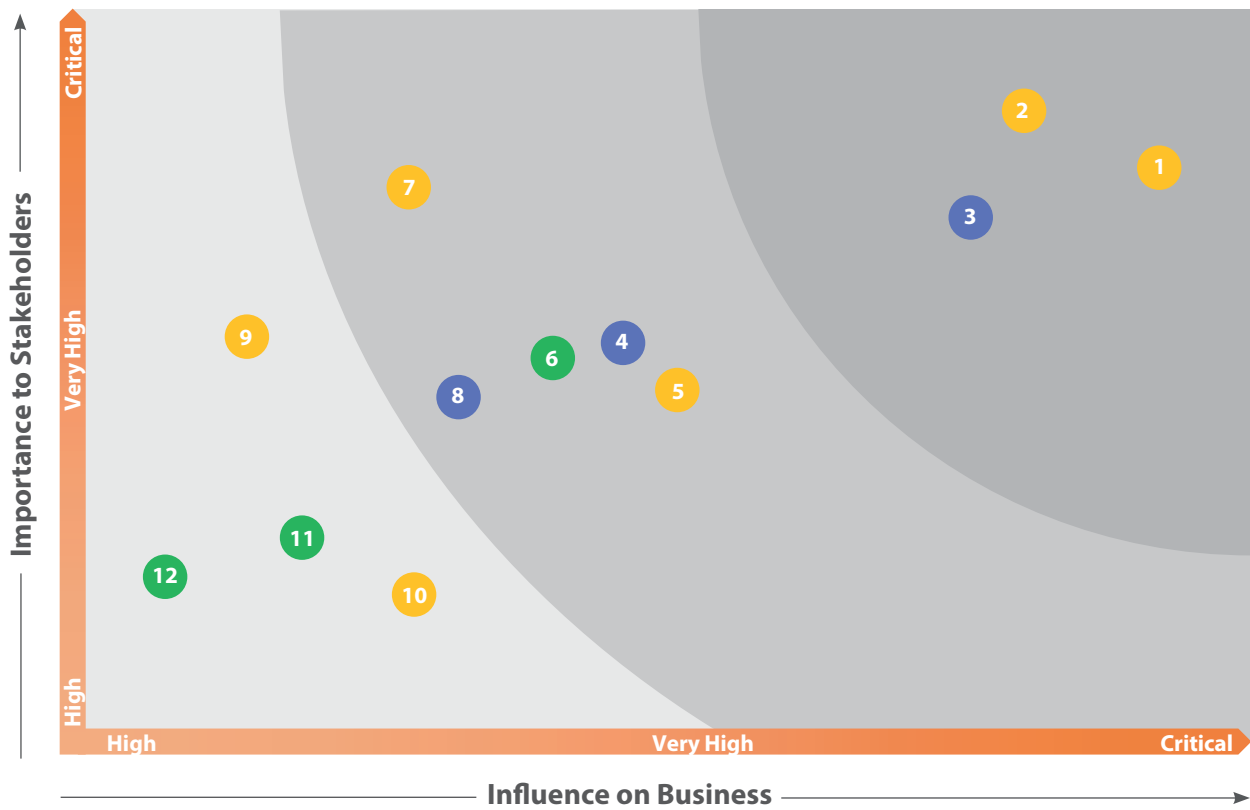
SUSTAINABILITY STATEMENT

(cont'd)

MATERIALITY ASSESSMENT

Materiality assessments are a structured process for identifying and prioritising ESG factors with the most significant impact on stakeholders and business operations. This data-driven approach informs our strategic decision-making and resource allocation, ensuring we address key sustainability priorities effectively.

In FY2025, we reviewed our 12 key ESG matters. Given our stable operational landscape and consistent strategic direction, the existing materiality matrix remains applicable. Product Quality and Customer Satisfaction, Health and Safety, and Corporate Governance and Anti-Corruption continue as our top three material matters. Throughout the year, we achieved measurable improvements across these priorities, reinforcing our commitment to long-term resilience and stakeholder trust.


















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

SUSTAINABILITY STATEMENT

(cont'd)

Bridging the Material Matters

Our material sustainability matters remain closely aligned with the priorities of our key stakeholder groups and the UN SDGs. This integrated approach highlights how our sustainability initiatives support global objectives while consistently meeting the evolving needs and expectations of our stakeholders. In FY2025, we further strengthened the link between our operational approach and these material matters to drive positive impact.

Material Matters	Our Approach	UN SDGs	Stakeholder Groups
Pillar: Ethical Governance			
Corporate Governance and Anti-Corruption	We uphold ethical business practices through a robust governance structure, implementing policies, codes, and procedures that promote integrity within the Group and among our stakeholders.		
Data Privacy and Cybersecurity	We safeguard our customers' data privacy from cybersecurity threats by implementing and maintaining data privacy policies, procedures, and industry best practices.		
Risk Management	We adopt a structured, proactive risk management approach to effectively identify, assess, and mitigate operational and ESG-related risks.		
Pillar: Environmental Stewardship			
Energy Efficiency and Climate Resilience	We mitigate environmental impact and tackle climate change by optimising energy consumption to reduce our greenhouse gas emissions significantly.		
Waste Management	We mitigate environmental impacts through effective waste management, focusing on responsible disposal and reducing general waste generation. Our wastewater treatment measures further prevent adverse impacts towards surface water and the surrounding environment.		
Water Consumption	We manage water resources efficiently across all operations, reducing water intensity through enhanced monitoring and conservation measures.		
Pillar: Social Responsibility			
Product Quality and Customer Satisfaction	We ensure the safety and quality of our systems via strict compliance with international standards and a focus on high-efficiency, value-driven solutions.		
Health and Safety	We ensure the wellbeing of our workforce by maintaining a "Safety First" culture and a safe, conducive working environment that exceeds OSHA requirements.		
Supply Chain Management	We prioritise domestic suppliers and maintain a resilient regional supply base to support the local economy and reduce logistics-related emissions.		
Labour Practices and Standards	We uphold the fundamental rights of our employees, implementing stringent procedures to safeguard fair treatment and decent work across the value chain.		
Diversity and Inclusion	We advocate for equal opportunity and inclusivity, ensuring a diverse workforce regardless of gender, age, or social background.		
Community Engagement	We allocate resources to impactful community initiatives that address the challenges faced by vulnerable groups in the areas where we operate.		

SUSTAINABILITY STATEMENT

(cont'd)

Measuring Sustainability Performance

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

In FY2025, we continued to rigorously monitor our performance against the established short- and medium-term targets. We are pleased to report that the Group has demonstrated consistent, positive year-on-year improvements. This data-driven approach ensures that our sustainability strategy remains effective, transparent, and aligned with our long-term vision of operational excellence.

Material Matters	KPIs	Progress	
		FY2024	FY2025
Corporate Governance and Anti-Corruption	Zero cases of bribery and corruption	Achieved zero cases of bribery and corruption	Achieved zero cases of bribery and corruption
Data Privacy and Cybersecurity	Zero breaches in data privacy and cybersecurity	Achieved zero breaches in data privacy and cybersecurity	Achieved zero breaches in data privacy and cybersecurity
Climate Change and Energy Consumption	Achieve 25% reduction in total energy consumption as compared to the baseline year of FY2022 by FY2025	33% reduction in total energy consumption compared to the baseline year	13% reduction in total energy consumption due to the additional subsidiary, Formtech as compared to the baseline year
	Achieve 25% reduction in Scope 1 GHG emissions as compared to the baseline year of FY2022 by FY2025	32% reduction in Scope 1 GHG emissions compared to the baseline year	29% reduction in Scope 1 GHG emissions compared to the baseline year
Water Consumption	Achieve 8% reduction in water consumption as compared to the baseline year of FY2022 by FY2025	46% reduction in water consumption compared to the baseline year	16% increase in water consumption due to the additional subsidiary, Formtech as compared to the baseline year
Health and Safety	Zero fatalities	Achieved zero fatalities	Achieved zero fatalities
Labour Practices and Standards	Zero cases of human rights violations, including forced labour, child labour, discrimination and harassment	Achieved zero cases of human rights violations	Achieved zero cases of human rights violations
Supply Chain Management	Allocate 98% of procurement expenditure to local suppliers	Achieved 99.5% procurement expenditure allocated to local suppliers	Achieved 99.2% procurement expenditure allocated to local suppliers

SUSTAINABILITY STATEMENT

(cont'd)

ADAPTING TO CLIMATE CHALLENGES

We recognise the growing challenges of climate change, particularly in the industrial product solutions sector. As part of our risk management strategy, we have continuously matured our climate-related disclosures since FY2023 by deeply integrating climate risk analysis into our operational planning. In FY2025, we achieved alignment with the IFRS S2 framework, significantly enhancing our sustainability efforts and further reducing our environmental impact through data-driven resilience strategies.

Governance

The Board provides strategic oversight of climate-related risks and opportunities, with support from the SC in their assessment and Management. In FY2025, the Board increased its engagement in sustainability-related professional development, participating in numerous ESG training sessions to remain at the forefront of emerging climate challenges and regulatory requirements.

Oversight and Management of Climate-Related Risks and Opportunities	
Board's Oversight	Management's Role
<ul style="list-style-type: none"> Oversees all sustainability-related risks, with a specific focus on the financial and operational implications of climate change. Receives quarterly updates on climate-related matters from the SC, ensuring that risk assessments are integrated into the Group's long-term capital allocation. 	<ul style="list-style-type: none"> The SC advises the Board on the evolution of sustainability strategies and initiatives, and on the achievement of time-bound targets. The SC oversees the ongoing execution of climate-mitigation initiatives and reports detailed progress against Scope 1, 2, and 3 reduction goals to the Board.

Strategy

We have further refined our identification of potential climate-related risks and opportunities, conducting a deep-dive assessment of their impacts on our core operations. This ongoing evaluation guides us in implementing robust measures to mitigate and adapt to climate change, ensuring our long-term corporate strategy is fully aligned with these risks and opportunities.

Our climate risks are categorised as transition risks and physical risks. Transition risks arise from the global shift toward a lower-carbon economy, involving policy, legal, and market changes. Physical risks result from the direct impacts of climate change, such as extreme weather events and rising temperatures. In FY2025, we intensified our monitoring of these categories to strengthen our operational resilience.

Transition Risks	
Potential Impacts	Opportunities
Policy and Legal: Effects of current and emerging regulations	
<ul style="list-style-type: none"> Potential for increased operating costs if carbon-intensive processes are not optimised ahead of future carbon pricing mechanisms. Risk of financial penalties or reputational damage if there is a failure to comply with increasingly stringent environmental reporting standards. 	<ul style="list-style-type: none"> Our continuous monitoring of GHG emissions and the achievement of our FY2025 reduction targets have positioned us as a leader in efficiency within our sector. Proactively exceeding regulatory requirements has strengthened business continuity and maintained high levels of investor confidence in our long-term resilience.

SUSTAINABILITY STATEMENT

(cont'd)

Transition Risks	
Potential Impacts	Opportunities
Technology: Transitioning to lower-emission alternatives	
<ul style="list-style-type: none"> Initial capital expenditure requirements for integrating renewable energy solutions and low-carbon manufacturing technologies. 	<ul style="list-style-type: none"> Achieved significant operational cost savings and increased efficiency through the full-scale prefabrication of equipment parts. Successfully deployed energy-efficient technologies across our Banting operations, reducing our carbon intensity ahead of schedule.
Market: Adapting to client's behaviour and aligning with investor expectations	
<ul style="list-style-type: none"> Shifting buyer preferences toward innovative glove chlorination solutions that emit fewer pollutants to meet evolving global climate demands. 	<ul style="list-style-type: none"> Advance our market leadership by successfully developing and delivering equipment utilising materials with lower Volatile Organic Compounds ("VOCs"). Our enhanced energy-efficient manufacturing processes have directly aligned with and exceeded our clients' climate-related procurement requirements.
Reputational: Increased stakeholder concerns or negative stakeholder feedback	
<ul style="list-style-type: none"> Risk of negative public perception if manufactured equipment is perceived to be associated with high carbon emissions or unsustainable practices. 	<ul style="list-style-type: none"> Our consistent, transparent reporting on environmental and social metrics has significantly enhanced our brand reputation. In FY2025, we received positive feedback from investors and clients for our proactive commitment to responsible and verifiable business practices.

In FY2025, we further strengthened our operational resilience against physical climate risks. By transitioning from planning to active implementation of our contingency measures, we have successfully mitigated potential disruptions to our manufacturing and supply chain processes.

Physical Risks	
Potential Impacts	Opportunities
Acute: Exposure to increasingly frequent and severe extreme weather events such as floods, and storms	
<ul style="list-style-type: none"> Potential for supply chain disruptions and material shortages, which could affect production timelines or transportation networks. 	<ul style="list-style-type: none"> Successfully implemented and tested comprehensive contingency plans for climate-related disasters, resulting in zero significant delays during FY2025. Our strategy of diversifying suppliers and maintaining local procurement above 95% has significantly reduced our reliance on vulnerable global supply chains, ensuring consistent project delivery.
Chronic: Exposure to prolonged shifts in climate, including rising average temperatures and shifts in precipitation patterns	
<ul style="list-style-type: none"> Prolonged heatwaves or changing precipitation patterns that could increase operational costs for warehouse inventory and climate control management. 	<ul style="list-style-type: none"> Integrated advanced energy-saving measures across our production and raw material storage facilities, effectively offsetting potential increases in operational costs. Our transition to more climate-resilient storage protocols has enhanced the long-term stability of our inventory management systems.

SUSTAINABILITY STATEMENT

(cont'd)

Climate Risk Management

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

In FY2025, potential climate risks are now assessed by likelihood and financial impact, ensuring that all identified risks are embedded into the Group's strategic decision-making and operational planning. This structured approach has enhanced our ability to anticipate market shifts and maintain business continuity.

Metrics and Targets

The Group monitors and reports our annual Scope 1 and 2 GHG emission, and limited Scope 3 GHG emissions. Our GHG emissions data is calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. To assess our performance and demonstrate our positive improvement in FY2025, we track and disclose the following metrics:

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

SUSTAINABILITY STATEMENT

(cont'd)

ETHICAL GOVERNANCE

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

In FY2025, our commitment to ethical conduct was evidenced by a record of **zero substantiated cases of corruption or data breaches**, reflecting the maturity of our internal controls and the deep-seated culture of integrity across the Group.

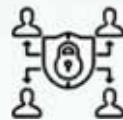
Material Matters

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

Key Highlights



Zero substantiated cases of corruption and whistleblowing cases have been reported



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

SUSTAINABILITY STATEMENT

(cont'd)

Corporate Governance and Anti-Corruption

For Flexidynamic, ensuring transparency and ethical practices are essential to building trust with our stakeholders and to complying with regulatory requirements. High standards in anti-corruption and corporate governance ensure our operational effectiveness and stakeholder confidence. In FY2025, we continued to uphold a culture of zero tolerance towards all forms of bribery and corruption.

The Board of Directors and Senior Management are guided by a comprehensive suite of policies that ensure ethical behaviour and effective governance across the Group. These guidelines promote accountability and reinforce our efforts to maintain high standards in all operations.

<p>Board Charter</p> <p>Outlines the roles, composition and responsibilities of the Board. In FY2025, it ensured all members upheld the highest standards of corporate governance during strategic decision-making.</p>	<p>Fit and Proper Policy</p> <p>Sets criteria to evaluate Directors' suitability. We maintained strict adherence to this policy in FY2025, ensuring the Board possesses the necessary integrity, professionalism, and commitment.</p>	<p>Gender Diversity Policy</p> <p>Promotes inclusivity at the Board and Senior Management levels. Appointments remain merit-based, ensuring a diverse range of skills and perspectives to drive Group performance.</p>
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<p>Anti-Bribery and Corruption ("ABC") Policy</p>	<p>Establishes principles for compliance with anti-corruption regulations. In FY2025, the Group recorded zero cases of bribery, validating the effectiveness of our mitigation processes.</p>
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<p>Ethics and Compliance Whistle Blowing Policy</p>	<p>Framework for handling complaints and reports of misconduct with strict confidentiality and impartiality, ensuring a structured and objective approach to resolution. Our channels remained secure and impartial throughout FY2025, supporting a culture of transparency and objective resolution.</p>
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<p>Conflict Of Interest Policy</p>	<p>Provides clear directives for identifying and addressing conflicts. Our structured mechanisms for review and remedial action ensured professional judgment remained uncompromised in FY2025.</p>
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Flexidynamic's corporate governance policies guide our employees' operational conduct, ensuring alignment with our strategic and business objectives.



Zero substantiated cases of corruption and whistleblowing cases have been reported

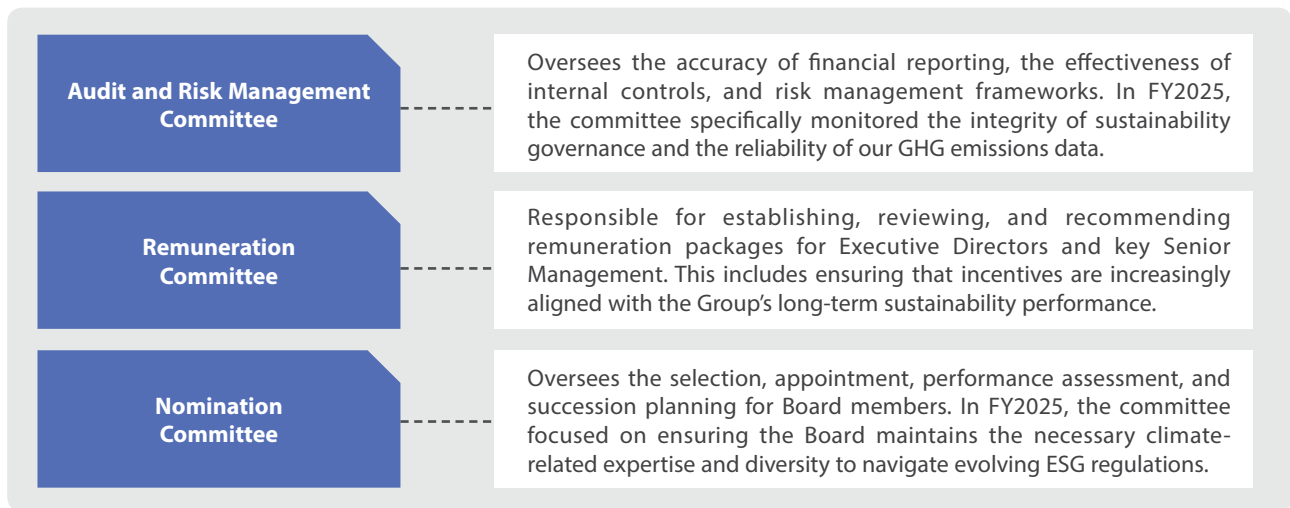
(FY2025: 0)
(FY2024: 0)
(FY2023: 0)

SUSTAINABILITY STATEMENT

(cont'd)

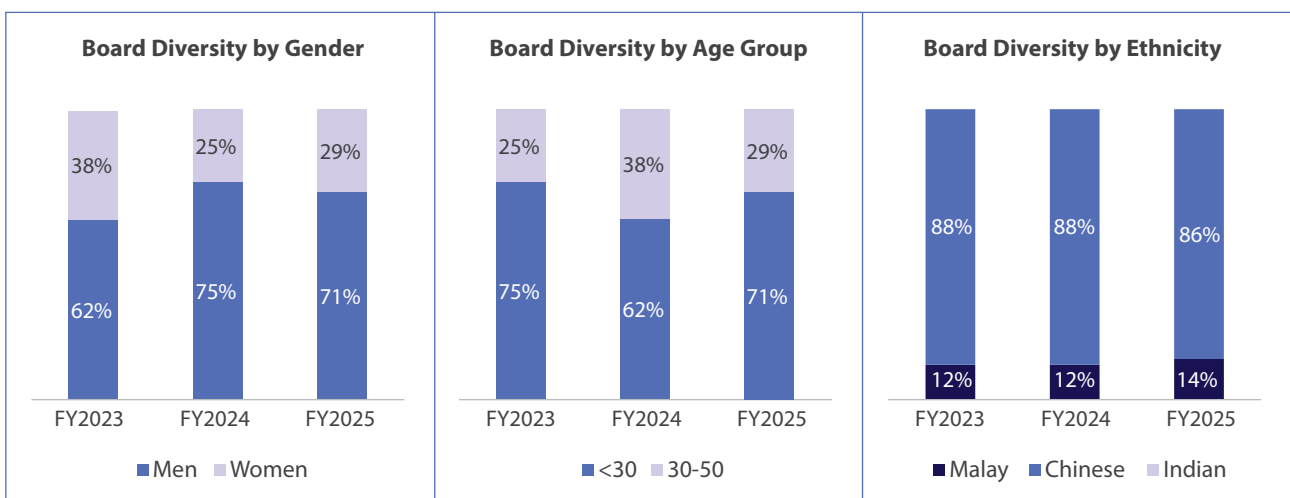
Board Governance and Diversity

The Board is instrumental in upholding strong corporate governance by overseeing anti-corruption initiatives and implementing robust risk management across the Group. To support these efforts, dedicated Board Committees focus on specific governance areas, each operating under clearly defined Terms of Reference (“TOR”). In FY2025, these committees played a pivotal role in ensuring our transition to full IFRS S2 alignment remained technically sound and strategically integrated.



Flexidynamic is committed to fostering a diverse and inclusive Board of Directors. We believe that a variety of perspectives, backgrounds, and expertise enhances our decision-making process and contributes to long-term value creation. In FY2025, we further matured our diversity disclosures by tracking Ethnicity in addition to Gender and Age, ensuring a holistic view of our leadership composition.

In FY2025, the Board comprised 71% men and 29% women. In terms of age diversity, 71% were between 30 and 50 years old, while 29% were over 50. As for Ethnicity, 86% were Chinese and 14% were Malay.



SUSTAINABILITY STATEMENT

(cont'd)

Data Privacy and Cybersecurity

The digital transformation of Flexidynamic’s operations necessitates a heightened focus on the security of our technological landscape. To counter increasing digital threats, we have embedded sophisticated security measures to protect sensitive information and maintain the continuity of our manufacturing and supply chain activities. These defences are critical in preserving our operational reliability and meeting our legal obligations.

Our governance of digital assets is centered on strict adherence to the Personal Data Protection Act (PDPA) 2010. We actively defend and stay vigilant in upholding the integrity of our customers’ and partners’ information.



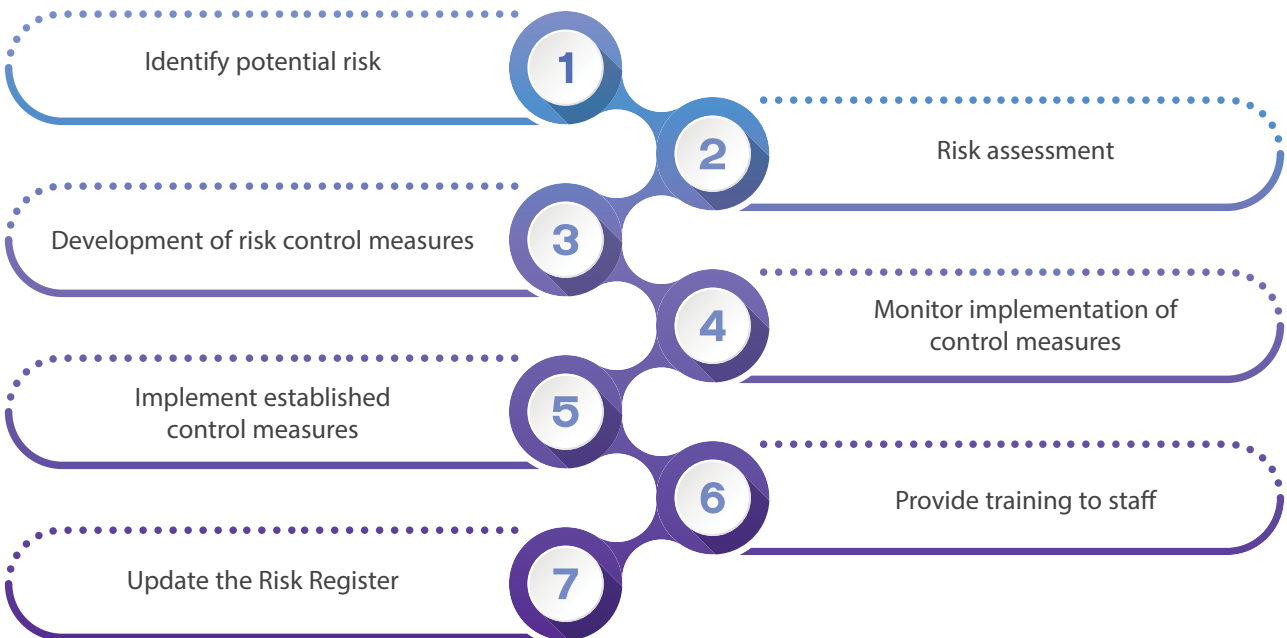
Zero substantiated complaints concerning breaches of customer privacy and losses of customer data
 (FY2025: 0)
 (FY2024: 0)
 (FY2023: 0)

Risk Management

A robust risk management framework is essential for Flexidynamic to navigate the complexities of the industrial sector. By identifying and addressing potential challenges before they arise, we ensure the Group remains resilient, protects its strategic goals, and safeguards the interests of all our stakeholders.

Our risk management framework begins with the proactive identification and assessment of potential threats, enabling us to implement targeted control measures and provide essential staff training to ensure their effective execution. By maintaining a dynamic risk register and performing continuous monitoring, we ensure that our mitigation strategies evolve alongside the shifting business landscape, effectively safeguarding our operations and strategic objectives across the Group.

Risk assessment procedure



SUSTAINABILITY STATEMENT

(cont'd)

ENVIRONMENTAL STEWARDSHIP

We take a proactive approach to environmental sustainability by embedding clear ecological goals directly into our daily operations and core strategies. By integrating environmental considerations into our high-level decision-making, we effectively reduce our operational footprint and uphold the highest standards of responsible manufacturing. This commitment not only lessens our impact on the planet but also ensures the long-term resilience of our business within the industrial sector.

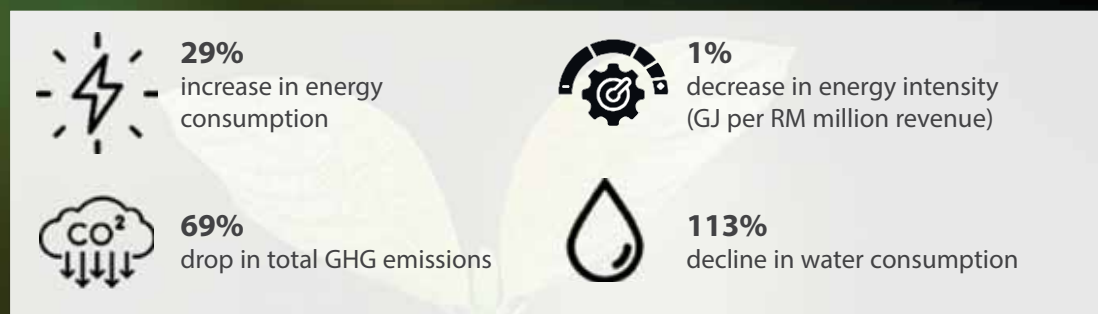
The inclusion of **Formtech Engineering (M) Sdn. Bhd.** into our consolidated reporting for FY2025 marks a significant milestone in our Group's growth. While this expansion naturally increased our absolute resource requirements, we have proactively integrated our ESG protocols into Formtech's operations.

By applying our proven efficiency strategies to this new subsidiary, we are ensuring that our total environmental impact remains managed and aligned with our long-term sustainability roadmap.

Material Matters

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

Key Highlights



Note: While absolute consumption and emissions increased in FY2025 due to the acquisition of **Formtech Engineering (M) Sdn. Bhd.**, we remain committed to optimising operational intensity and resource efficiency across our expanded footprint.

SUSTAINABILITY STATEMENT

(cont'd)

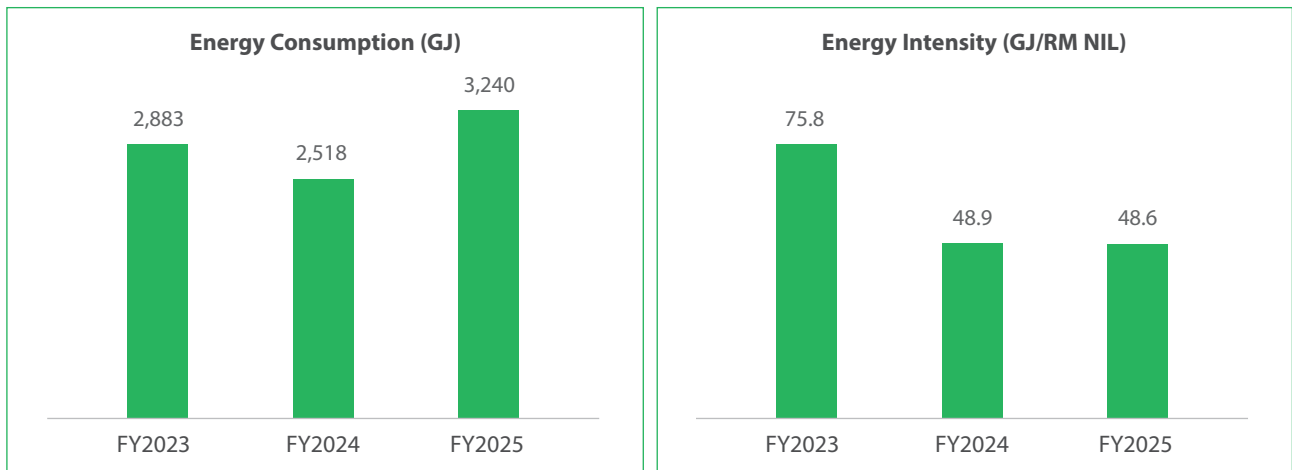
Energy Efficiency and Climate Resilience

Recognising the energy-intensive nature of industrial manufacturing, Flexidynamic prioritises energy efficiency as a core driver of operational excellence. By optimising our energy management practices, we enhance overall performance, reduce carbon emissions, ensure strict regulatory compliance, and minimise the environmental footprint of our production activities.

We achieve these goals through practical, high-impact measures, including adopting carpooling for client and site visits to reduce fuel consumption and implementing a strict “power-down” policy for lighting, climate control, and electronic equipment during non-operational hours. To ensure accountability, fuel and electricity consumption are continuously monitored, with detailed reports provided to the Board quarterly to facilitate ongoing assessment and the identification of further improvement opportunities across the Group.

Energy Consumption

In FY2025, our total energy consumption increased by 29%, a trend primarily driven by the inclusion of Formtech Engineering (M) Sdn. Bhd. into our operational scope and the overall expansion of our business activities. However, our commitment to resource optimisation is reflected in our energy intensity, which decreased by 1% despite a significant rise in absolute consumption. The relative stability in our energy intensity levels reflects the active application of our efficiency protocols across the expanded Group. This approach supports our efforts to maintain productive energy use as we continue to scale our operational footprint.

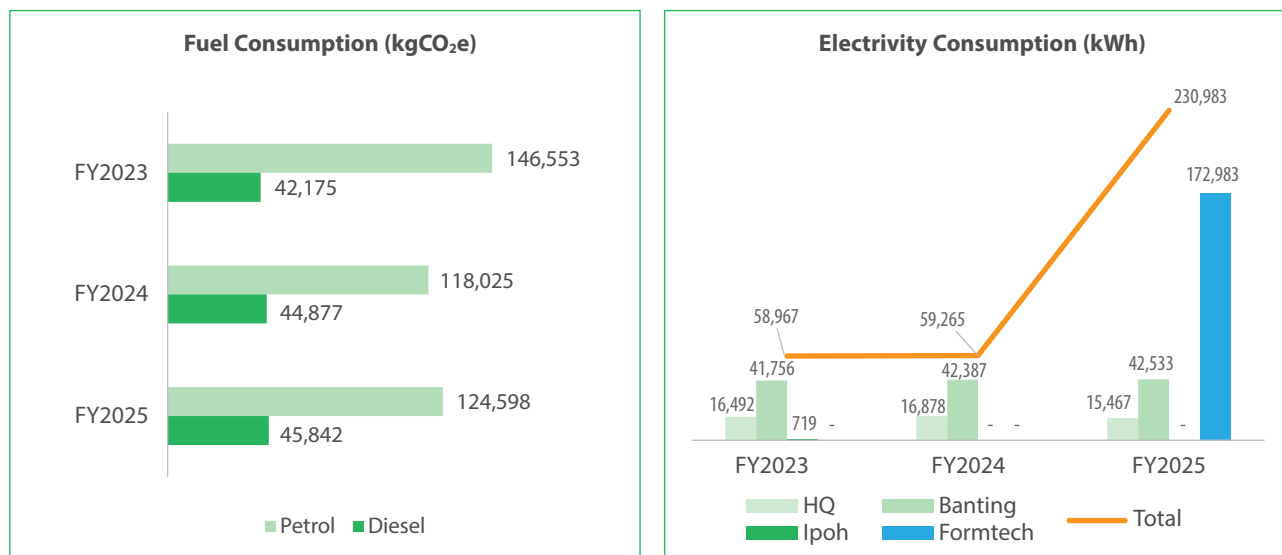


Note: Total energy consumption was calculated using the UK Government’s GHG Conversion Factors for FY2023, FY2024 and FY2025.

In FY2025, petrol consumption by company-owned cars increased marginally by 0.06%, maintaining a stable usage level following the previous phasing out of two vehicles. Conversely, diesel consumption by the Group’s pick-up truck and machinery decreased by 0.16% compared to FY2024, reflecting improved logistical efficiency despite our operational growth. Additionally, electricity consumption increased significantly during the year, primarily due to the expansion of our manufacturing footprint and the inclusion of our new subsidiary’s operations.

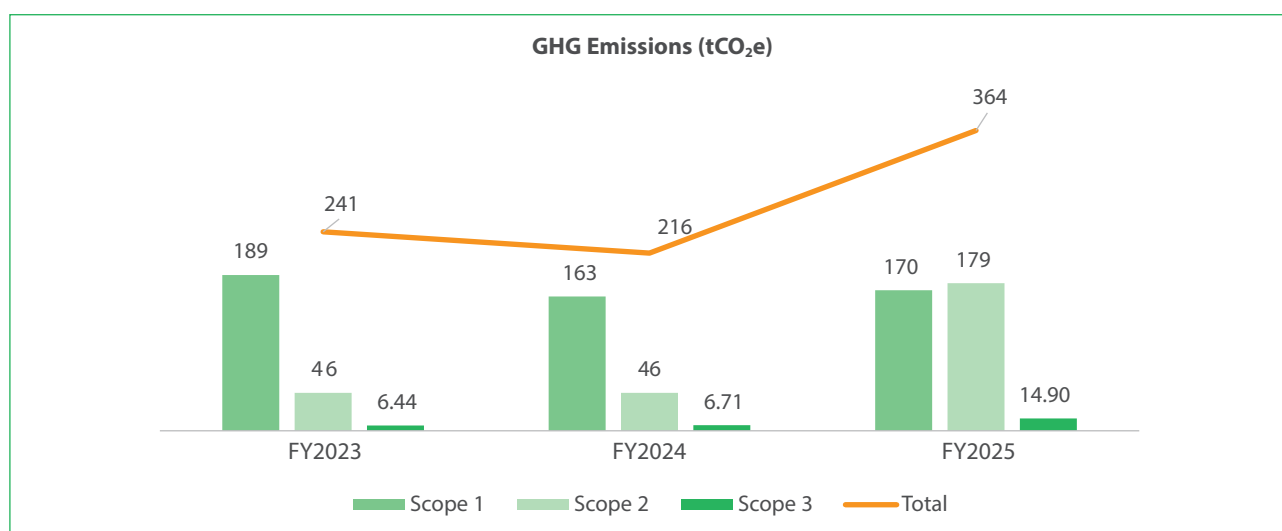
SUSTAINABILITY STATEMENT

(cont'd)



GHG Emissions

Reducing our carbon footprint is essential to minimising our environmental impact and ensuring regulatory compliance. By prioritising emissions management, we address climate challenges while aligning our operations with stakeholder expectations. In FY2025, total GHG emissions were recorded at 364 tCO₂e, representing a 69% increase from FY2024. This change primarily reflects the expanded operational footprint and increased manufacturing capacity. Scope 1 and 2 emissions amounted to 349 tCO₂e, while Scope 3 emissions (business air travel) increased by 122% as a result of intensified business development and cross-border site visits. While these absolute figures have risen with our growth, we remain committed to monitoring our emissions intensity to ensure our expansion is balanced with climate-conscious operational practices.



Notes:

1. Scope 1 GHG emissions for mobile combustion (fuel consumption for Company-owned vehicle) are calculated following the GHG Protocol Scope 1 Guidance, with emission factors derived from the UK Government's GHG Conversion Factors for FY2023, FY2024 and FY2025.
2. Scope 2 GHG emissions for purchased electricity (location based) are calculated using the location-based approach, in accordance with the GHG Protocol Scope 2 Guidance. The emission factors are derived from the 2022 Grid Emission Factors provided by Grid Malaysia, specifically for Peninsular Malaysia and Sarawak.
3. Scope 3 GHG emissions for business travel is calculated using the distance-based method as outlined by the GHG Protocol Scope 3 Guidance, with emission factors derived from the UK Government's GHG Conversion Factors for 2024.

SUSTAINABILITY STATEMENT

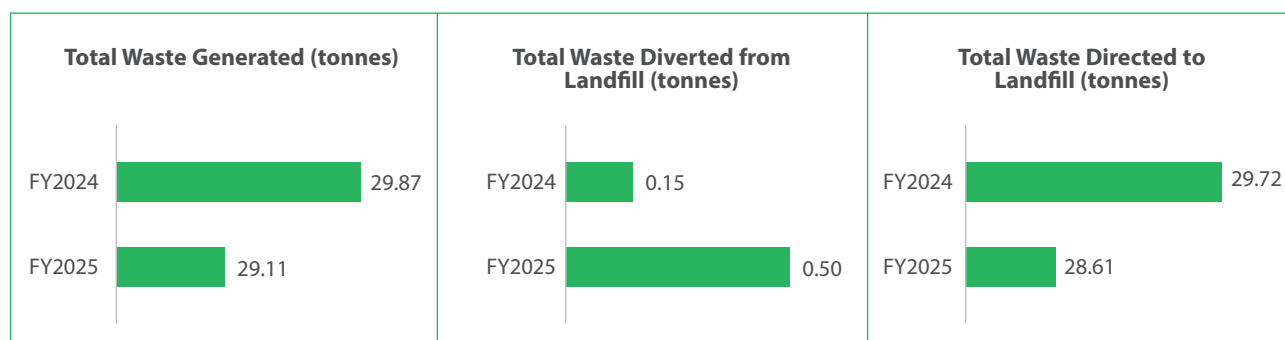
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Waste Management

Efficient waste management is core to Flexidynamic’s operational effectiveness and long-term sustainability. We actively integrate the 3R principles (Reduce, Reuse, Recycle) into our daily workflows to optimise resource use, control operational costs, and demonstrate our commitment to environmental stewardship. Our approach ranges from internal initiatives, such as promoting the use of reusable containers and utensils to minimise single-use plastics, to the systematic collection and repurposing of recyclable materials such as paper and packaging. Furthermore, we maintain strict oversight of hazardous materials by engaging certified third-party service providers. This ensures the safe handling, treatment, and end-to-end disposal of all scheduled waste in full compliance with Department of Environment (DOE) regulations.

During the reporting period, Flexidynamic achieved a notable improvement in its waste profile despite the general increase in business activity across the Group. Even with the introduction of a new scheduled waste category (SW409) into our monitoring scope, our total scheduled waste volume decreased from 29.87 MT in FY2024 to 29.11 MT in FY2025. This reduction is a direct result of enhanced monitoring mechanisms that allow us to optimise disposal processes within our production workflows.

Additionally, our efforts to divert waste from landfills saw a significant upward trend. The volume of materials recycled or reused across our operations increased from 0.15 MT in the previous year to 0.5 MT in FY2025. These figures underscore our success in maturing our waste management strategies, ensuring that as our manufacturing capacity grows, our environmental impact is mitigated through more efficient recovery and circularity practices.



Type of Waste	HQ		Banting		Formtech	
	FY2024	FY2025	FY2024	FY2025	FY2024	FY2025
Scheduled Waste	-	-	29.72	28.60	-	0.01
Non-scheduled Waste	0.15	0.19	-	-	-	0.31

SUSTAINABILITY STATEMENT

(cont'd)

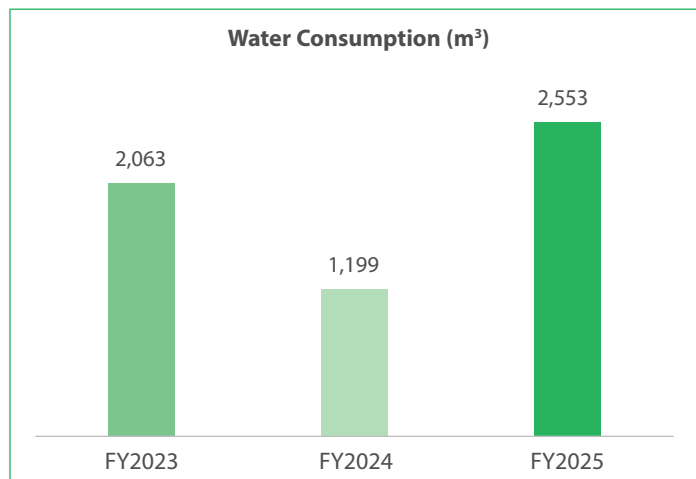
Water Consumption

At Flexidynamic, we recognise that water is a finite and vital resource, particularly in industrial manufacturing. Prioritising water conservation is a strategic imperative that allows us to minimise waste, reduce resource consumption, and enhance the overall resilience of our production processes. By embedding sustainable water management practices into our daily operations, we contribute directly to the Group's broader environmental objectives and ensure that our growth does not come at the expense of local water security.

Our approach to water stewardship is centered on rigorous monitoring and rapid response. We have established a comprehensive reporting system designed to identify and alert Management of any abnormal surges in water usage. This allows for swift technical interventions—such as immediate leaks repairs or recalibrations of machinery—to prevent unnecessary resource loss. To ensure high-level accountability, these consumption insights and conservation milestones are consolidated into quarterly reports presented to the Board, facilitating transparent oversight of our environmental performance.

In FY2025, our total water consumption was 2,553 m³, up from 1,199 m³ in FY2024. This increase primarily reflects our significantly expanded operational footprint and the higher production volumes required to meet growing market demand. The integration of additional facilities and the scaling of our manufacturing activities have naturally necessitated a higher baseline of water intake to support cooling systems, cleaning processes, and general utility requirements.

Despite this absolute increase in volume, Flexidynamic remains steadfast in its commitment to process optimisation. We continue to build upon the success of our previous efficiency-driven measures, such as the routine leak inspection programs at our Banting factory, which were initiated in FY2023. As we move forward, our focus is on harmonising these conservation protocols across our newly acquired operations. By refining our data collection and monitoring capabilities, we aim to gain a more granular understanding of our water usage patterns, enabling us to drive further efficiencies and reinforce our trajectory toward responsible resource management across the entire Group.



SUSTAINABILITY STATEMENT

(cont'd)

SOCIAL RESPONSIBILITY

A commitment to ethical labour practices, inclusivity, and the cultivation of diverse talent underpins the Group’s performance. By integrating robust employee development strategies with impactful community engagement, we ensure that our growth contributes meaningfully to society. We believe that a safe, empowered, and skilled workforce is the foundation of our long-term resilience and a key driver of our sustainable expansion.

Nurturing a Diverse and Safe Workforce

As our operational footprint grows, we remain dedicated to maintaining a workplace that prioritizes **Occupational Health and Safety (OHS)** and professional growth. We actively invest in training programs that enhance our team’s technical competencies while fostering an inclusive culture where every employee can thrive. This human-centric approach ensures that as our manufacturing capacity scales, our social impact remains positive and aligned with global ethical standards.

Material Matters

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

Key Highlights

	<p>RM40,000 invested in CSR programmes</p>		<p>80% customer satisfaction score was recorded</p>
	<p>99.2% procurement spent on local suppliers</p>		<p>Zero substantiated cases of human rights violations have been reported</p>



SUSTAINABILITY STATEMENT

(cont'd)

Product Quality and Customer Satisfaction

Flexidynamic's approach to quality assurance prioritises reliability, stringent safety standards, and long-term customer satisfaction. By incorporating rigorous testing and verification throughout our manufacturing and assembly processes, the Group effectively mitigates operational risks and safeguards our reputation for excellence. These quality control measures drive continuous improvement, ensuring that our technological solutions consistently meet the highest performance standards expected by our global clientele.

To uphold these standards, we maintain our ISO 9001:2015 Quality Management System certification, which provides a structured framework for excellence across our business units. In FY2025, we continued to actively engage with our customers to gather vital feedback on our performance and product reliability. This ongoing dialogue is essential for identifying areas for enhancement and ensuring our service delivery remains aligned with evolving market needs. As we integrated our new operational footprint this year, we focused on harmonizing our quality management protocols across the Group to ensure a seamless and high-quality experience for all customers, regardless of the subsidiary involved.

Customer Satisfaction Evaluation Survey

Flexidynamic continues to utilise Customer Feedback Forms to gather insights into our products and services, driving performance and satisfaction. In FY2025, we maintained this proactive engagement, receiving generally positive feedback that reflects our commitment to service excellence. Even as we integrate our new subsidiary, we remain focused on using these insights to align quality standards across the entire Group.

Evaluation Criteria:

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

Supply Chain Management

Strategic supply chain management is a primary driver of Flexidynamic's operational efficiency and on-time delivery. By minimising disruptions and enhancing partner reliability, we meet customer demands with precision and reinforce our competitive edge. To maintain these standards, we utilise a rigorous e-procurement system featuring a five-stage selection framework, ensuring only the most capable suppliers are integrated through detailed assessments and multi-level approvals.

During these evaluations, we scrutinise critical factors such as workmanship, quality, regulatory compliance, and equipment maintenance, while prioritising timely delivery and competitive pricing. In FY2025, we focused on extending these stringent protocols to our newly integrated subsidiary, Formtech. By harmonising supplier standards across the Group, we ensure a resilient supply chain that supports our expanded manufacturing capacity and aligns with our commitment to operational excellence.

E-Procurement Process



High product quality



Strong brand recognition



Excellent cost-effectiveness



High compatibility with business needs



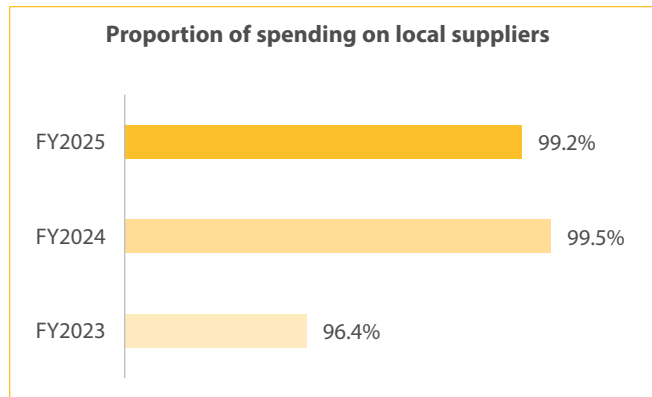
Fast response time

SUSTAINABILITY STATEMENT

(cont'd)

Proportion of Procurement Spend on Local Suppliers

Flexidynamic remains steadfast in its commitment to supporting the domestic economy, as evidenced by our consistently high proportion of procurement spend on local suppliers. In FY2025, we maintained an exceptional local spending rate of 99.2%, a figure that remains robust and continues to reinforce our efforts to strengthen the domestic supply chain. While this represents a marginal adjustment from the 99.5% recorded in FY2024—primarily due to specialised procurement needs following our recent expansion—it underscores our enduring “local-first” strategy. By sourcing nearly all of our requirements locally, we not only drive operational efficiency and minimise logistics-related emissions but also continue to play a pivotal role in fostering the growth and resilience of the local business community.



Health and Safety

Flexidynamic prioritises stringent health and safety standards as a cornerstone of our manufacturing, installation, and maintenance operations. Our approach is anchored in a structured management system that is in strict compliance with the Occupational Safety and Health (Amendment) Act 2022 (OSHA) and DOSH regulations. In FY2025, we further strengthened our risk prevention framework by extending these rigorous safety protocols and “safety-first” culture to our newly integrated subsidiary. By maintaining high oversight and continuous training, we ensure our business expansion is supported by robust compliance and a dedicated focus on protecting our people and minimising operational downtime. The key initiatives are outlined below:

HSE Initiatives

Hazard Identification, Risk Assessment, and Risk Control (“HIRARC”)

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

Machinery Permits

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

Forklift Operations and Load Handling

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

Office Safety Initiatives

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

Noise and Environmental Controls

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

Personal Protective Equipment (“PPE”) Management

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

SUSTAINABILITY STATEMENT

(cont'd)

Flexidynamic recorded zero work-related fatalities across 171,331 hours worked in FY2025.

	FY2023	FY2024	FY2025
Total number of hours worked	108,484	113,016	171,331
Total number of work-related fatalities	-	-	-
Number of lost-time injuries	-	1	-
Lost Time Incident Rate ("LTIR")	-	1.77	-

Health and Safety Training

In FY2025, we significantly scaled our safety education efforts by conducting 8 health and safety training programs with a total of 94 participants. This substantial increase from the 4 programs and 9 participants recorded in FY2024 reflects our commitment to ensuring that our growing workforce is fully equipped with essential safety knowledge. These sessions are vital for reinforcing workplace standards and ensuring regulatory compliance across all operational sites, including our newly integrated subsidiary.

Programme Title	Programme Description	Number of Attendees
Safe Handling Forklift Truck Training	Safe handling of the forklift truck	2
Authorised Entrant and Standby Person for Confined Space	State legal requirements for confined spaces	1
Program 1 Rapi dan Kempen Keselamatan Kebakaran	Knowledge of fire safety	9
Basic Fire Fighting & Emergency Response Plan & Preparedness (ERP)	Necessary skills of fire safety, prevention & risk assessment	10
First Aid & CPR with AED	To equip participants with first aid knowledge and skills to enable them to manage common injuries at their workplace before further treatment	20
PPE Ear Plug	Teach employees how to properly insert and wear plugs to maximise hearing protection in a noisy environment	29
PPE Face Mask Training	All workers are required to use PPE face mask when spray coating or spray texture is carried out	11
Refresher Forklift Driving Training	To provide technical knowledge and skills to operate the forklift safely	12

Labour Practices and Standards

A strong foundation in labour practices and standards is essential for ensuring a safe and compliant work environment across our manufacturing operations. By prioritising fairness and well-being, we enhance productivity, drive employee engagement, and cultivate long-term organisational resilience. The Group upholds these principles by strictly complying with Malaysia's Employment Act 1955 and the Employees' Minimum Standards of Housing, Accommodations, and Amenities Regulations 2020, ensuring all staff are provided with ethical treatment and quality living conditions.

In FY2025, we remained resolute in upholding human rights and fostering an ethical work environment in alignment with the International Labour Organization's (ILO) principles. As our workforce grew following the acquisition of our new subsidiary, we conducted regular assessments to ensure that our high standards for safe and fair working conditions were seamlessly integrated across all business units. These ongoing efforts reinforce our commitment to a workplace free from exploitation, where the fundamental rights of every employee are protected as we continue our sustainable growth trajectory. No any substantiated complaints concerning human rights violations for FY2023, FY2024 and FY2025.

SUSTAINABILITY STATEMENT

(cont'd)

Employee Benefits

Flexidynamic remains committed to providing a comprehensive benefits package that supports the long-term well-being and financial security of our growing workforce. In FY2025, we continued to offer essential protections, including disability and invalidity coverage under the Social Security Organisation (SOCSO), as well as robust retirement provisions through the Employees Provident Fund (EPF). We recognize that a balanced work-life experience is fundamental to employee retention and productivity, especially as we integrate new talent following our recent operational expansion.

Beyond statutory requirements, our employees benefit from a competitive suite of provisions, including parental leave, annual leave, and various allowances and fringe benefits. Our healthcare benefits ensure our team has access to the medical support they need, fostering a culture of care across the Group. In FY2025, we focused on ensuring these benefits were seamlessly extended to our new subsidiary, Formtech. We maintaining a unified, equitable standard of support for all employees, regardless of their location or business unit.

Disability and Invalidity Coverage ("SOCSO")		Parental Leave	
Retirement Provision ("KWSP")		Annual Leave	
Allowance		Fringe Benefits	
Healthcare Benefits			

Parental Leave

Flexidynamic continues to support employee well-being through parental leave policies that align with regulatory standards and our workforce's needs. In FY2025, we ensured these benefits remained accessible to all eligible staff, fostering a family-friendly culture that helps our team balance professional responsibilities with personal milestones.

	Gender	FY2023	FY2024	FY2025
No. of employees who took parental leave	Men	1	-	1
	Women	-	-	1
No. of employees who returned to work after taking parental leave	Men	1	-	1
	Women	-	-	1
No. of employees who remained employed 12 months after returning from parental leave	Men	1	-	1
	Women	-	-	1

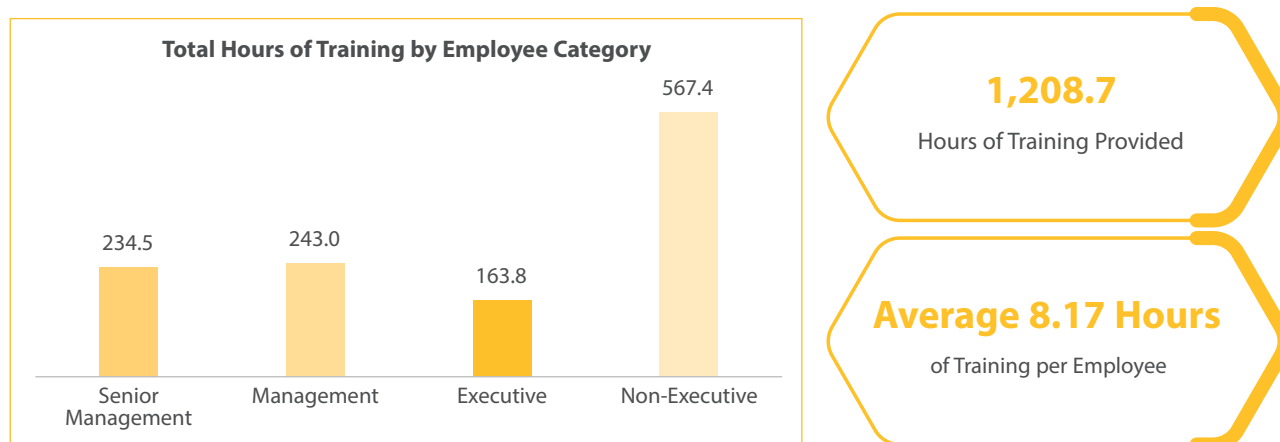
SUSTAINABILITY STATEMENT

(cont'd)

Training and Development

In FY2025, we significantly expanded our investment in human capital by organising 44 training programs, more than doubling our previous efforts to strengthen our workforce's technical and professional skills. This proactive approach led to a substantial increase in engagement, with 184 participants benefiting from specialized learning tracks. Consequently, our total training investment increased by 141% in total learning time.

This growth reflects a vibrant culture of continuous improvement. By prioritising these upskilling initiatives, we ensure our team remains agile and equipped to handle the increased operational complexities of our expanded Group, ultimately driving long-term organisation excellence.



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

General Training	
MAPPART II: Leading for Impact (LIP)	To empower directors to address sustainability risks and opportunities
How to Utilise AI & ChatGPT to Increase Productivity	Introduce AI-powered solutions
Waste Management - Certified Environmental Professional in Scheduled Waste Management (CePSWam)	Knowledge of environmental quality regulations
Import Export Documentation and Shipping Procedures	Understanding of import export operations
Mastering Employment Act	Understanding Malaysia Employment Laws
Embracing Sustainable Manufacturing: Building Resilience, Unlocking Opportunities	Implications of ESG and climate risks for manufacturers
Project Planning, monitoring and control	Planning, monitoring and control of construction project management
Qlassic Awareness Course	A system or method to measure & evaluate the workmanship quality of a building construction work
Management extension of time & VO	Understanding the provision of the standard from the contract
Risk Management	Introduction to risk management
Tools & Technologies for Sustainability Reporting in Malaysia	Understanding the sustainability reporting
Mastering the Future Workplace	Understanding future trends for the workplace
Strategic Leadership in the Age of AI & RPA: Driving Purpose & Innovation	Learning AI and RPA

SUSTAINABILITY STATEMENT

(cont'd)

General Training	
Anti-Bribery & Anti-Corruption-Incorporating Section 17A of the MACC Act	Understanding the foundation of bribery and corruption
Budget Conference 2026	Understanding of the 2026 Malaysia Budget
Implementation of ISSA 5000, General Requirements for Sustainability Assurance Engagements	Understanding the audit on sustainability reporting
MIA Town Hall 2025/2026 (Session 1)	Update on the latest sustainability reporting
Budget Conference 2026	Understanding of the 2026 Malaysia Budget
Handling Sexual Harassment at the Workplace	Understanding of sexual harassment, legal requirements, policy, ethics and handling sexual harassment reports
Technical and Skills Training	
Full Set Accounting: Reading and Understanding of Financial Statements	Understanding of Financial Statements
Service & Sales Tax Workshop	Malaysia's latest Sales & Service Tax requirements
Service Tax Update	The expanded scope of Service Tax
Swancor Product Training	Knowledge of Swancor raw material
SIRIM Lead Auditor Training	Overall understanding of principles and practices as specified in ISO 19011-Auditing standard for Quality Management Systems
ISO 9001:2015 Refresher Training	ISO 9001:2015 Refresher & Internal Audit Knowledge Sharing
Course for Certified Environmental Professional - The Operation of Effluent Treatment Systems (Physical Chemical Process)	Overall understanding of the Industrial Effluent Regulations 2009 (IER)
Health and Safety Training	
Safe Handling of Forklift Truck Training	Safe handling of the forklift truck
Authorised Entrant and Standby Person for Confined Space	State legal requirements for confined spaces
Program 1Rapi dan Kempen Keselamatan Kebakaran	Knowledge of fire safety
Basic Fire Fighting & Emergency Response Plan & Preparedness (ERP)	Necessary skills of fire safety, prevention & risk assessment
PPE Face Mask Training	All workers are required to use PPE face mask when spray coating or spray texture is carried out
First Aid & CPR with AED	To equip participants with first aid knowledge and skills to enable them to manage common injuries at their workplace before further treatment
Refresher Forklift Driving Training	To provide technical knowledge and skills to operate the forklift safely
PPE Ear plug	Teach employees how to properly insert and wear plugs to maximise hearing protection in a noisy environment

SUSTAINABILITY STATEMENT

(cont'd)

New Hires and Turnover

Flexidynamic continues to prioritise a stable and skilled workforce through strategic talent management. In FY2025, we onboarded 4 new hires, maintaining a balanced intake across Executive and Non-Executive categories. Notably, our recruitment efforts focused on the future of our industry, with 75% of new hires under 30. This influx of young talent ensures a vibrant pipeline of skills as we continue to expand our operations.

Total Number of Full-Time Employee New Hires	FY2023	FY2024	FY2025
	By Employee Category		
Senior Management	-	-	-
Management	-	-	-
Executive	-	4	2
Non-Executive	-	7	2
	By Gender		
Men	-	10	3
Women	-	1	1
	By Age		
Below 30 years	-	5	3
30-50 years	-	6	1
Above 50 years	-	-	-

During the same period, we recorded 9 turnovers, representing a steady improvement from the 21 departures seen in FY2023. Analysis of this data shows that 89% of turnovers occurred within the Non-Executive category, providing a valuable opportunity for the Group to refine its targeted retention strategies. By focusing on workplace environment and engagement initiatives, we aim to minimise attrition and foster long-term organisational stability across all business units.

Total Number of Full Time Employee Turnover	FY2023	FY2024	FY2025
	By Employee Category		
Senior Management	-	1	-
Management	-	1	-
Executive	4	3	1
Non-Executive	17	7	8
	By Gender		
Men	18	12	7
Women	3	-	2
	By Age		
Below 30 years	12	-	1
30-50 years	8	9	8
Above 50 years	1	3	-

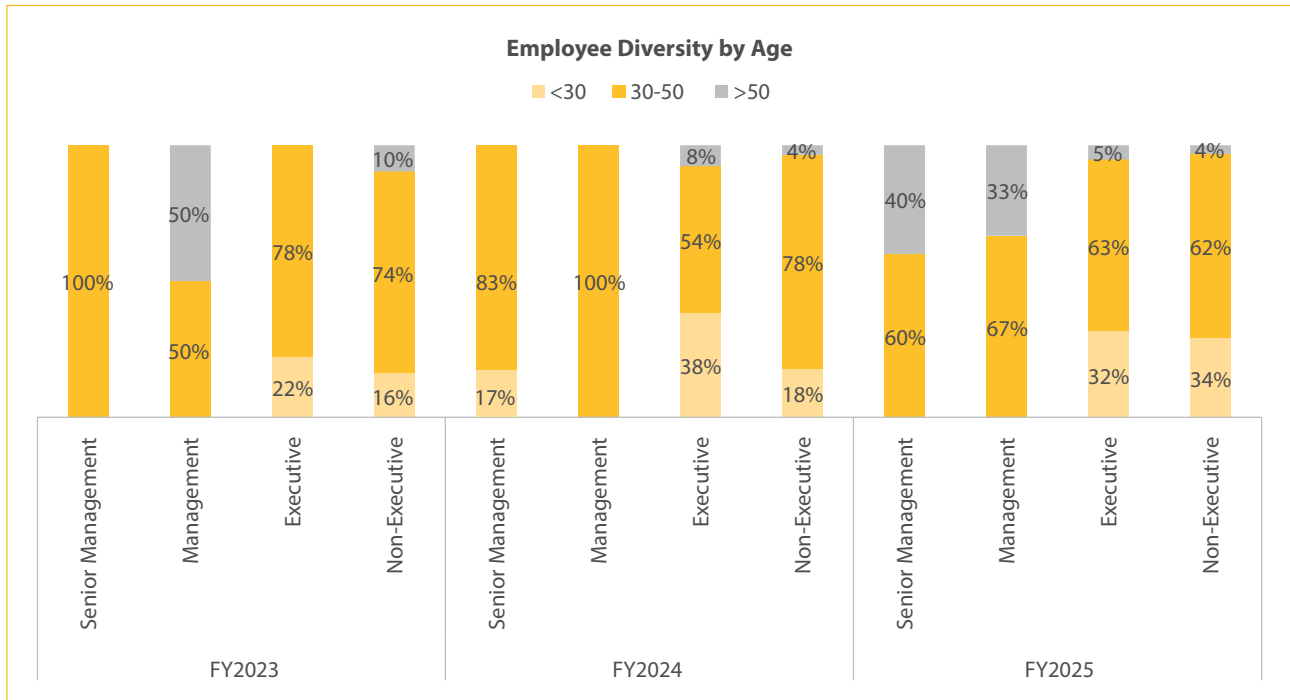
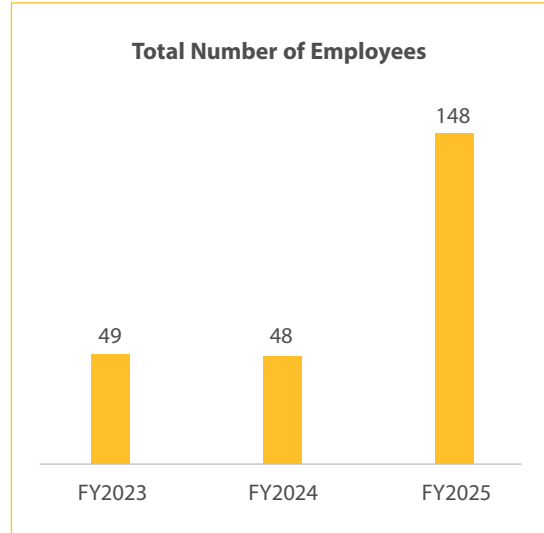
SUSTAINABILITY STATEMENT

(cont'd)

Diversity and Inclusivity

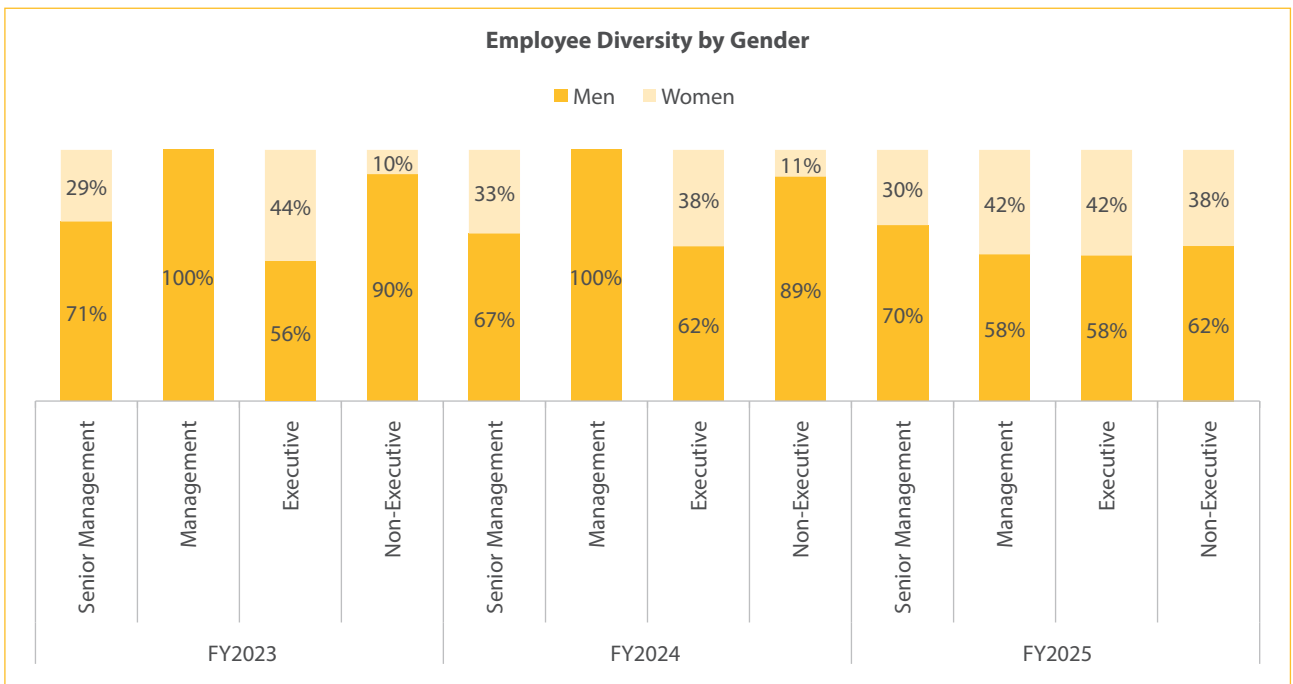
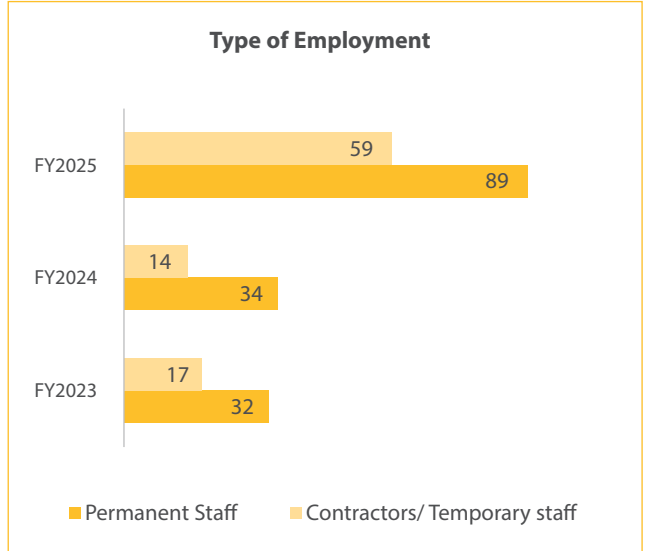
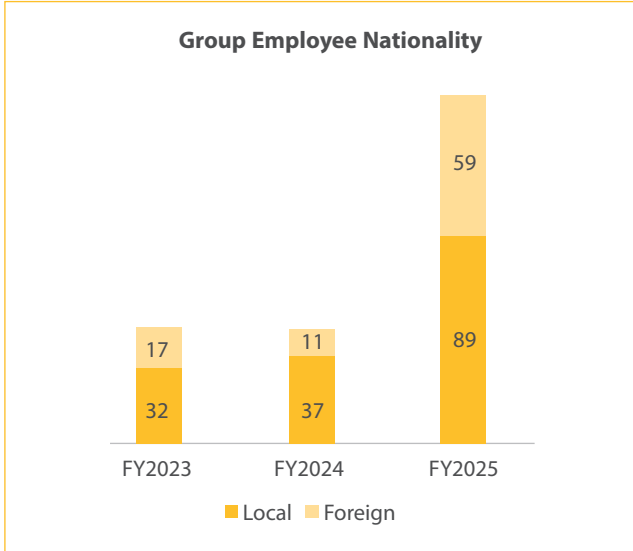
Fostering innovation and enhancing workplace equity remain central to Flexidynamic’s strategy for attracting and retaining diverse talent. By integrating a broad spectrum of experiences and expertise, we optimise team performance across our complex activities. The Group maintains a merit-based approach to recruitment, ensuring that all roles are filled based on qualifications and suitability, while our Nomination Committee periodically reviews the Board and management composition to ensure fair representation and gender diversity.

In FY2025, we saw a significant rebound and growth in our workforce, with the total number of employees increasing substantially from FY2024. This growth was primarily driven by our expanded manufacturing capacity and the successful integration of our new subsidiary, Formtech. Unlike the previous period, where contract completions led to a temporary reduction, this year’s expansion reflects our strengthened project pipeline and long-term operational scaling. By harmonising our inclusivity policies across the newly expanded Group, we continue to build a resilient, multi-talented workforce capable of driving our next phase of industrial excellence.



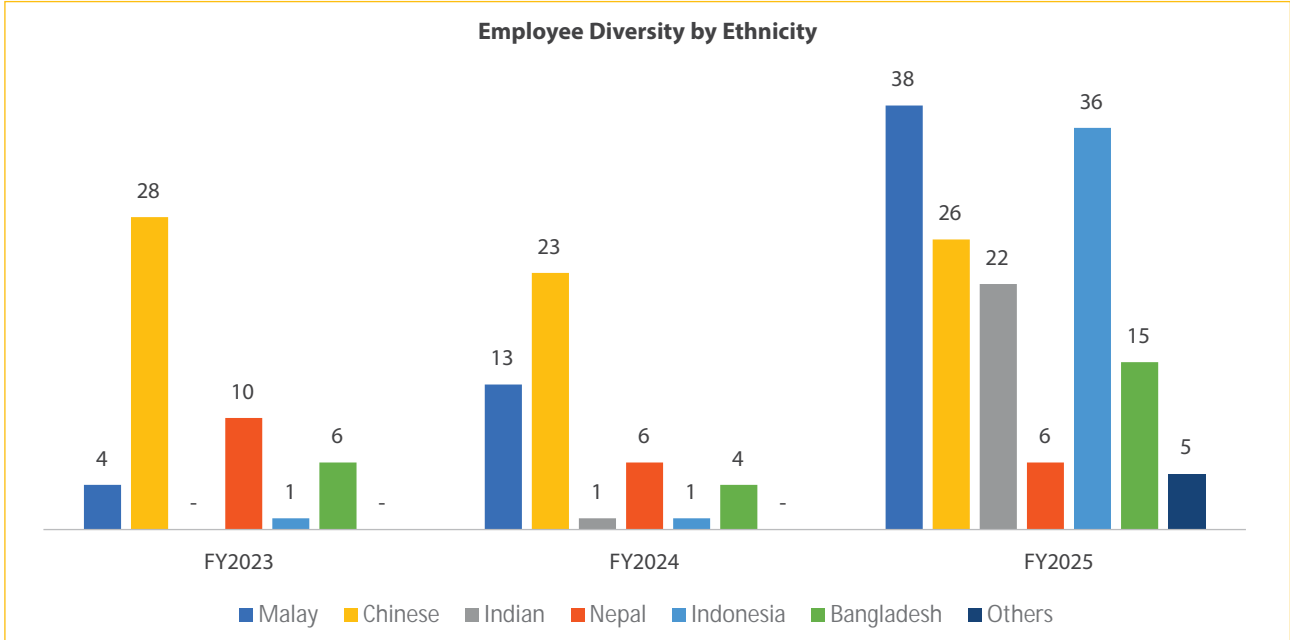
SUSTAINABILITY STATEMENT

(cont'd)



SUSTAINABILITY STATEMENT

(cont'd)



Community Engagement

Community engagement strengthens our local relationships and reinforces Flexidynamic’s commitment to responsible business practices. By actively participating in regional initiatives, we foster mutual support and ensure a lasting, beneficial presence in the communities where we operate. We believe that our growth should be intrinsically linked to the social well-being of our local ecosystem.

In FY2025, we significantly accelerated our social investment, increasing our total contribution from RM13,500 in FY2024 to RM40,000. This remarkable 196% increase in funding was directed toward two key organisations, reflecting a more concentrated and impactful approach to our charitable giving. This financial commitment demonstrates our dedication to driving meaningful change and building public confidence as we scale our operations and regional influence.

Invested **RM40,000**
for a total of **2** organisations

Community Welfare and Support

Hope Mission Welfare Society of Teluk Intan - Donation

- Flexidynamic is proud to support the Hope Mission Welfare Society through a RM10,000 investment in both financial and in-kind donations. These contributions are dedicated to bolstering the organisation’s essential programs and services, which provide direct relief and enhance the well-being of vulnerable community members. By investing in these welfare efforts, the Group reinforces its commitment to driving meaningful, long-term social impact and fostering a more supportive local environment.

Community Welfare and Support

Juma’ah Pengurus SRJK Batu Anam

- In FY2025, Flexidynamic further extended its community support by contributing RM30,000 to the Lembaga Pengelola SJK(C) Batu Anam (Juma’ah Pengurus). This significant investment was specifically dedicated to upgrading the primary school’s library facilities, transforming it into a modern and inspiring hub for literacy and learning. By investing in the modernisation of local academic infrastructure, the Group reinforces its belief that empowering the next generation with better educational resources is fundamental to building a resilient and sustainable future for the community.

SUSTAINABILITY STATEMENT

(cont'd)

SHAPING OUR SUSTAINABLE FUTURE

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

In FY2025, we have further matured this commitment by harmonising our sustainability standards with those of our newly integrated subsidiary. By focusing on resource efficiency and ethical manufacturing, we ensure that our growth does not come at the expense of the environment. Our efforts this year focused on refining our carbon footprint monitoring and enhancing the social well-being of our workforce, ensuring that Flexidynamic remains a resilient, future-ready leader in the industrial sector.

SUSTAINABILITY STATEMENT

(cont'd)

Date & Time: 2026-04-15_08:46:30
FYE 31/12/2025

FLEXIDYNAMIC HOLDINGS BERHAD
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Corporate Governance and Anti-Corruption	Percentage of employees who have received training on anti-corruption by employee category - Senior Management	Percentage	10	-	Internal	-
Corporate Governance and Anti-Corruption	Percentage of employees who have received training on anti-corruption by employee category - Management	Percentage	0	-	Internal	-
Corporate Governance and Anti-Corruption	Percentage of employees who have received training on anti-corruption by employee category - Executive	Percentage	21	-	Internal	-
Corporate Governance and Anti-Corruption	Percentage of employees who have received training on anti-corruption by employee category - Non-Executive	Percentage	1	-	Internal	-
Corporate Governance and Anti-Corruption	Percentage of operations assessed for corruption-related risks	Percentage	-	-	External (Limited)	-
Corporate Governance and Anti-Corruption	Confirmed incidents of corruption and actions taken	Number	0	Zero cases of bribery and corruption	Internal	Achieved Zero cases of bribery and corruption
Corporate Governance and Anti-Corruption	Percentage of directors by gender - Male	Percentage	71	-	Internal	-
Corporate Governance and Anti-Corruption	Percentage of directors by gender - Female	Percentage	29	-	Internal	-
Corporate Governance and Anti-Corruption	Percentage of directors by age - <30	Percentage	0	-	Internal	-

SUSTAINABILITY STATEMENT

(cont'd)

FLEXIDYNAMIC HOLDINGS BERHAD

BMLR Transition Period

Date & Time: 2026-04-15_08:46:30
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Corporate Governance and Anti-Corruption	Percentage of directors by age - 30-50	Percentage	72	-	Internal	-
Corporate Governance and Anti-Corruption	Percentage of directors by age - >50	Percentage	28	-	Internal	-
Data Privacy and Security	Number of substantiated complaints concerning breaches of customer privacy or losses of customer data	Number	0	Zero breaches in data privacy and cybersecurity	External (Limited)	Achieved Zero breaches in data privacy and cybersecurity
Supply Chain Management	Proportion of spending on local suppliers	Percentage	99.20	Allocate 98% of procurement expenditure to local suppliers	External (Limited)	Achieved 98.2% procurement expenditure allocated to local suppliers
Energy Management and Climate Action	Total energy consumption	GJ	3,240	Achieve 25% reduction in total energy consumption as compared to the baseline year of FY2022 by FY2025	External (Limited)	13% reduction in total energy consumption as compared to baseline year due to additional subsidiary, Formtech in FY2025
Energy Management and Climate Action	Total energy consumption	MWh	900	Achieve 25% reduction in total energy consumption as compared to the baseline year of FY2022 by FY2025	External (Limited)	13% reduction in total energy consumption as compared to baseline year due to additional subsidiary, Formtech in FY2025
Energy Management and Climate Action	Scope 1 emissions in tonnes of CO ₂ e	tCO ₂ e	170	Achieve 25% reduction in Scope 1 GHG emissions as compared to the baseline year of FY2022 by FY2025	External (Limited)	Achieve 29% reduction in Scope 1 GHG emissions compared to baseline year
Energy Management and Climate Action	Scope 2 emissions in tonnes of CO ₂ e	tCO ₂ e	179	-	External (Limited)	-
Energy Management and Climate Action	Scope 3 emissions in tonnes of CO ₂ e (business travel)	tCO ₂ e	14.90	-	External (Limited)	-
Waste and Pollution Management	Total waste generated	Tonnes	2811	-	External (Limited)	-

SUSTAINABILITY STATEMENT

(cont'd)

FLEXIDYNAMIC HOLDINGS BERHAD
BMLR Transition Period

Date & Time: 2026-04-15_08:46:30
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Waste and Pollution Management	Total waste diverted from disposal	Tonnes	0.50	-	External (Limited)	-
Waste and Pollution Management	Total waste directed to disposal	Tonnes	28.61	-	External (Limited)	-
Water Management	Total volume of water used	ML	2.55	Achieve 8% reduction in water consumption as compared to the baseline year of FY2022 by FY2025	External (Limited)	16% increase in water consumption due to additional subsidiary, Formtech as compared to baseline year
Health and Safety	Number of work-related fatalities	Number	0	Zero fatalities	External (Limited)	Achieved Zero fatalities
Health and Safety	Lost time incident rate ("LTIR")	Rate	0	-	External (Limited)	-
Health and Safety	Number of employees trained on health and safety standards	Number	94	-	External (Limited)	-
Labour Practices and Standards	Number of substantiated complaints concerning human rights violations	Number	0	Zero cases of human rights violations, including forced labour, child labour, discrimination and harassment	External (Limited)	Achieved Zero cases of human rights violations
Labour Practices and Standards	Total hours of training by employee category - Senior Management	Hours	234.50	-	External (Limited)	-
Labour Practices and Standards	Total hours of training by employee category - Management	Hours	243	-	External (Limited)	-
Labour Practices and Standards	Total hours of training by employee category - Executive	Hours	163.80	-	External (Limited)	-
Labour Practices and Standards	Total hours of training by employee category - Non-Executive	Hours	56.740	-	External (Limited)	-

SUSTAINABILITY STATEMENT
(cont'd)

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Labour Practices and Standards	Total number of employee turnover by employee category - Senior Management	Number	0	-	External (Limited)	-
Labour Practices and Standards	Total number of employee turnover by employee category - Management	Number	0	-	External (Limited)	-
Labour Practices and Standards	Total number of employee turnover by employee category - Executive	Number	1	-	External (Limited)	-
Labour Practices and Standards	Total number of employee turnover by employee category - Non-Executive	Number	8	-	External (Limited)	-
Diversity, Equity and Inclusion	Percentage of employees by gender group, for each employee category - Senior Management (Male)	Percentage	70	-	External (Limited)	-
Diversity, Equity and Inclusion	Percentage of employees by gender group, for each employee category - Senior Management (Female)	Percentage	30	-	External (Limited)	-
Diversity, Equity and Inclusion	Percentage of employees by gender group, for each employee category - Management (Male)	Percentage	58	-	External (Limited)	-
Diversity, Equity and Inclusion	Percentage of employees by gender group, for each employee category - Management (Female)	Percentage	42	-	External (Limited)	-

SUSTAINABILITY STATEMENT

(cont'd)

FLEXIDYNAMIC HOLDINGS BERHAD
BMLR Transition Period

Date & Time: 2026-04-15_08:46:30
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity, Equity and Inclusion	Percentage of employees by gender group, for each employee category - Executive (Male)	Percentage	58	-	External (Limited)	-
Diversity, Equity and Inclusion	Percentage of employees by gender group, for each employee category - Executive (Female)	Percentage	42	-	External (Limited)	-
Diversity, Equity and Inclusion	Percentage of employees by gender group, for each employee category - Non-Executive (Male)	Percentage	62	-	External (Limited)	-
Diversity, Equity and Inclusion	Percentage of employees by gender group, for each employee category - Non-Executive (Female)	Percentage	38	-	External (Limited)	-
Diversity, Equity and Inclusion	Percentage of employees by age group, for each employee category - Senior Management (<30)	Percentage	0	-	External (Limited)	-
Diversity, Equity and Inclusion	Percentage of employees by age group, for each employee category - Senior Management (30-50)	Percentage	60	-	External (Limited)	-
Diversity, Equity and Inclusion	Percentage of employees by age group, for each employee category - Senior Management (>50)	Percentage	40	-	External (Limited)	-
Diversity, Equity and Inclusion	Percentage of employees by age group, for each employee category - Management (<30)	Percentage	0	-	External (Limited)	-

SUSTAINABILITY STATEMENT
(cont'd)

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity, Equity and Inclusion	Percentage of employees by age group, for each employee category - Management (30-50)	Percentage	67	-	External (Limited)	-
Diversity, Equity and Inclusion	Percentage of employees by age group, for each employee category - Management (>50)	Percentage	33	-	External (Limited)	-
Diversity, Equity and Inclusion	Percentage of employees by age group, for each employee category - Executive (<30)	Percentage	32	-	External (Limited)	-
Diversity, Equity and Inclusion	Percentage of employees by age group, for each employee category - Executive (30-50)	Percentage	63	-	External (Limited)	-
Diversity, Equity and Inclusion	Percentage of employees by age group, for each employee category - Executive (>50)	Percentage	5	-	External (Limited)	-
Diversity, Equity and Inclusion	Percentage of employees by age group, for each employee category - Non-Executive (<30)	Percentage	34	-	External (Limited)	-
Diversity, Equity and Inclusion	Percentage of employees by age group, for each employee category - Non-Executive (30-50)	Percentage	62	-	External (Limited)	-
Diversity, Equity and Inclusion	Percentage of employees by age group, for each employee category - Non-Executive (>50)	Percentage	4	-	External (Limited)	-
Diversity, Equity and Inclusion	Percentage of employees who are contractors or temporary staff	Percentage	40	-	External (Limited)	-

SUSTAINABILITY STATEMENT

(cont'd)

FLEXIDYNAMIC HOLDINGS BERHAD
 BMLR Transition Period

Date & Time: 2026-04-15_08:46:30
 FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Community Engagement	Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	40,000	-	External (Limited)	-
Community Engagement	Total number of beneficiaries of the investment in communities	Number	2 Organisations	-	External (Limited)	-

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

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

This Corporate Governance Overview Statement should also be read in tandem with the Corporate Governance Report 2025, which is available on the Company's corporate website at <https://www.flexidynamic.com>.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. THE BOARD OF DIRECTORS

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

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

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

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

Board Charter

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

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

1. THE BOARD OF DIRECTORS (CONT'D)

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

Employee Code of Conduct Policy

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

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

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

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

Ethics and Compliance Whistleblowing Policy and Procedures

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

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

Anti-Bribery and Corruption Policy

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

The Group is committed to conducting its business and operations in accordance with the principles of transparency, integrity, and accountability, in compliance with applicable laws and regulations.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

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

1. THE BOARD OF DIRECTORS (CONT'D)

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

Sustainability

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

1.2 Board Balance and Composition

The Board currently consists of seven (7) members, comprising the Managing Director, three (3) Executive Directors and three (3) Independent Non-Executive Directors. The Board has met the minimum one-third (1/3) requirement outlined in the AMLR. In the event of any vacancy in the Board, resulting in the non-compliance with the above, the Company must fill the vacancy within 3 months. The Independent Non-Executive Directors do not participate in day-to-day management as well as the daily business of the Company. In order to avoid any potential conflict of interest, the Independent Directors remain in a position to fulfil their responsibility to provide a check and balance to the Board. They provide independent and objective views, advice, and judgement that take into account the interests of the Group, as well as those of shareholders and investors, in the Board's decision-making process.

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

All the Directors have given annual confirmations that they have no family relationship with any director and/or major shareholder of the Company. All the Directors confirm that they do not have any conflict of interest with the Company, have not been convicted of any offences within the past five (5) years, and have not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year.

Gender Diversity Policy

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

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

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

Presently, there are two (2) female directors and five (5) male directors on the Board, constituting 29% female representation. The Board is of the view that the suitability of a candidate for the Board depends on the candidate's competency, skills, experience, expertise, time commitment, integrity, and other qualities in meeting the needs of the Company.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

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

1. THE BOARD OF DIRECTORS (CONT'D)

1.2 Board Balance and Composition (cont'd)

Directors' Fit and Proper Policy

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

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

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

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

The Chairman is responsible for leading the Board in ensuring the effectiveness of all aspects of his role. Decisions of the Board are made collectively during Board meetings. To ensure meetings are properly facilitated and the Board is effectively led, the Chairman plays a pivotal leadership role. Additionally, the Chairman of the Board is usually the presiding Chairman at the Company's General Meetings.

The Chairman of the Board endeavours to create an environment that promotes constructive deliberation and effective contributions by each Board member during Board meetings. Furthermore, the Chairman must be able to manage personal conflicts and help focus the Board on what really matters, rather than simply ploughing through the agenda.

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

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

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

2. BOARD MEETING AND ACCESS TO INFORMATION

Supply of Information

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

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

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

Supply of Information (cont'd)

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

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

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

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

Time Commitment

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

Name	Designation	Board
Dr. Teh Chee Ghee	Independent Non-Executive Chairman	6/6
Tan Kong Leong	Managing Director	6/6
Sin Kuo Wei	Deputy Managing Director	6/6
Liew Heng Wei	Executive Director	6/6
Lion Suk Chin	Executive Director	6/6
Noor Zaliza Yati Binti Yahya	Independent Non-Executive Director	6/6
Ir. Chong Kai Feng	Independent Non-Executive Director	6/6
Poh Chee Fong (Resigned on 30 June 2025)	Independent Non-Executive Director	4/4

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

Company Secretaries

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

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

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

Company Secretaries (cont'd)

The Company Secretaries' roles are to:

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

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

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

3. BOARD SELECTION AND ASSESSMENT

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

Name of Director	Directorship	Attendance
<u>Chairman</u>		
Ir. Chong Kai Feng	Independent Non-Executive Director	1/1

Poh Chee Fong (Resigned on 30 June 2025)	Independent Non-Executive Director	1/1

<u>Members</u>		
Dr. Teh Chee Ghee (Appointed on 26 September 2025)	Independent Non-Executive Director	-

Noor Zaliza Yati Binti Yahya	Independent Non-Executive Director	1/1

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

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

The Nomination Committee reviews the effectiveness of the Board annually as a whole, the Board Committees and the contribution of each Director, including Independent Non-Executive Directors. The evaluation involves completing questionnaires on the processes of the Board and Committee members, their performance, and areas for improvement. These assessments were summarised and discussed at the Nomination Committee meeting, which gave recommendations to the Board at the Board Meeting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

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

3. BOARD SELECTION AND ASSESSMENT (CONT'D)

The Board has annually assessed the independence of its Independent Non-Executive Directors against the criteria set out in the AMLR.

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

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

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

Name of Director	Seminars/Conferences/Training Programmes Attended	Date of Attendance
Dr. Teh Chee Ghee	• MIA Accounting & Financial Technology Showcase (MIA AFT) 2025	15 th January 2025
	• MIT Sloan Webinar – How to Build an Ethical AI Culture	27 th February 2025
	• Monash Alumni Professional Development Masterclass: Leading with courage	04 th March 2025
	• Stamp Duty – A peek into the future by KPMG	11 th March 2025
	• MIA Transfer Pricing – Fundamental Concepts	12 th March 2025
	• MIT Sloan Webinar – Making Data Indispensable	13 th March 2025
	• Unveiling the world of Intellectual Property Valuation for Financial Institutions by MyIPO-MIA	20 th March 2025
	• Town Hall Consultation Session for Civil Society and Environmental NGOs in Malaysia by Climate Governance Malaysia (CGM)	06 th April 2025
	• National Climate Governance Summit (NCGS) 2025 by CGM	07 th April 2025 – 10 th April 2025
	• MIT Sloan Webinar Leading Innovation in an Era of Uncertainty	11 th April 2025
	• BDO's Webinar on AP and AR Automation: Streamlining Finance for the Future	16 th April 2025
	• Technology in Practice: Artificial Intelligence - MIA Digital Month 2025 Week 1	17 th April 2025
	• Building Trust and Managing Risks in AI - MIA Digital Month 2025 Week 2	23 rd April 2025
	• Prospects for the global green transition; accounting for carbon-related instruments; implementing sustainability reporting; key requirements of ISSA 5000 and making AI work for sustainability – ACCA 2025 Virtual Conference	29 th April 2025
	• Tools and Technologies for Sustainability Reporting in Malaysia - MIA Digital Month 2025 Week 3	30 th April 2025
	• Mastering the Future Workplace - MIA Digital Month 2025 Week 4	07 th May 2025
	• MIA Town Hall 2024/2025 (Session 3)	08 th May 2025
	• UOB Jom Transform – Sustainability Accelerator Programme (SAP) 2.0	15 th May 2025
	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	20 th May 2025 – 21 st May 2025
	• The Journey into the AI Age: Game Changer for Your Digital Transformation - Bursa Malaysia Programme	17 th June 2025

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

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

3. BOARD SELECTION AND ASSESSMENT (CONT'D)

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

Name of Director	Seminars/Conferences/Training Programmes Attended	Date of Attendance
Dr. Teh Chee Ghee (cont'd)	<ul style="list-style-type: none"> ● NIKKEI Forum "Medini, Johor 2025" ● The Edge HSBC Johor-Singapore Special Economic Zone (JS-SEZ) Forum ● ACCA TechInsights Series: AI Monitor – Exploring Trends, Innovations, and AI Challenges ● Arcadia's virtual event - Change-Ready by Design – Your Journey from Resistance to Resilience to Readiness ● Bursa Strategic Oversight in Strategy Implementation – Getting Execution Right at the Board Level – Bursa Malaysia Programme ● Climate Finance Summit 2025 ● MIT Sloan Webinar - Reimagining Marketing Strategy for the AI Era ● Artificial Intelligence 101 by MIA ● ACCA TechInsights: Building an AI Literate Finance Team – From Buzzwords to Business Impact ● MASB Session on MPERS: Insights into the IFRS for SMEs Accounting Standard ● TRATAX Budget 2026 Analysis: Webinar on Decoding Tax Measures in 2026 Budget ● Beyond Compliance: Leading with AI and Sustainability by MIA ● MIA Town Hall Session 1 2025/2026 ● MIA Building Trust with Investors Through Integrated Reporting in an Era of Enhanced Sustainability Disclosures ● Beyond Integration: Unlocking Intelligent Automation – Forvis Mazar ● Auditing Oversight Board (AOB) Conversation with Audit Committee ● ACCA Accounting for the Future 2025 Conference: Trust and Innovation in the New Era of Finance ● What We Need to Know About PDPA 2010 ● ACCA SMP Edge Webinar Series - Service Tax: Key Updates & What You Need to Know ● AI and Beyond: The Strategic Challenges Facing HR Today Webinar by USC Marshall Centre for Effective Organizations 	<p>18th June 2025 – 19th June 2025 23rd June 2025</p> <p>25th June 2025</p> <p>17th July 2025</p> <p>28th July 2025</p> <p>07th August 2025 28th August 2025 18th September 2025 28th September 2025</p> <p>14th October 2025</p> <p>15th October 2025</p> <p>30th October 2025 05th November 2025</p> <p>18th November 2025</p> <p>19th November 2025</p> <p>25th November 2025</p> <p>26th November 2025 – 27th November 2025 03rd December 2025 08th December 2025</p> <p>09th December 2025</p>
Tan Kong Leong	<ul style="list-style-type: none"> ● Mandatory Accreditation Programme Part II: Leading for Impact (LIP) ● Services Tax Workshop 	<p>22nd January 2025 – 23rd January 2025 07th November 2025</p>
Sin Kuo Wei	<ul style="list-style-type: none"> ● Mandatory Accreditation Programme Part II: Leading for Impact (LIP) ● Waste Management - Certified Environmental Professional in Scheduled Waste Management (CEPSWAM) ● Business Alliance & Responsible Glove Alliance Outreach Meeting ● Services Tax Workshop 	<p>19th March 2025 – 20th March 2025 11th August 2025 – 15th August 2025 25th September 2025</p> <p>07th November 2025</p>

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

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

3. BOARD SELECTION AND ASSESSMENT (CONT'D)

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

Name of Director	Seminars/Conferences/Training Programmes Attended	Date of Attendance
Liew Heng Wei	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	19 th March 2025 – 20 th March 2025
	• How To Utilise AI & Chat GPT to Increase Productivity	20 th June 2025
	• Services Tax Workshop	07 th November 2025
Lion Suk Chin	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	19 th March 2025 – 20 th March 2025
	• Sales Tax Workshop	25 th September 2025
	• Embracing Sustainable Manufacturing: Building Resilience, Unlocking Opportunities	08 th October 2025
	• Services Tax Workshop	15 th October 2025
Noor Zaliza Yati Binti Yahya	• Anti-Bribery & Anti-Corruption Section 17A of the MACC Act	26 th December 2025
	• MIA International Accountants Conference 2025	26 th May 2025 – 27 th May 2025
	• Malaysia Tax Changes 2025: What Businesses Must Know About SST & Stamp Duty	28 th July 2025
Ir. Chong Kai Feng	• Audit Committee Conference 2025	29 th September 2025
	• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	13 th January 2025 – 14 th January 2025
	• Cyber Security Act 2024: What Business Should Know	29 th April 2025
	• Bursa Malaysia - The Journey into the AI Age: Game Changer for Your Digital Transformation Era	17 th June 2025
	• ICDM - Strategic Oversight in Strategy Implementation: Getting Execution Right at Board Level	28 th July 2025

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

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

During the financial year ended 31 December 2025, none of the Independent Non-Executive Directors has served on the Board for more than nine (9) years.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

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

4. BOARD REMUNERATION

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

Name of Director	Directorship	Attendance
Chairman		
Ir. Chong Kai Feng	Independent Non-Executive Director	1/1
Members		
Dr. Teh Chee Ghee (Appointed on 26 September 2025)	Independent Non-Executive Director	-
Noor Zaliza Yati Binti Yahya	Independent Non-Executive Director	1/1
Poh Chee Fong (Resigned on 30 June 2025)	Independent Non- Executive Director	1/1

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

Details of Directors' remuneration for the financial year ended 31 December 2025 in the Group are as follows:

Name of Director	Fees RM	Salaries and Other Emoluments RM	EPF RM	Benefit- in- kind RM	Total RM
Company					
Executive Directors:					
Tan Kong Leong	16,500	-	-	-	16,500
Liew Heng Wei	16,500	-	-	-	16,500
Lion Suk Chin	16,500	-	-	-	16,500
Sin Kuo Wei	16,500	-	-	-	16,500
Independent Directors:					
Dr. Teh Chee Ghee	60,000	3,000	-	-	63,000
Noor Zaliza Yati Binti Yahya	34,500	3,000	-	-	37,500
Ir. Chong Kai Feng	30,750	3,000	-	-	33,750
Poh Chee Fong (Resigned on 30 June 2025)	14,250	2,000	-	-	16,250
Grand Total	205,500	11,000	-	-	216,500
Subsidiary					
Executive Directors:					
Tan Kong Leong	-	406,160	48,741	35,152	490,053
Liew Heng Wei	-	334,400	40,128	9,900	384,428
Lion Suk Chin	-	320,900	38,748	-	359,648
Sin Kuo Wei	-	280,450	33,654	17,400	331,504
Grand Total	-	1,341,910	161,271	62,452	1,565,633

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

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

4. BOARD REMUNERATION (CONT'D)

The aggregate remuneration of the key senior Management of the Group during the financial year ended 31 December 2025, categorised into the various bands, is as follows:

Key Senior Management	Remuneration band (In the band of RM50,000)	
	Remuneration (RM)	Benefit-in-kind (RM)
Chen Li Chin	250,000 - 300,000	-
Loh Wei Keat	250,000 - 300,000	0 - 50,000

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

5. AUDIT AND RISK MANAGEMENT COMMITTEE

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

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

The Board is committed to upholding the integrity of the Group's financial reporting. The Audit and Risk Management Committee is responsible for assessing, evaluating, and recommending External Auditors to ensure they are of the right calibre, with professional ethics and integrity. The Audit and Risk Management Committee also reviews the types of non-audit services permitted for the Company's External Auditors, to ensure they do not compromise their independence and objectivity.

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

6. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

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

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

As an effort to enhance the system of internal control, the Board, with assistance from an external professional Internal Audit firm, adopted ongoing monitoring and review of the existing risk management processes across the various business operations to formalise the risk management functions across the Group. This function also serves as a source to assist the Audit and Risk Management Committee and the Board in strengthening and improving current management and operating style in pursuit of best practices.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

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

6. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

As an ongoing process, the Group identifies and evaluates significant business risks and considers the potential impact of achieving the business objectives. It includes examining principal business risks in critical areas, assessing the likelihood of material exposures, and identifying the measures taken to mitigate, avoid, or eliminate these risks. The Statement of Risk Management and Internal Control is set out in this Annual Report. It provides an overview of risk management and the state of internal controls within the Group.

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

7. CONTINUOUS COMMUNICATION BETWEEN COMPANY AND STAKEHOLDERS

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

8. SHAREHOLDERS PARTICIPATION AT GENERAL MEETINGS

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

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

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

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

The sixth AGM was held on 30 May 2025. All the Directors, together with the Key Management team and External Auditors, attended the sixth AGM to address any queries from shareholders.

COMPLIANCE STATEMENT

As disclosed above, the Board is satisfied that throughout the financial year ended 31 December 2025, the Company has applied the principles and recommendations of the corporate governance set out in MCCG, where necessary and appropriate.

This Corporate Governance Overview Statement is made by a resolution of the Directors dated 08 April 2026.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

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

COMPOSITION AND DESIGNATION OF ARMC MEMBERS

The ARMC comprises all independent non-executive directors. The ARMC members are as follows:-

Designation	Name of Director	Directorship
Chairperson	Noor Zaliza Yati Binti Yahya	Independent Non-Executive Director
Member	Dr. Teh Chee Ghee (Appointed on 26 September 2025)	Independent Non-Executive Director
Member	Ir. Chong Kai Feng	Independent Non-Executive Director

COMPOSITION COMPLIANCE

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

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

MEETINGS AND ATTENDANCE

During the financial year ended 31 December 2025, the ARMC held five (5) meetings. Details of the attendance of ARMC members are as follows:-

Name of Committee Member	Attendance
Noor Zaliza Yati Binti Yahya	5/5
Dr. Teh Chee Ghee	1/1
Ir. Chong Kai Feng	5/5

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

TERMS OF REFERENCE

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

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(cont'd)

SUMMARY OF ACTIVITIES OF THE ARMC DURING THE FINANCIAL YEAR

During the financial year ended 31 December 2025, the ARMC carried out the following activities and discharged its duties as outlined in the Terms of Reference:-

(a) FINANCIAL REPORTING

- (i) Reviewed the quarterly unaudited financial results of the Group for announcement to Bursa Securities before recommending them for the Board's approval. The review was to ensure that the unaudited quarterly financial results were prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134, International Accounting Standard 34: Interim Financial Reporting, and provisions of the Listing Requirement of Bursa Securities.
- (ii) Reviewed the audited financial statements of the Group and the Company for the financial year ended 31 December 2024 prior to their submission for consideration and approval by the Board. The review was to ensure that the audited financial statements were drawn up in accordance with the requirements of the Companies Act 2016 and the applicable MFRS and IFRS Accounting Standards.
- (iii) Reviewed the Annual Report for the financial year ended 31 December 2024, prepared by the Management before submission to the Board for approval, and ensured its timely announcements to the Bursa Securities.

(b) ANNUAL REPORTING

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

(c) RELATED PARTY TRANSACTIONS

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

(d) EXTERNAL AUDIT

- (i) Reviewed and discussed with the external auditors on the results of the audit, audit report and areas of concern highlighted in the management letter, including Management's responses to the concerns raised by the external auditors on the financial statements of the Group for the financial year ended 31 December 2024.
- (ii) Reviewed and discussed with the external auditors on their audit planning memorandum for the financial year ended 31 December 2025, covering their scope of audit, methodology, timetable, areas of focus prior to the commencement of their annual audit and proposed audit fee.
- (iii) Assessed the performance and independence of the external auditors.

(e) INTERNAL AUDIT

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

(f) CONFLICT OF INTEREST

During the financial year under review, the ARMC has not received any reports from the Directors or key senior Management regarding any conflicts of interest or potential conflicts of interest with the Group.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(cont'd)

SUMMARY OF ACTIVITIES OF THE ARMC DURING THE FINANCIAL YEAR (CONT'D)

(g) WHISTLEBLOWING AND FRAUD

The ARMC oversees the implementation of the policy, ensures that appropriate investigations are carried out, and that necessary actions are taken. All reports are treated seriously and handled with strict confidentiality. Whistleblowers acting in good faith are protected from retaliation.

For the financial year ended 31 December 2025, there were no whistleblowing cases reported.

PERFORMANCE OF ARMC

The Nomination Committee assessed the performance of the ARMC and its members for the financial year ended 31 December 2025. Based on the outcome of the assessment, the Board was satisfied with the performance of the ARMC and its members and concluded that they have effectively discharged their functions, duties, and responsibilities in accordance with the terms of reference of the ARMC.

INTERNAL AUDIT FUNCTION

The Group initially outsourced its internal audit function to Sterling Business Alignment Consulting Sdn. Bhd. (Sterling). During the financial year, Talent League Sdn. Bhd., an independent professional consulting firm, was appointed to replace Sterling, undertake the internal audit function, and assist the ARMC and the Board in providing an independent assessment of the adequacy, effectiveness, and efficiency of the Group's system of internal controls.

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

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

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

The fees incurred by the Group in relation to the outsourced internal audit function for the financial year ended 31 December 2025 were RM34,020.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors (“**Board**”) of Flexidynamic Holdings Berhad (“**Flexidynamic**” or “**the Company**”) is pleased to present the Statement on Risk Management and Internal Control (“**Statement**”) which outlines the nature and scope of risk management and internal control system of Flexidynamic Holdings Berhad and its subsidiaries (“**the Group**”) for the financial year ended 31 December 2025 (“**FYE 2025**”). This Statement has been prepared in compliance with Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and Principle B of the Malaysian Code on Corporate Governance (“**MCCG**”) with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITY

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

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

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

RISK MANAGEMENT FRAMEWORK

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

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

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

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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(cont'd)

INTERNAL AUDIT FUNCTION

The Board acknowledges the importance of the internal audit function. The Group had initially engaged Sterling Business Alignment Consulting Sdn. Bhd., an independent professional consulting firm, to undertake the internal audit function. During the financial year, the engagement was terminated and Talent League Sdn. Bhd. was subsequently appointed as internal audit consultant to undertake the internal audit function and to provide independent assurance to the Board and the ARMC on the adequacy, efficiency and effectiveness of the Group's system of internal controls.

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

Internal audits are carried out based on the annual audit plan approved by the ARMC. The internal audits were carried out in accordance with the International Professional Practices Framework 2024 – Global Internal Audit Standards adopted and recommended by the Institute of Internal Auditors Malaysia.

The internal audit consultant presents to the ARMC the internal audit reports on a half-yearly basis. The assessment of the adequacy and effectiveness of internal control established in mitigating risks is carried out through interviews and discussions with the Management team, the review of relevant established policies and procedures and authority limits, and the observation and testing of internal control on a sampling basis.

During the financial year ended 31 December 2025, the internal audit consultant conducted internal control audits, comprising 1 internal audit review for each subsidiary as set out below:

Reporting	Audit areas
Flexidynamic Engineering Sdn. Bhd.	Purchasing
Formtech Engineering (M) Sdn. Bhd.	Production and Quality Assurance

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

OTHER KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL AUDITORS

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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Rule 15.23 of the Listing Requirements, the external auditors have reviewed this Statement for inclusion in the Annual Report for the financial year ended 31 December 2025. The external auditors have reported to the Board that, based on their review procedures performed and evidence obtained, nothing has come to their attention that causes them to believe that this Statement intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by Paragraphs 41 and 42 of the Guidelines, nor is the Statement factually inaccurate.

ASSURANCE TO THE BOARD MEMBERS

The Board is of the opinion that the Group's risk management and internal control systems are satisfactory and that there have been no internal control failures or significant weaknesses that resulted in any loss to the Group during the financial year under review. The Board is also cognisant that the Group's risk management framework and internal control system must be continuously reviewed and evolved to meet the changing and challenging business environment. The Group is committed to continuing to take all necessary measures to strengthen its risk management and internal control system, further enhancing its effectiveness to ensure all identified risks are managed on a timely basis and remain within tolerance limits.

The Board is satisfied that the Group's risk management framework and system of internal control are operating adequately and effectively in all material aspects for the financial year ended 31 December 2025.

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

The Statement was approved by the Board on 08 April 2026.

STATEMENT OF DIRECTORS' RESPONSIBILITY

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

The Directors are satisfied that in preparing the financial statements of the Group for the year ended 31 December 2025, the Group has adopted suitable accounting policies and applied them consistently, prudently and reasonably. The Directors also consider that all applicable approved accounting standards have been followed in the preparation of the financial statements, subject to any material departures being disclosed and explained in the notes to the financial statements. The financial statements have been prepared on a going concern basis.

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

ADDITIONAL COMPLIANCE INFORMATION

1. AUDIT AND NON-AUDIT FEES

Details of statutory audit, audit-related and non-audit fees paid/payable in the financial year ended 31 December 2025 to the external auditors are set out below:

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

Description	Company	Subsidiaries	Total
Audit fees	30	81	111

2. MATERIAL CONTRACTS

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

3. RECURRENT RELATED PARTY TRANSACTIONS ("RRPT")

The breakdown of the aggregate value of the RRPT made during the financial year ended 31 December 2025 is as follows:

Transacting parties	Interested persons	Nature of transaction	Aggregate value of RRPT as at 31 December 2025 (RM'000)
Phitchaya Arsangku and Flexidynamic Thailand	(i) Tan Kong Leong, our Promoter, substantial shareholder and Managing Director, is the husband of Phitchaya Arsangku	Lease payment	25
		Interest payment	1
ZYL Dynamic Sdn. Bhd. ("ZYL") and Flexidynamic Engineering	(i) Tan Kong Kee, the Director and shareholder of ZYL, is the brother of Tan Kong Leong (ii) Chin Nyuk Fong, the Director and shareholder of ZYL, is the sister-in-law of Tan Kong Leong	Rental expenses of premise	72
Mega Surplus Sdn. Bhd. ("Mega Surplus") and Flexidynamic Engineering	The Directors and shareholders of Mega Surplus, namely: (i) Tan Eng Cheong is the father of Tan Kong Leong; and (ii) Tan Kong Wee and Tan Kon How are the brothers of Tan Kong Leong, our Promoter	Purchase of timber	217

ADDITIONAL COMPLIANCE INFORMATION

(cont'd)

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

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

A brief detail on the number of ESOS Options granted, exercised, forfeited and outstanding since commencement to 31 December 2025 are set out in the table below:

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

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

	Options Outstanding	
	1 January 2025	31 December 2025
Directors	5,190,000	5,190,000
Senior Management	360,000	360,000
Management	2,200,000	2,200,000
Employees	2,429,075	2,429,075

The percentages of options applicable to Directors and Senior Management under the ESOS during the financial year and since its commencement up to 31 December 2025 are set out below:

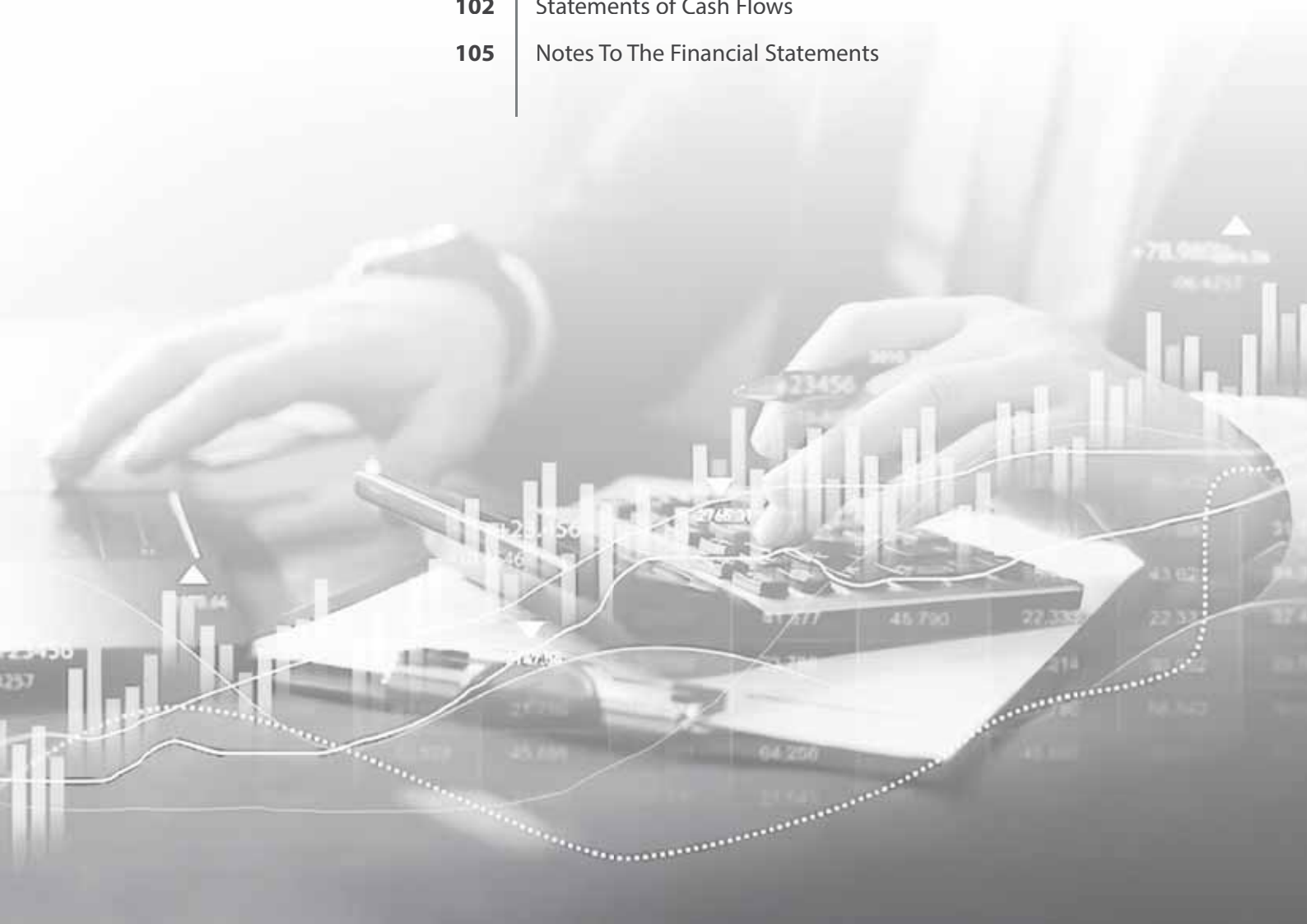
Description	Percentages	
	During the financial year	Since commencement up to 31 December 2025
Aggregate maximum allocation	-	39%
Actual options granted	-	39%

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

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

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DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding services.

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

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

FINANCIAL RESULTS

	Group RM	Company RM
Loss for the financial year	11,672,291	568,652
Attributable to:-		
Owners of the Company	11,547,353	568,652
Non-controlling interests	124,938	-
	11,672,291	568,652

DIVIDEND

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

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

RESERVES AND PROVISIONS

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

DIRECTORS

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

Tan Kong Leong
Liew Heng Wei
Lion Suk Chin
Chong Kai Feng
Noor Zaliza Yati Binti Yahya
Sin Kuo Wei
Dr. Teh Chee Ghee
Poh Chee Fong (Resigned on 30 June 2025)

DIRECTORS' REPORT

(cont'd)

DIRECTORS (CONT'D)

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

Boonjing Boongrajang
 Lim You Sheng
 Lim Jing Jie
 Phitchaya Arsangku
 Dietmar Trumm (Resigned on 16 January 2026)
 Ng Thian Hong (Appointed on 28 February 2025 and Resigned on 1 October 2025)
 Veronica How Mei Yen (Appointed on 28 February 2025 and Resigned on 1 October 2025)

DIRECTORS' BENEFITS

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

	Incurred by the Company	Incurred by the subsidiaries	Group
	RM	RM	RM
Salaries, bonuses and allowances	11,000	1,829,368	1,840,368
Fees	205,500	-	205,500
Defined contribution plan	-	163,701	163,701
Social security contribution	-	5,570	5,570
Share options granted under Employees Share Option Scheme ("ESOS")	14,793	14,390	29,183
	231,293	2,013,029	2,244,322

The estimated value of benefits-in-kind provided to Directors of the Group during the financial year amounted to RM62,452.

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

DIRECTORS' INTERESTS

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

The Company	← Number of ordinary shares →			
	At 1 January 2025	Bought	Sold	At 31 December 2025
Direct interests:				
Tan Kong Leong	117,892,900	-	(10,000,000)	107,892,900
Liew Heng Wei	53,208,300	-	-	53,208,300
Lion Suk Chin	130,000	-	-	130,000
Sin Kuo Wei	8,346,400	78,100	-	8,424,500

DIRECTORS' REPORT

(cont'd)

DIRECTORS' INTERESTS (CONT'D)

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

The Company	Number of ordinary shares			
	At 1 January 2025	Bought	Sold	At 31 December 2025
Deemed interests:				
Tan Kong Leong ^(#*)	9,198,100	-	-	9,198,100
Liew Heng Wei ^(#)	130,000	-	-	130,000
Lion Suk Chin ^(#)	53,208,300	-	-	53,208,300

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

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

The Company	Number of share options				
	At 1 January 2025	Granted	Exercised	Expired	At 31 December 2025
Lion Suk Chin	2,370,000	-	-	-	2,370,000
Chong Kai Feng	100,000	-	-	-	100,000
Noor Zaliza Yati Binti Yahya	100,000	-	-	-	100,000

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

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

ISSUANCE OF SHARES AND DEBENTURES

There were no issuances of shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

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

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

DIRECTORS' REPORT

(cont'd)

OPTIONS GRANTED OVER UNISSUED SHARES (CONT'D)

As at 31 December 2025, the options offered to take up unissued ordinary shares and the exercise prices are as follows:

Date of offer	Exercise price	At 1 January 2025	Number of options over ordinary shares			At 31 December 2025
			Granted	Exercised	Expired/Lapsed	
13 December 2021	RM0.28	10,179,075	-	-	-	10,179,075

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

The salient features and other terms of the ESOS are disclosed in Note 18 to the financial statements.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

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

The amount of indemnity coverage and insurance premium paid for Directors and Officers of the Company during the financial year amounted to RM10,000,000 and RM20,979, respectively.

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

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) not otherwise dealt with in this report or the financial statements, which would render any amount stated in the financial statements misleading; or
 - (iv) which have arisen, which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

DIRECTORS' REPORT

(cont'd)

OTHER STATUTORY INFORMATION (CONT'D)

- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.
- (d) In the opinion of the Directors:
- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
 - (ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
 - (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS

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

Auditors' remuneration for the Group and the Company for the financial year ended 31 December 2025 amounted to RM145,830 and RM30,000, respectively.

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

TAN KONG LEONG

LIEW HENG WEI

KUALA LUMPUR
8 April 2026

STATEMENT BY DIRECTORS

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

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 97 to 151 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of their financial performance and cash flows for the financial year then ended.

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

TAN KONG LEONG

LIEW HENG WEI

KUALA LUMPUR
8 April 2026

STATUTORY DECLARATION

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

I, Chen Li Chin, being the Officer primarily responsible for the financial management of Flexidynamic Holdings Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 97 to 151 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur in the)
Federal Territory on)
8 April 2026)

CHEN LI CHIN
(MIA No: 43772)
CHARTERED ACCOUNTANT

Before me,

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

INDEPENDENT AUDITORS' REPORT

to the members of Flexidynamic Holdings Berhad [Registration No.: 201901010656 (1319984-V)]
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Flexidynamic Holdings Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 97 to 151.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and of their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Key audit matters of the Group

Key audit matters	How we addressed the key audit matters
<p>Recoverability of trade receivables</p> <p>As at 31 December 2025, gross trade receivables of the Group was RM27.3 million with past due debts amounting to RM18.6 million as disclosed in Note 10 to the financial statements.</p> <p>We determined this to be a key audit matter because it requires management to exercise significant judgements in determining the collectability and probability of default of trade receivables, while considering appropriate forward-looking information.</p>	<p>We obtained an understanding of the Group's credit risk policy and tested the processes used by management to assess credit exposures.</p> <p>We assessed and evaluated the appropriateness of probability of default based on historical data and forward-looking information applied by the Group.</p> <p>We evaluated the basis and assumptions applied by management for determining cash flows recoverable in credit impaired scenarios, evaluating past payment trends and credit history of the customers.</p>

INDEPENDENT AUDITORS' REPORT

to the members of Flexidynamic Holdings Berhad [Registration No.: 201901010656 (1319984-V)]
(Incorporated in Malaysia)
(cont'd)

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

Key Audit Matters (cont'd)

Key audit matters of the Group (cont'd)

Key audit matters	How we addressed the key audit matters
<p>Revenue recognition</p> <p>During the financial year ended 31 December 2025, the revenue of the Group amounted to RM68.4 million as disclosed in Note 24 to the financial statements.</p> <p>We determined this as a key audit matter due to the presumption of fraud risk in the area of revenue recognition in accordance with ISA 240 <i>The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements</i>.</p>	<p>We understood and reviewed the appropriateness of revenue recognition policies in accordance with MFRS 15 <i>Revenue from Contracts with Customers</i>.</p> <p>We have evaluated and tested the internal controls over the occurrence, accuracy and timing of revenue recognised in the financial statements.</p> <p>We have verified based on a sampling basis, the revenue captured by vouching to the sales invoices, acknowledged delivery orders and bank and/or cash receipts.</p> <p>We performed cut-off test on sampling basis around the financial year end to check whether revenue is recognised in the correct accounting period.</p>
<p>Impairment assessment of goodwill</p> <p>As at 31 December 2025, the Group holds goodwill on consolidation of RM6.9 million as disclosed in Note 6 to the financial statements.</p> <p>We determined this as a key audit matter due because the determination of recoverable amounts of subsidiary based on value-in-use calculations by management involved a significant degree of judgements and assumptions.</p>	<p>We reviewed the valuer report on the model used to determine the value in use of the cash-generating units, assessed the discount rate applied, and examine the reasonableness of key assumptions by comparing them against historical results as well as economic and industry forecasts.</p> <p>We reviewed the valuer report, and the process of which they were drawn up, including testing the underlying calculations.</p> <p>We also assessed the adequacy of disclosures in the financial statements.</p>

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

INDEPENDENT AUDITORS' REPORT

to the members of Flexidynamic Holdings Berhad [Registration No.: 201901010656 (1319984-V)]
(Incorporated in Malaysia)
(cont'd)

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

INDEPENDENT AUDITORS' REPORT

to the members of Flexidynamic Holdings Berhad [Registration No.: 201901010656 (1319984-V)]
(Incorporated in Malaysia)
(cont'd)

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

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

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

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

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

Report on other Legal and Regulatory Requirements

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

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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

KUALA LUMPUR

8 April 2026

QUEK KENG YEE
03852/10/2026 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
ASSETS					
Non-current assets					
Property, plant and equipment	3	11,664,916	8,633,178	-	-
Investment properties	4	12,766,449	12,914,743	-	-
Investments in subsidiaries	5	-	-	33,837,940	23,406,629
Goodwill	6	6,938,544	-	-	-
Deferred tax assets	7	1,664,746	3,670,805	-	-
Other receivables	8	-	1,667	-	-
Total non-current assets		33,034,655	25,220,393	33,837,940	23,406,629
Current assets					
Inventories	9	7,861,857	7,732,779	-	-
Trade receivables	10	19,896,357	27,249,633	-	-
Other receivables	8	8,792,159	12,336,138	362,849	178,203
Contract assets	11	5,135,434	5,737,266	-	-
Contract costs	11	-	337,200	-	-
Amount owing by a subsidiary	12	-	-	4,181,309	11,852,287
Current tax assets		3,212,972	3,012,431	18,468	-
Fixed deposits with a licensed financial institution	13	944,348	450,594	-	450,594
Cash and bank balances, and short-term investments	14	7,028,898	9,778,291	2,898,738	2,817,190
Total current assets		52,872,025	66,634,332	7,461,364	15,298,274
TOTAL ASSETS		85,906,680	91,854,725	41,299,304	38,704,903
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to holders of the Company					
Share capital	15	37,739,013	37,739,013	37,739,013	37,739,013
Merger deficit	16	(20,431,412)	(20,431,412)	-	-
Capital reserve	17	631,154	631,154	-	-
Share-based payment reserve	18	1,583,206	1,525,102	1,583,206	1,525,102
Foreign exchange reserve		10,666	5,628	-	-
Retained earnings/(Accumulated losses)		10,794,247	22,341,600	(1,189,530)	(620,878)
		30,326,874	41,811,085	38,132,689	38,643,237
Non-controlling interests	5	93,240	212,934	-	-
TOTAL EQUITY		30,420,114	42,024,019	38,132,689	38,643,237

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2025

(cont'd)

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
EQUITY AND LIABILITIES (CONT'D)					
LIABILITIES					
Non-current liabilities					
Lease liabilities	19	526,340	415,095	-	-
Bank borrowings	20	15,205,087	12,372,396	-	-
Employees' benefits	21	78,332	78,538	-	-
Total non-current liabilities		15,809,759	12,866,029	-	-
Current liabilities					
Trade payables	22	19,004,287	16,151,520	-	-
Other payables and accruals	23	10,313,027	1,698,732	3,166,615	49,100
Contract liabilities	11	5,258,954	16,163,811	-	-
Lease liabilities	19	667,431	275,444	-	-
Bank borrowings	20	4,433,108	2,662,604	-	-
Current tax liabilities		-	12,566	-	12,566
Total current liabilities		39,676,807	36,964,677	3,166,615	61,666
TOTAL LIABILITIES		55,486,566	49,830,706	3,166,615	61,666
TOTAL EQUITY AND LIABILITIES		85,906,680	91,854,725	41,299,304	38,704,903

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial year ended 31 December 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	24	68,358,274	52,685,085	-	-
Cost of sales		(64,917,143)	(42,637,345)	-	-
Gross profit		3,441,131	10,047,740	-	-
Other income		1,084,552	1,007,480	449,086	620,993
Allowance for expected credit losses on receivables		(3,144,005)	(368,500)	-	-
Selling and distribution expenses		(774,678)	(610,818)	-	-
Administrative expenses		(8,133,548)	(6,582,971)	(1,002,314)	(820,968)
Other operating expenses		(1,577,369)	(1,786,830)	-	-
(Loss)/Profit from operations		(9,103,917)	1,706,101	(553,228)	(199,975)
Finance costs	25	(749,258)	(358,056)	-	-
Finance income	25	28,849	37,907	11,499	12,283
(Loss)/Profit before tax	26	(9,824,326)	1,385,952	(541,729)	(187,692)
Tax expenses	27	(1,847,965)	(72,733)	(26,923)	(64,720)
(Loss)/Profit for the financial year		(11,672,291)	1,313,219	(568,652)	(252,412)
Other comprehensive income:					
Items that will be reclassified subsequently to profit or loss					
Foreign currency translation		10,282	6,567	-	-
Other comprehensive income for the financial year, net of tax		10,282	6,567	-	-
Total comprehensive (loss)/income for the financial year		(11,662,009)	1,319,786	(568,652)	(252,412)
(Loss)/Profit for the financial year attributable to:					
Owners of the Company		(11,547,353)	1,527,004	(568,652)	(252,412)
Non-controlling interests		(124,938)	(213,785)	-	-
		(11,672,291)	1,313,219	(568,652)	(252,412)
Total comprehensive (loss)/income for the financial year attributable to:					
Owners of the Company		(11,542,315)	1,530,222	(568,652)	(252,412)
Non-controlling interests		(119,694)	(210,436)	-	-
		(11,662,009)	1,319,786	(568,652)	(252,412)
(Loss)/Earnings per share					
- Basic (sen)	28	(3.85)	0.51		
- Diluted (sen)	28	(3.85)	0.51		

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

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 December 2025

Group	Note	Attributable to the owners of the Company		Non-distributable		Share-based payment reserve		Foreign exchange reserve		Distributable retained earnings		Non-controlling interests		Total	
		Share capital	Merger deficit	Capital reserve	Share-based payment reserve	Foreign exchange reserve	Distributable retained earnings	Total	RM	RM	RM	RM	RM	RM	RM
Balance at 1 January 2024		35,623,055	(20,431,412)	631,154	1,398,083	2,410	20,814,596	38,037,886	(175,454)	37,862,432					
Profit/(Loss) for the financial year		-	-	-	-	-	1,527,004	1,527,004	(213,785)	1,313,219					
Other comprehensive income, net of tax		-	-	-	-	3,218	-	3,218	3,349	6,567					
Total comprehensive income/(loss)		-	-	-	-	3,218	1,527,004	1,530,222	(210,436)	1,319,786					
Transactions with owners															
Issuance of ordinary shares	15	2,175,000	-	-	-	-	-	-	-	2,175,000	-	-	-	2,175,000	
Share issuance expenses	15	(59,042)	-	-	-	-	-	-	-	(59,042)	-	-	-	(59,042)	
Share-based payment relating to ESOS	18	-	-	-	127,019	-	-	-	-	127,019	-	-	-	127,019	
Subscription of shares in a subsidiary by a non-controlling interest		-	-	-	-	-	-	-	-	-	-	598,824	598,824	598,824	
Total transactions with owners		2,115,958	-	-	127,019	-	-	2,242,977	598,824	2,841,801				2,841,801	
Balance at 31 December 2024		37,739,013	(20,431,412)	631,154	1,525,102	5,628	22,341,600	41,811,085	212,934	42,024,019					
Balance at 1 January 2025		37,739,013	(20,431,412)	631,154	1,525,102	5,628	22,341,600	41,811,085	212,934	42,024,019					
Loss for the financial year		-	-	-	-	-	(11,547,353)	(11,547,353)	(124,938)	(11,672,291)					
Other comprehensive income, net of tax		-	-	-	-	5,038	-	5,038	5,244	10,282					
Total comprehensive income/(loss)		-	-	-	-	5,038	(11,547,353)	(11,542,315)	(119,694)	(11,662,009)					
Transactions with owners															
Share-based payment relating to ESOS	18	-	-	-	58,104	-	-	-	-	58,104	-	-	-	58,104	
Total transactions with owners		-	-	-	58,104	-	-	-	-	58,104	-	-	-	58,104	
Balance at 31 December 2025		37,739,013	(20,431,412)	631,154	1,583,206	10,666	10,794,247	30,326,874	93,240	30,420,114					

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 December 2025
(cont'd)

Company	Note	Share capital RM	Share-based payment reserve RM	Accumulated losses RM	Total RM
At 1 January 2024		35,623,055	1,398,083	(368,466)	36,652,672
Loss for the financial year		-	-	(252,412)	(252,412)
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive loss		-	-	(252,412)	(252,412)
Transactions with owners					
Issuance of ordinary shares	15	2,175,000	-	-	2,175,000
Share issuance expenses	15	(59,042)	-	-	(59,042)
Share-based payment relating to ESOS	18	-	127,019	-	127,019
Total transaction with owners		2,115,958	127,019	-	2,242,977
At 31 December 2024		37,739,013	1,525,102	(620,878)	38,643,237
Loss for the financial year		-	-	(568,652)	(568,652)
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive loss		-	-	(568,652)	(568,652)
Transaction with owners					
Share-based payment relating to ESOS	18	-	58,104	-	58,104
Total transactions with owners		-	58,104	-	58,104
At 31 December 2025		37,739,013	1,583,206	(1,189,530)	38,132,689

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

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
OPERATING ACTIVITIES					
(Loss)/Profit before tax		(9,824,326)	1,385,952	(541,729)	(187,692)
Adjustments for:					
Allowance for expected credit losses on trade and other receivables		3,144,005	368,500	-	-
Depreciation of property, plant and equipment		1,621,959	1,019,100	-	-
Depreciation of investment properties		148,294	148,293	-	-
Finance costs		749,258	358,056	-	-
Finance income		(28,849)	(37,907)	(11,499)	(12,283)
Gain on disposal of property, plant and equipment		(16,894)	(138,276)	-	-
Unrealised (gain)/loss on foreign exchange		(202,872)	194,190	-	-
Dividend income		(100,672)	(107,427)	(100,672)	(96,276)
Employees' benefits		1,124	70,366	-	-
Property, plant and equipment written off		3,927	27,930	-	-
Inventories written off		3,573,452	-	-	-
Bad debts written off		-	21,456	-	-
Share-based payment expenses		58,104	127,019	14,793	32,423
Loss on acquisition of subsidiary's assets		-	417,550	-	-
Operating (loss)/profit before working capital changes		(873,490)	3,854,802	(639,107)	(263,828)
Changes in working capital:					
Inventories		189,896	(3,185,996)	-	-
Receivables		7,402,771	(11,433,516)	(184,646)	(115,681)
Payables		6,917,700	8,803,633	3,117,515	(19,614)
Contract assets/liabilities		(9,965,825)	(3,982,773)	-	-
Cash generated from/(used in) operations		3,671,052	(5,943,850)	2,293,762	(399,123)
Tax refunded		179,631	13,285	-	13,285
Tax paid		(183,447)	(354,538)	(57,957)	(61,130)
Net cash from/(used in) operating activities		3,667,236	(6,285,103)	2,235,805	(446,968)

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2025
(cont'd)

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
INVESTING ACTIVITIES					
Acquisition of property, plant and equipment	A	(176,440)	(96,178)	-	-
Dividend received		100,672	107,427	100,672	96,276
Interests received		24,086	37,693	11,499	12,283
Repayment from/(Advances to) a subsidiary		-	-	7,670,978	(99,909)
Acquisition of a subsidiary's assets		-	(845,801)	-	(1,040,816)
Acquisition of a subsidiary, net of cash		(10,363,925)	-	(10,388,000)	-
Proceeds from disposal of property, plant and equipment		93,000	213,800	-	-
Net cash used in investing activities		(10,322,607)	(583,059)	(2,604,851)	(1,032,166)
FINANCING ACTIVITIES					
Interests paid		(749,258)	(358,056)	-	-
Proceeds from issuance of shares		-	2,175,000	-	2,175,000
Share issuance expenses		-	(59,042)	-	(59,042)
Net drawdown of short-term borrowing		2,037,000	1,356,000	-	-
Drawdown of term loans		3,830,000	8,450,000	-	-
Repayment of term loans		(1,263,805)	(1,968,487)	-	-
Repayment of lease liabilities		(612,583)	(464,014)	-	-
Net cash from financing activities		3,241,354	9,131,401	-	2,115,958
CASH AND CASH EQUIVALENTS					
Net changes		(3,414,017)	2,263,239	(369,046)	636,824
Effect on foreign exchange translation		214,030	(182,520)	-	-
At the beginning of the financial year		10,228,885	8,148,166	3,267,784	2,630,960
At the end of the financial year	C	7,028,898	10,228,885	2,898,738	3,267,784

NOTES TO THE STATEMENTS OF CASH FLOWS

A. ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

	Group	
	2025 RM	2024 RM
Total acquisition	483,949	413,378
Acquisition through lease	(307,509)	(102,200)
Acquisition through other payables	-	(215,000)
	176,440	96,178

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2025

(cont'd)

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

B. TOTAL CASH OUTFLOWS FROM LEASE

	Group	
	2025	2024
	RM	RM
Included in net cash from/(used in) operating activities		
Payment relating to short-term leases and low-value assets	268,961	329,266
Included in net cash from financing activities		
Payment of lease liabilities and interest	669,379	502,446
	938,340	831,712

C. CASH AND CASH EQUIVALENTS

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Cash and bank balances	4,157,806	7,008,365	27,646	47,264
Income funds with a licensed financial institution	2,871,092	2,769,926	2,871,092	2,769,926
Fixed deposits with a licensed financial institution	944,348	450,594	-	450,594
	7,973,246	10,228,885	2,898,738	3,267,784
Less: Fixed deposits pledged with a licensed financial institution	(944,348)	-	-	-
	7,028,898	10,228,885	2,898,738	3,267,784

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Group	Term loan RM	Short-term borrowing RM	Lease liabilities RM
At 1 January 2024	7,197,487	-	1,052,353
Cash flows	6,481,513	1,356,000	(502,446)
Non-cash flows			
- addition	-	-	102,200
- unwinding on interest	-	-	38,432
At 31 December 2024	13,679,000	1,356,000	690,539
At 1 January 2025	13,679,000	1,356,000	690,539
Cash flows	2,566,195	2,037,000	(669,379)
Non-cash flows			
- addition	-	-	522,509
- unwinding on interest	-	-	56,796
- Acquisition through business combinations	-	-	593,306
At 31 December 2025	16,245,195	3,393,000	1,193,771

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

1. CORPORATE INFORMATION

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

The principal activities of the Company are investment holding services.

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the material accounting policy information in the respective notes.

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

Adoption of amendments to MFRSs during the financial year

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

Amendments to MFRS 121	Lack of Exchangeability
------------------------	-------------------------

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

(cont'd)

2. BASIS OF PREPARATION (CONT'D)

2.1 Statement of compliance (cont'd)

Standards issued but not yet effective

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

		Effective dates for financial periods beginning on or after
Amendments to MFRS 1 Amendments to MFRS 7 Amendments to MFRS 9 Amendments to MFRS 10 Amendments to MFRS 107	Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026
Amendments to MFRS 7 and MFRS 9	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 7 and MFRS 9	Contracts Referencing Nature-dependent Electricity	1 January 2026
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
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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

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

2.2 Functional and presentation currency

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

2.3 Significant accounting judgements, estimates and assumptions

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

Judgements

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

(cont'd)

2. BASIS OF PREPARATION (CONT'D)

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

Judgements (cont'd)

Classification between investment properties and property, plant and equipment

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

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

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

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

Revenue from contract with customers

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

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

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

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

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

Key sources of estimation uncertainty

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

Useful lives of property, plant and equipment and investment properties

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

(cont'd)

2. BASIS OF PREPARATION (CONT'D)

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

Key sources of estimation uncertainty (cont'd)

Inventories valuation

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

Discount rate used in leases

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

Provision for expected credit loss of financial assets and contract assets

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

The Group and the Company use a simplified method to calculate expected credit loss for trade receivables and contract assets, and a general approach to calculate expected credit loss for other receivables. The provision rates are based on the number of days past due.

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

Income taxes

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

(cont'd)

2. BASIS OF PREPARATION (CONT'D)

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

Key sources of estimation uncertainty (cont'd)

Deferred tax assets

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

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits, as well as future tax planning strategies. The carrying value of recognised and unrecognised deferred tax assets is disclosed in Notes to the financial statements.

Impairment of non-financial assets

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

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

Employee share options

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

The assumptions and model used to estimate fair value for share-based payment transactions, along with the carrying amounts, are disclosed in the Notes to the financial statements.

2.4 Material accounting policy information

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

NOTES TO THE FINANCIAL STATEMENTS

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(cont'd)

3. PROPERTY, PLANT AND EQUIPMENT

Group	Electrical and Freehold building		Freehold land		Furniture and fittings		Plant and machineries		Motor vehicles		Right-of-use assets - motor vehicles		Mould equipment		Office and factory		Renovations		Signboards		Tools		Building		Right-of-use assets - building		Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	
Cost																											
At 1 January 2024	383,476	197,195	3,995,331	2,386,821	422,584	1,178,766	715,475	2,744,375	575,840	570,768	951,465	23,002	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,145,098
Additions	-	-	-	-	-	29,999	-	376,315	-	7,064	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	413,378
Disposals	-	-	-	-	-	(68,500)	-	(362,315)	-	(3,010)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(433,825)
Written off	(915)	-	-	-	(7,098)	(91,830)	-	-	(20,800)	(93,945)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(214,588)
Exchange differences	-	-	-	-	-	-	(1,366)	(9,817)	-	(3,251)	(2,268)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(16,702)
At 31 December 2024	382,561	197,195	3,995,331	2,386,821	415,486	1,048,435	714,109	2,748,558	555,040	477,626	949,197	23,002	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,893,361
Additions	18,322	-	-	-	1,799	26,311	-	360,135	-	76,502	-	880	-	-	-	-	-	-	-	-	-	-	-	-	-	-	483,949
Acquisition through business combinations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(309,782)
Written off	(11,928)	-	-	-	-	(2,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(13,928)
Exchange differences	-	-	-	-	-	-	(820)	(5,892)	-	(2,070)	(1,361)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(10,143)
At 31 December 2025	388,955	197,195	3,995,331	2,386,821	1,668,375	14,066,546	1,981,831	2,247,658	555,040	3,084,127	947,836	23,882	2,533,827	668,376	4,775,311	39,521,111											

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

(cont'd)

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

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

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

Computers	20%
Electrical and fittings	20%
Freehold building	2%
Furniture and fittings	10% - 20%
Plant and machineries	10%
Motor vehicles	20%
Mould	10%
Office and factory equipment	20%
Renovations	10% - 20%
Signboards	10%
Tools	50%
Building	4%

- (c) The Group leases a building and motor vehicles with fixed periodic rent over the lease term. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.
- (d) The right-of-use assets under property, plant and equipment are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases. After initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any remeasurement of the lease liabilities. The right-of-use assets are depreciated over useful lives of 5 years for motor vehicles and 15 years for building, respectively.
- (e) The Group has elected not to recognise right-of-use assets and liabilities for short-term leases with a lease term of 12 months or less, and for leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.
- (f) The motor vehicles and building of the Group with net carrying amount of RM941,348 and RM226,243 (2024: RM1,007,257 and RM NIL), respectively, were acquired under lease arrangements.
- (g) The freehold land and building of the Group with net carrying amount of RM2,386,821 (2024: RM2,386,821) and RM3,269,512 (2024: RM3,349,418) respectively have been pledged to a bank as security for the banking facilities granted to the Group as disclosed in Note 20 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

(cont'd)

4. INVESTMENT PROPERTIES

	Group	
	2025	2024
	RM	RM
At cost		
At 1 January/31 December	13,292,778	13,292,778
Less: Accumulated depreciation		
At 1 January	378,035	229,742
Charge for the financial year	148,294	148,293
At 31 December	526,329	378,035
Net carrying amount	12,766,449	12,914,743
Comprised of:		
Freehold land	5,878,142	5,878,142
Freehold buildings	6,888,307	7,036,601
	12,766,449	12,914,743

- (a) Investment properties are properties held to earn rental income and/or for capital appreciation, and are not occupied by the Group. Investment properties are initially measured at cost, including transaction costs and borrowing costs if the investment properties meet the definition of qualifying assets. After initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.
- (b) Depreciation is calculated to write off the cost of the investment property to its residual value on a straight-line basis over its estimated useful life. Freehold land is not depreciated. Freehold buildings are depreciated at 2% per annum over their estimated useful life.
- (c) The Level 2 fair values of the Group's investment properties are RM16,105,916 (2024: RM15,000,000). The fair values of investment properties have been generally derived using the sales comparison approach. The sales prices of comparable properties in close proximity are adjusted for differences in key attributes, such as property size. The most significant input into this valuation approach is the price per square foot of comparable properties. There is no transfer between levels in the hierarchy during the financial year.
- (d) The amounts recognised in profit or loss are as follows:

	Group	
	2025	2024
	RM	RM
Rental income	704,100	745,960
Direct operating expenses:		
Income-generating investment properties	58,322	51,373

- (e) As at 31 December 2025, the investment properties of the Group, with a total carrying amount of RM12,766,449 (2024: RM12,914,743), have been charged to licensed banks for banking facilities, as disclosed in Note 20 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

(cont'd)

5. INVESTMENTS IN SUBSIDIARIES

	Company	
	2025	2024
	RM	RM
At cost		
Unquoted shares in Malaysia	32,544,816	22,156,816
Contributions to a subsidiary		
ESOS granted to employees of a subsidiary	1,293,124	1,249,813
	33,837,940	23,406,629

(a) Details of the subsidiaries are as follows:

Name of subsidiaries	Place of business/ Country of incorporation	Effective interest (%)		Principal activities
		2025	2024	
Flexidynamic Engineering Sdn. Bhd. ("FESB")	Malaysia	100	100	Business of design, engineering, installation and commissioning of glove chlorination systems, as well as design and installation of storage tanks and process tanks for the glove manufacturing industry and supply and installation of mechanical and electrical engineering works
Gammatech Sdn. Bhd.	Malaysia	51	51	Provision of sterilisation services using gamma radiation
Formtech Engineering (M) Sdn. Bhd.	Malaysia	100	-	Manufacturing glove formers
Subsidiary of FESB				
Flexidynamic Engineering Company Limited*#	Thailand	49	49	Installation and maintenance of glove chlorination systems, storage tanks and process tanks for the glove manufacturing industry

* Subsidiary not audited by TGS TW PLT.

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

(cont'd)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) Acquisition of a subsidiary

During the financial year

On 12 August 2025, the Company acquired 100% equity interest in Formtech Engineering (M) Sdn. Bhd. for 8,300,000 ordinary shares for a total cash consideration of RM10,388,000. The transaction was recognised as a business combination as defined in MFRS 3 *Business Combination*.

Fair value of identifiable assets acquired and liabilities assumed

	RM
Property, plant and equipment	4,250,353
Inventories	3,892,426
Trade and other receivables	587,439
Tax recoverable	52,831
Cash and cash equivalents	24,075
Trade and other payables	(4,764,362)
Lease liabilities	(593,306)
Total net identifiable assets and liabilities	3,449,456

Net cash outflows arising from the acquisition of a subsidiary

	RM
Purchase consideration settled in cash	10,388,000
Cash and cash equivalents acquired	(24,075)
	10,363,925

Goodwill arising from business combination

Goodwill was recognised as a result of the acquisition as follows:

	RM
Fair value of consideration transferred	10,388,000
Fair value of identifiable assets acquired and liabilities assumed	(3,449,456)
Goodwill	6,938,544

The goodwill recognised on acquisition is attributable mainly to the skills and technical talent of the acquired business's workforce, and to the synergies expected from integrating the subsidiary companies into the Group's existing business.

Acquisition-related costs

The Group incurred acquisition-related costs of RM55,322, comprising external legal fees and due diligence costs. The expenses have been included in the administrative expenses in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

(cont'd)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (b) Acquisition of a subsidiary (cont'd)

During the financial year (cont'd)

Impact of the acquisition on the Statements of Profit or Loss and Other Comprehensive Income

From the date of acquisition, Formtech Engineering (M) Sdn. Bhd. has contributed RM850,833 and RM2,362,790 to the Group's revenue and loss for the year, respectively. If the combination had taken place at the beginning of the financial year, the Group's revenue and loss from its continuing operations for the financial year would have been RM71,867,209 and RM13,187,617, respectively.

In the previous financial year

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

- (c) Non-controlling interests in subsidiaries

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

	Flexidynamic Engineering Company Limited	Gammatech Sdn. Bhd.	Total
	RM	RM	RM
2025			
NCI percentage of ownership interest and voting interest (%)	51	49	
Carrying amount of NCI	(294,077)	387,317	93,240
Profit/(Loss) allocated to NCI	42,869	(167,807)	(124,938)
Total comprehensive income/(loss) allocated to NCI	48,113	(167,807)	(119,694)
2024			
NCI percentage of ownership interest and voting interest (%)	51	49	
Carrying amount of NCI	(342,189)	555,123	212,934
Loss allocated to NCI	(170,084)	(43,701) *	(213,785)
Total comprehensive loss allocated to NCI	(166,735)	(43,701) *	(210,436)

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

(cont'd)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

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

2025	Flexidynamic Engineering Company Limited RM	Gammatech Sdn. Bhd. RM	Total RM
Financial position			
Non-current assets	104,872	793	105,665
Current assets	1,386,830	1,309,172	2,696,002
Non-current liabilities	(113,199)	-	(113,199)
Current liabilities	(1,955,124)	(519,523)	(2,474,647)
Net (liabilities)/assets	(576,621)	790,442	213,821
Summary of financial performance			
Revenue	2,963,760	-	2,963,760
Profit/(Loss) for the financial year	84,057	(342,463)	(258,406)
Other comprehensive income	10,282	-	10,282
Total comprehensive income/(loss)	94,339	(342,463)	(248,124)
Summary of cash flows			
Net cash from/(used in) operating activities	133,120	(405,608)	(272,488)
Net cash used in investing activities	(29,810)	(880)	(30,690)
Net cash (used in)/from financing activities	(18,280)	405,543	387,263
Net cash inflow/(outflow)	85,030	(945)	84,085

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

(cont'd)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

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

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

6. GOODWILL

	Group	
	2025	2024
	RM	RM
At 1 January	-	-
Addition through a business combination	6,938,544	-
At 31 December	6,938,544	-

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

(cont'd)

6. GOODWILL (CONT'D)

- (a) Impairment testing for cash-generating units ("CGU") containing goodwill

Manufacturing glove formers

The recoverable amount is determined based on value-in-use, discounting future cash flows generated by manufacturing glove formers. The carrying amount of the unit amounting to RM6,938,544 was determined to be lower than its recoverable amount of RM12,491,217. Therefore, no impairment of goodwill is required for manufacturing glove formers as at 31 December 2025.

Value-in-use was determined by discounting the future cash flows expected to be generated from the continuing use of the unit and was based on the following key assumptions:

- (i) Cash flows were projected based on past experience, actual operating results and a five-year business plan. Cash flows for a further 5-year period were extrapolated using a constant growth rate of 4% (2024: NIL%), which is the same as the industry's long-term average growth rate.
 - (ii) Revenue was projected at about RM7,300,000 in the first year of the business plan. The anticipated annual revenue growth included in the cash flow projections was between 4% (2024: NIL%) for the years 2027 to 2030 based on average growth levels experienced over the five years.
 - (iii) Gross margins are based on average gross margins achieved in the past, reflecting improved production efficiency and better absorption of fixed labour costs as volumes increase.
 - (iv) All operating expenses are assumed to increase at a steady 4% per year throughout the projection period. This growth rate is consistent with inflationary adjustments and reflects a stable cost environment without major structure changes to the business.
 - (v) A pre-tax discount rate of 8.68% (2024: NIL%) was applied in determining the recoverable amount of the unit. The discount rate was estimated based on the weighted average cost of capital of the Group plus a reasonable risk premium.
- (b) Goodwill is initially recognised at cost (being the excess of the aggregate of the consideration transferred and any previous interest held over the net identifiable net assets acquired and liabilities assumed). If the total consideration transferred and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (i.e. a bargain purchase), the gain is recognised in profit or loss.

After the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently when there is objective evidence that the carrying value may be impaired.

7. DEFERRED TAX ASSETS

	Group	
	2025	2024
	RM	RM
At the beginning of the financial year	3,670,805	3,493,838
Recognised in profit or loss (Note 27)	(2,006,059)	176,967
At the end of the financial year	1,664,746	3,670,805

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

(cont'd)

7. DEFERRED TAX ASSETS (CONT'D)

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

	Group	
	2025 RM	2024 RM
Property, plant and equipment	(215,197)	(208,124)
Unrealised gain on foreign exchange	5,509	34,634
Deferred income	107,496	2,775,824
Impairment loss of financial assets	1,766,938	1,068,471
	1,664,746	3,670,805

8. OTHER RECEIVABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-current				
Non-trade receivable	-	1,667	-	-
Current				
Non-trade receivables	2,623,320	202,020	-	-
Less: Allowance for expected credit losses	(171,165)	-	-	-
	2,452,155	202,020	-	-
Deposits	765,637	1,191,073	1,000	1,000
Prepayments	1,539,304	1,312,582	361,849	177,203
Deferred expenses	4,032,365	9,628,900	-	-
GST/VAT receivable	2,698	1,563	-	-
	8,792,159	12,236,138	362,849	178,203
	8,792,159	12,337,805	362,849	178,203

- (a) Deferred expenses are costs incurred in connection with a down payment for future project costs.
- (b) GST is defined as the Goods and Services Tax, and VAT is defined as Value-added Tax.
- (c) Recognition and measurement of impairment loss

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

(cont'd)

8. OTHER RECEIVABLES (CONT'D)

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

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

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

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

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

	Group	
	2025	2024
	RM	RM
Lifetime ECL - credit impaired		
At 1 January	-	-
Allowance for expected credit losses	171,165	-
At 31 December	171,165	-

9. INVENTORIES

	Group	
	2025	2024
	RM	RM
At cost		
Raw materials	4,319,100	7,562,022
Packing materials	802	-
Work-in-progress	115,626	-
Semi-finished goods	116,601	-
Finished goods	3,256,539	170,757
Goods in transit	53,189	-
	7,861,857	7,732,779
Recognised in profit or loss		
Inventories recognised in cost of sales	38,589,153	30,786,958
Inventories written off	3,573,452	-

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9. INVENTORIES (CONT'D)

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

10. TRADE RECEIVABLES

	Group	
	2025 RM	2024 RM
Trade receivables	25,732,648	31,685,381
Retention sums for Mechanical and Electrical engineering works ("M&E works")	1,525,951	16,214
	27,258,599	31,701,595
Less: Allowance for expected credit losses	(7,362,242)	(4,451,962)
	19,896,357	27,249,633

- (a) Trade receivables are non-interest bearing, and the normal trade credit terms granted by the Group ranged from 30 to 90 days (2024: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis by management. They are recognised at their original invoiced amounts, which represent their fair values on initial recognition.
- (b) The currency exposure profile of trade receivables is disclosed in Note 34(b) to the financial statements.
- (c) Ageing analysis of the trade receivables is as follows:

2025	Gross RM	Group Impaired RM	Total RM
	Collective assessment		
Current (Not past due)	8,636,621	-	8,636,621
Past due			
1 to 30 days	2,049,788	-	2,049,788
31 to 60 days	3,038,559	-	3,038,559
61 to 90 days	1,125,871	-	1,125,871
	6,214,218	-	6,214,218
Individual assessment			
More than 90 days	12,407,760	(7,362,242)	5,045,518
	27,258,599	(7,362,242)	19,896,357

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(cont'd)

10. TRADE RECEIVABLES (CONT'D)

(c) Ageing analysis of the trade receivables is as follows: (cont'd)

2024	Gross RM	Group Impaired RM	Total RM
Collective assessment			
Current (Not past due)	4,240,482	-	4,240,482
Past due			
1 to 30 days	3,408,861	-	3,408,861
31 to 60 days	2,335,219	-	2,335,219
61 to 90 days	351,436	-	351,436
	6,095,516	-	6,095,516
Individual assessment			
More than 90 days	21,365,597	(4,451,962)	16,913,635
	31,701,595	(4,451,962)	27,249,633

(d) Recognition and measurement of impairment loss

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

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

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

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

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

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(cont'd)

10. TRADE RECEIVABLES (CONT'D)

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

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

	Group	
	2025	2024
	RM	RM
Lifetime ECL - credit impaired		
At 1 January	4,451,962	4,083,462
Allowance for expected credit losses	2,972,840	368,500
Written off	(62,560)	-
At 31 December	7,362,242	4,451,962

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

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

11. CONTRACT ASSETS/(LIABILITIES) AND CONTRACT COSTS

	Note	Group	
		2025	2024
		RM	RM
Contract assets	(a)	5,135,434	5,737,266
Contract costs	(b)	-	337,200
Contract liabilities	(c)	(5,258,954)	(16,163,811)

(a) Contract assets arising from M&E works

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

The changes to the net contract assets are as follows:

	Group	
	2025	2024
	RM	RM
At 1 January	5,737,266	-
Revenue recognised during the financial year	9,625,164	9,532,144
Progress billings for the financial year	(10,226,996)	(3,794,878)
At 31 December	5,135,434	5,737,266

(b) Contract costs

	Group	
	2025	2024
	RM	RM
Cost to fulfil contracts	-	337,200

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

(b) Contract costs (cont'd)

Cost to fulfil a contract comprises costs incurred in M&E works used to fulfil future contracts; these costs are to be recognised in profit or loss over the specific contract to which they relate, consistent with the pattern of recognition of the associated revenue.

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

	Group	
	2025	2024
	RM	RM
Contract fulfilment costs for M&E work	337,200	9,436,822

(c) Contract liabilities

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

The movement of contract liabilities is as follows:

	Group	
	2025	2024
	RM	RM
<u>Customer deposits</u>		
At 1 January	11,565,933	11,575,233
Deferred	1,014,071	1,533,736
Reversal	(3,128,819)	-
Recognised as revenue during the year	(9,003,287)	(1,543,036)
At 31 December	447,898	11,565,933
<u>Customer deposits - refundable</u>		
At 1 January	4,597,878	2,496,885
Addition	5,554,864	6,539,387
Reversal	(7,942,513)	(4,438,394)
At 31 December	2,210,229	4,597,878
<u>Contract liabilities - M&E</u>		
At 1 January	-	-
Revenue recognised during the financial year	(7,799,980)	-
Progress billings for the financial year	10,400,807	-
At 31 December	2,600,827	-
Analysed as:-		
- Current	5,258,954	16,163,811

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12. AMOUNT OWING BY A SUBSIDIARY

- (a) The amount owing by a subsidiary is non-trade in nature, unsecured, bears interest at 4.18% to 4.41% (2024: 4.45%) per annum, and is payable upon demand in cash or cash equivalents.
- (b) Impairment for the amount owing by a subsidiary is recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model as disclosed in Note 8(c) to the financial statements.

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

13. FIXED DEPOSITS WITH A LICENSED FINANCIAL INSTITUTION

- (a) The fixed deposits with a licensed financial institution of the Group and of the Company at the end of the reporting period bear effective interest rates at 2.10% (2024: 2.45%) per annum.
- (b) Fixed deposits with licensed banks of the Group amounting to RM944,348 (2024: Nil) are pledged as security for banking facilities.

14. CASH AND BANK BALANCES AND SHORT-TERM INVESTMENTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	4,157,806	7,008,365	27,646	47,264
Income funds with a licensed financial institution	2,871,092	2,769,926	2,871,092	2,769,926
	7,028,898	9,778,291	2,898,738	2,817,190

- (a) Short-term investments of the Group and of the Company are classified as financial assets at fair value through profit or loss and are categorised as Level 1 in the fair value hierarchy. Fair value of short-term investments is determined by reference to the quoted prices at the close of business at the end of each reporting period.
- (b) The currency exposure profile of cash and bank balances is disclosed in Note 34(b) to the financial statements.
- (c) No expected credit losses are recognised arising from cash and bank balances and short-term investments because the probability of default by these financial institutions was negligible.
- (d) Short-term investments of the Group and the Company consist of highly liquid income funds instruments, which are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

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15. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2025	2024	2025	2024
	Unit	Unit	RM	RM
Issued and fully paid with no par value				
At the beginning of the financial year	299,679,925	284,679,925	37,739,013	35,623,055
Issuance of ordinary shares	-	15,000,000	-	2,175,000
Share issuance expenses	-	-	-	(59,042)
At the end of the financial year	299,679,925	299,679,925	37,739,013	37,739,013

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

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

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

16. MERGER DEFICIT

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

17. CAPITAL RESERVE

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

18. SHARE-BASED PAYMENT RESERVE

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

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

The salient features of the ESOS are as follows:

- (a) The maximum number of new shares of the Company, which may be allotted and issued pursuant to the ESOS, shall not exceed in aggregate 25% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time during the duration of the ESOS.

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18. SHARE-BASED PAYMENT RESERVE (CONT'D)

The salient features of the ESOS are as follows: (cont'd)

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

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18. SHARE-BASED PAYMENT RESERVE (CONT'D)

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

	2025		2024	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
	Unit	RM	Unit	RM
Group				
At 1 January	10,179,075	3,982,881	13,297,275	3,982,881
Lapsed	-	-	(3,118,200)	-
At 31 December	10,179,075	3,982,881	10,179,075	3,982,881

	Group	
	2025	2024
	Unit	Unit
Options exercisable at 31 December	10,179,075	10,179,075

The options outstanding at 31 December 2025 have an exercise price of RM0.28 (2024: RM0.28) and a weighted average contractual life of 1 year (2024: 1 year).

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

	Group	
	2025	2024
	RM	RM
Fair value at grant date		
- Key Senior Management		
Year 1	0.0880	0.0880
Year 2	0.1122	0.1122
Year 3	0.1272	0.1272
Year 4	0.1372	0.1372
Year 5	0.1439	0.1439
Fair value at grant date		
- Non-Senior Management		
Year 1	0.0382	0.0382
Year 2	0.0906	0.0906
Year 3	0.1137	0.1137
Year 4	0.1282	0.1282
Year 5	0.1379	0.1379

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18. SHARE-BASED PAYMENT RESERVE (CONT'D)

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

	Group	
	2025	2024
	RM	RM
Weighted average share price	0.23	0.25
Share price at grant date	0.33	0.33
Weighted average volatility (%)	68.38%	68.38%
Expected weighted average option life (year)	1 year	1 year
Expected dividends (%)	3.79%	3.79%
Risk-free interest rate (%)	3.13%	3.13%

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

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
At 1 January	1,525,102	1,398,083	1,525,102	1,398,083
Addition	58,104	127,019	58,104	127,019
At 31 December	1,583,206	1,525,102	1,583,206	1,525,102
Total expenses recognised as share-based payment in profit or loss	58,104	127,019	14,793	32,423

19. LEASE LIABILITIES

	Group	
	2025	2024
	RM	RM
Current liabilities		
- less than 1 year	667,431	275,444
Non-current liabilities		
- more than 1 year but less than 2 years	221,533	232,475
- more than 2 years but less than 5 years	304,807	182,620
	526,340	415,095
	1,193,771	690,539

The Group as a lessee

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

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19. LEASE LIABILITIES (CONT'D)

The Group as a lessee (cont'd)

(b) Set out below are the movements of the lease liabilities during the financial year:

	Group	
	2025	2024
	RM	RM
At 1 January	690,539	1,052,353
Additions	522,509	102,200
Acquisition through business combinations	593,306	-
Accretion of interest	56,796	38,432
Payment of principal and interest	(669,379)	(502,446)
At 31 December	1,193,771	690,539

(c) The weighted-average incremental borrowing rate applied to the Group's lease liabilities ranges from 3.82% to 7.50% (2024: 3.62% to 6.38%) per annum.

(d) The following are the amounts recognised in profit or loss:

	Group	
	2025	2024
	RM	RM
Interest expense on lease liabilities	56,796	38,432
Expenses relating to short-term leases	125,740	120,800
Expenses relating to the lease of low-value assets	143,221	208,466
	325,757	367,698

The Group as a lessor

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

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

	Group	
	2025	2024
	RM	RM
Less than 1 year	825,600	452,400
More than 1 year but less than 5 years	302,400	315,000
	1,128,000	767,400

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20. BANK BORROWINGS

	Group	
	2025	2024
	RM	RM
Non-current liabilities		
Secured term loan:		
- later than 1 year but not later than 2 years	1,083,366	1,222,391
- later than 2 years but not later than 5 years	3,526,284	3,937,137
- later than 5 years	10,595,437	7,212,868
	15,205,087	12,372,396
Current liabilities		
Secured:		
- term loan	1,040,108	1,306,604
- bankers' acceptance	3,393,000	1,356,000
	4,433,108	2,662,604
	19,638,195	15,035,000

- (a) The borrowings of the Group are secured by a legal charge over the Group's freehold land and building, as disclosed in Notes 3 and 4 to the financial statements, respectively, and by a corporate guarantee provided by the Company.
- (b) The effective interest rates for the term loans and bankers' acceptances are 3.95% to 4.27% (2024: 4.20% to 4.52%) and 4.25% (2024: 4.40%) per annum, respectively.
- (c) The fair value of the term loan is categorised as Level 3 in the fair value hierarchy and is estimated based on expected future cash flows discounted at the market rate of interest as at the end of the reporting period. There is no transfer between levels in the fair value hierarchy during the financial year.

21. EMPLOYEES' BENEFITS

	Group	
	2025	2024
	RM	RM
At 1 January	78,538	7,798
Recognised in profit or loss	1,124	70,366
Exchange difference	(1,330)	374
At 31 December	78,332	78,538

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

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21. EMPLOYEES' BENEFITS (CONT'D)

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

	Group	
	2025	2024
Discount rate	3.68% per annum	5.94% per annum
Salary growth rate	0.00% per annum	0.00% per annum
Normal retirement age	60 years	60 years
Mortality rate	Thai Mortality Table 2017	Thai Mortality Table 2017

The Thai Mortality Table 2017 refers to the Thai basis mortality table for 2017.

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

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

22. TRADE PAYABLES

	Group	
	2025 RM	2024 RM
Trade payables	18,945,616	16,125,824
Retention sums for M&E works	58,671	25,696
	19,004,287	16,151,520

The normal credit terms granted to the Group range from 30 to 120 days (2024: 30 to 120 days).

23. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-trade payables	8,522,340	297,752	3,116,265	-
Accruals	1,541,188	1,157,973	50,350	49,100
Deposits received	171,400	206,900	-	-
Withholding tax	4,653	1,908	-	-
Sales tax	73,446	34,199	-	-
	10,313,027	1,698,732	3,166,615	49,100

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24. REVENUE

	Group	
	2025 RM	2024 RM
Revenue from contracts with customers:		
Glove chlorination system	6,024,845	7,567,097
Repair, refurbishment and maintenance	2,980,700	3,749,055
Trading of replacement parts	25,839,085	15,859,630
Storage and process tanks	5,966,940	9,439,734
Other products and services	8,701,651	6,537,425
M&E works	17,994,520	9,532,144
Manufacturing of glove formers	850,533	-
	68,358,274	52,685,085
Timing of revenue recognition		
Goods and services transferred at a point in time	50,933,130	43,152,941
M&E works transferred over time	17,425,144	9,532,144
	68,358,274	52,685,085

(a) Sale of goods

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

(b) Services rendered

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

25. FINANCE COSTS AND FINANCE INCOME

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Finance costs				
- Term loan interest	526,654	242,091	-	-
- Bankers' acceptance interest	164,441	73,192	-	-
- Lease liabilities	56,796	38,432	-	-
- Others	1,367	4,341	-	-
	749,258	358,056	-	-

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25. FINANCE COSTS AND FINANCE INCOME (CONT'D)

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Finance income				
- Fixed deposits placed with a licensed financial institution	15,020	11,478	10,673	11,478
- Current account	13,414	26,215	826	805
- Others	415	214	-	-
	28,849	37,907	11,499	12,283

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

26. (LOSS)/PROFIT BEFORE TAX

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

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Auditors' remuneration				
Statutory audit				
- TGS TW PLT	111,000	85,000	30,000	30,000
- Other auditor	34,830	34,729	-	-
Allowance for expected credit losses on trade and other receivables	3,144,005	368,500	-	-
Depreciation of property, plant and equipment	1,621,959	1,019,100	-	-
Depreciation of investment properties	148,294	148,293	-	-
Dividend income	(100,672)	(107,427)	(100,672)	(96,276)
Expenses relating to lease of low value assets				
- Hire of lorry	1,400	-	-	-
- Hire of cranes	121,621	171,952	-	-
- Hire of forklift	18,781	36,514	-	-
- Rental of printer	540	-	-	-
- Rental of water dispenser	879	-	-	-
Expenses relating to short-term leases				
- Rental of office	71,600	66,000	-	-
- Rental of warehouse	13,940	-	-	-
- Rental of hostel	40,200	54,800	-	-
Unrealised (gain)/loss on foreign exchange	(202,872)	194,190	-	-
Realised loss on foreign exchange	223,771	6,658	-	-

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27. TAX EXPENSE

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Current tax:				
- Current financial year	30,280	249,290	30,280	64,273
- (Over)/Under provision in prior financial years	(188,374)	410	(3,357)	447
	(158,094)	249,700	26,923	64,720
Deferred tax (Note 7):				
- Current financial year	1,980,250	(192,135)	-	-
- Over-provision in prior financial years	25,809	15,168	-	-
	2,006,059	(176,967)	-	-
	1,847,965	72,733	26,923	64,720

- (a) Malaysian income tax is calculated at the statutory rate of 24 % (2024: 24%) of the estimated taxable profit for the fiscal year.
- (b) Tax expense for other taxation authorities is calculated at the rates prevailing in the respective jurisdictions.
- (c) A numerical reconciliation of income tax expense on (loss)/profit before tax at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
(Loss)/Profit before tax	(9,824,326)	1,385,952	(541,729)	(187,692)
Tax at the statutory income tax rate of 24%	(2,357,838)	332,628	(130,015)	(45,046)
Tax effect in respect of:				
Income not subject to tax	(54,065)	(38,191)	(24,161)	(23,106)
Tax at different rate	(3,362)	13,340	-	-
Non-allowance expenses	168,078	564,857	184,456	132,425
Movement of deferred tax assets not recognised	4,257,717	(815,479)	-	-
(Over)/Under provision of current tax in prior financial years	(188,374)	410	(3,357)	447
Over-provision of deferred tax in prior financial years	25,809	15,168	-	-
	1,847,965	72,733	26,923	64,720

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27. TAX EXPENSE (CONT'D)

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

	Group	
	2025	2024
	RM	RM
Unabsorbed tax losses:		
- expires by year of assessment 2032	4,304,735	4,304,735
- expires by year of assessment 2033	11,517,415	11,517,415
- expires by year of assessment 2034	3,131,818	3,131,818
- expires by year of assessment 2035	16,383,526	-
Unutilised capital allowances	2,127,641	770,681
	37,465,135	19,724,649

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

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

28. (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share

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

	Group	
	2025	2024
(Loss)/Profit for the financial year attributable to owners of the Company (RM)	(11,547,353)	1,527,004
Weighted average number of ordinary shares in issue (unit)	299,679,925	296,975,007
Basic (loss)/earnings per share (sen)	(3.85)	0.51

Diluted (loss)/earnings per share

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

Diluted (loss)/earnings per share of the Company for the financial year ended 31 December 2025 was equivalent to the basic (loss)/earnings per share, as the share option had an anti-dilutive effect on the basic (loss)/earnings per share, and the Company has no other dilutive potential ordinary shares in issue at the end of the financial year.

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29. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Salaries, bonuses and allowances	6,404,334	3,559,314	11,000	11,500
Fee	205,500	186,000	205,500	186,000
Defined contribution plan	575,915	385,450	-	-
Social security contribution	74,382	51,728	-	-
Employee insurance system	5,234	3,280	-	-
Share option granted under ESOS	58,104	127,019	14,793	32,423
Other benefits	204,135	92,085	-	-
	7,527,604	4,404,876	231,293	229,923
<u>Executive Director</u>				
Salaries, bonuses and allowances	1,829,368	1,416,162	-	-
Fee	66,000	48,000	66,000	48,000
Defined contribution plan	163,701	147,554	-	-
Social security contribution	4,999	4,369	-	-
Employee insurance system	571	499	-	-
Share option granted under ESOS	28,032	31,540	13,642	31,540
	2,092,671	1,648,124	79,642	79,540
<u>Non-Executive Director</u>				
Allowance	11,000	11,500	11,000	11,500
Fee	139,500	138,000	139,500	138,000
Share option granted under ESOS	1,151	883	1,151	883
	151,651	150,383	151,651	150,383
Total	2,244,322	1,798,507	231,293	229,923

The estimated value of the Group's benefits-in-kind provided to the Directors during the financial year amounted to RM62,452 (2024: RM72,400).

30. FINANCIAL GUARANTEES

The Company has financial guarantee contracts of RM19,638,195 (2024: RM15,035,000) in respect of financial guarantees given to financial institutions for banking facilities granted to a subsidiary. The Company monitors the subsidiary's ability to service its loans regularly.

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

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

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(cont'd)

30. FINANCIAL GUARANTEES (CONT'D)

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

31. CAPITAL COMMITMENTS

	Group	
	2025	2024
	RM	RM
Authorised and contracted for:		
Property, plant and equipment	34,067,378	6,296,789

32. RELATED PARTY DISCLOSURES

(a) Identifying related parties

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

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

(b) Significant related party transactions

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

	Group	
	2025	2024
	RM	RM
Lease payment charged by a Director's spouse	24,624	24,553
Interest charged by a Director's spouse	1,367	4,342
Rental charged by a related party ⁽¹⁾	71,600	66,000
Purchases from a related party ⁽²⁾	217,484	205,935

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

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

(c) Key management personnel

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

The remuneration of key management personnel is the same as the Directors' remuneration as disclosed in Note 29 to the financial statements. The Group have no other members of key management personnel apart from the Board of Directors.

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33. SEGMENTAL REPORTING - GROUP

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

Engineering	-	Design, engineering, installation and commissioning of glove chlorination systems, as well as design and installation of storage tanks and process tanks for the glove manufacturing industry and supply and installation of mechanical and electrical engineering works
Trading and services	-	Installation and maintenance of glove chlorination systems, storage tanks and process tanks for the glove manufacturing industry
Other	-	Investment holding and provision of sterilisation services using gamma radiation
Glove formers	-	Manufacturing of glove formers

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

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

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

	Note	Engineering RM	Trading and services RM	Other RM	Glove formers RM	Elimination RM	Consolidated RM
2025							
Revenue:							
External customers		64,543,981	2,963,760	-	4,359,468	(3,508,935)	68,358,274
Inter-segment		388,751	-	-	-	(388,751)	-
Results:							
Finance income		22,118	1,163	11,499	-	(5,931)	28,849
Finance costs		(1,083,004)	(1,763)	(1,542)	(60,635)	397,686	(749,258)
Dividend income		-	-	100,672	-	-	100,672
Depreciation of property, plant and equipment		(913,503)	(53,851)	(87)	(1,693,785)	1,039,267	(1,621,959)
Depreciation of investment properties		(148,294)	-	-	-	-	(148,294)
Tax expense		(1,821,042)	-	(26,923)	-	-	(1,847,965)
Other non-cash expenses	(a)	(6,373,764)	(1,124)	(185,958)	-	-	(6,560,846)
Segment (loss)/profit		(8,482,443)	84,057	(911,115)	(3,878,116)	1,515,326	(11,672,291)
Assets:							
Additions to non-current asset							
- property, plant and equipment		373,284	88,123	880	21,662	-	483,949
Segment assets	(b)	63,018,857	1,361,958	45,590,801	8,512,960	(34,455,614)	81,028,962
Liabilities:							
Segment liabilities	(c)	29,060,419	2,020,991	3,686,138	7,113,263	(7,226,211)	34,654,600

NOTES TO THE FINANCIAL STATEMENTS

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(cont'd)

33. SEGMENTAL REPORTING - GROUP (CONT'D)

	Note	Engineering RM	Trading and services RM	Other RM	Elimination RM	Consolidated RM
2024						
Revenue:						
External customers		50,774,908	1,910,177	-	-	52,685,085
Inter-segment		750,652	-	-	(750,652)	-
Results:						
Finance income		24,946	678	12,283	-	37,907
Finance costs		(872,445)	(4,959)	-	519,348	(358,056)
Dividend income		11,151	-	96,276	-	107,427
Depreciation of property, plant and equipment		(938,468)	(80,632)	-	-	(1,019,100)
Depreciation of investment properties		(148,293)	-	-	-	(148,293)
Tax expense		(7,983)	-	(64,750)	-	(72,733)
Other non-cash expenses	(a)	(551,768)	(86,994)	(32,423)	-	(671,185)
Segment profit/(loss)		2,405,865	(333,499)	(386,312)	(372,835)	1,313,219
Assets:						
Additions to non-current asset						
- property, plant and equipment		406,314	7,064	-	-	413,378
Segment assets	(b)	81,297,531	594,486	39,961,866	(36,682,394)	85,171,489
Liabilities:						
Segment liabilities	(c)	45,508,037	1,357,164	173,158	(12,945,758)	34,092,601

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

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

	2025 RM	2024 RM
Gain on disposal of property, plant and equipment	16,894	138,276
Unrealised gain/(loss) on foreign exchange	202,872	(194,190)
Property, plant and equipment written off	(3,927)	(27,930)
Impairment of financial assets	(3,144,005)	(368,500)
Share-based payment expenses	(58,104)	(127,019)
Inventories written off	(3,573,452)	-
Bad debt written off	-	(21,456)
Employee benefits	(1,124)	(70,366)
	(6,560,846)	(671,185)

NOTES TO THE FINANCIAL STATEMENTS

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33. SEGMENTAL REPORTING - GROUP (CONT'D)

Notes on the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements: (cont'd)

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

	2025	2024
	RM	RM
Segment assets	81,028,962	85,171,489
Deferred tax assets	1,664,746	3,670,805
Current tax assets	3,212,972	3,012,431
Total assets	85,906,680	91,854,725

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

	2025	2024
	RM	RM
Segment liabilities	34,654,600	34,092,601
Lease liabilities	1,193,771	690,539
Bank borrowings	19,638,195	15,035,000
Current tax liabilities	-	12,566
Total liabilities	55,486,566	49,830,706

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

	2025	2024
	RM	RM
Property, plant and equipment	483,949	413,378

Geographical segments

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

	Revenue		Non-current assets	
	2025	2024	2025	2024
	RM	RM	RM	RM
Malaysia	63,432,781	49,430,275	11,560,044	8,562,006
Thailand	2,963,760	1,910,177	104,872	71,172
Vietnam	1,821,929	1,100,078	-	-
Indonesia	-	34,844	-	-
Sri Lanka	139,804	209,711	-	-
	68,358,274	52,685,085	11,664,916	8,633,178

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33. SEGMENTAL REPORTING - GROUP (CONT'D)

Major customers

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

	2025	2024
	RM	RM
Revenue from external customers		
Customer A	17,521,509	15,917,558
Customer B	9,346,580	6,868,727
Customer C	9,003,287	-
Customer D	7,799,980	2,688,515

34. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

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

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

	Carrying amount	FVTPL	AC
	RM	RM	RM
Group			
2025			
Financial assets			
Trade receivables	19,896,357	-	19,896,357
Other receivables	3,217,792	-	3,217,792
Fixed deposits with a licensed financial institution	944,348	-	944,348
Cash and bank balances, and short-term investments	7,028,898	2,871,092	4,157,806
	31,087,395	2,871,092	28,216,303
Financial liabilities			
Trade payables	19,004,287	-	19,004,287
Other payables and accruals	10,234,928	-	10,234,928
Bank borrowings	19,638,195	-	19,638,195
	48,877,410	-	48,877,410

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34. FINANCIAL INSTRUMENTS (CONT'D)

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

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

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

	Carrying amount RM	FVTPL RM	AC RM
Group			
2024			
Financial assets			
Trade receivables	27,249,633	-	27,249,633
Other receivables	1,394,760	-	1,394,760
Fixed deposits with a licensed financial institution	450,594	-	450,594
Cash and bank balances, and short-term investments	9,778,291	2,769,926	7,008,365
	38,873,278	2,769,926	36,103,352
Financial liabilities			
Trade payables	16,151,520	-	16,151,520
Other payables and accruals	1,662,625	-	1,662,625
Bank borrowings	15,035,000	-	15,035,000
	32,849,145	-	32,849,145
Company			
2025			
Financial assets			
Other receivables	1,000	-	1,000
Amount owing by a subsidiary	4,181,309	-	4,181,309
Cash and bank balances, and short-term investments	2,898,738	2,871,092	27,646
	7,081,047	2,871,092	4,209,955
Financial liability			
Other payables and accruals	3,166,615	-	3,166,615
2024			
Financial assets			
Other receivables	1,000	-	1,000
Amount owing by a subsidiary	11,852,287	-	11,852,287
Fixed deposits with a licensed financial institution	450,594	-	450,594
Cash and bank balances, and short-term investments	2,817,190	2,769,926	47,264
	15,121,071	2,769,926	12,351,145
Financial liability			
Other payables and accruals	49,100	-	49,100

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34. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies

Financial risks

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

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

Credit risks

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

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

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

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

(i) Receivables

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

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

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

Generally, the gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery, even though they remain subject to enforcement activities. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets as disclosed in Note 34(a) to the financial statements.

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

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

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34. FINANCIAL INSTRUMENTS (CONT'D)

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

Financial risks (cont'd)

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

Credit risks (cont'd)

Following are the areas where the Group and the Company are exposed to credit risk:- (cont'd)

(ii) Amount owing by a subsidiary

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

(iii) Financial guarantee contract

The maximum credit risk exposure from the financial guarantees issued is limited to the utilised credit amount of RM19,638,195 (2024: RM15,035,000). The financial guarantees have low credit risk at the end of the financial year, as they are unlikely to be called by financial institutions.

(iv) Cash and cash equivalents

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

Liquidity risks

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

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

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

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

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

Group	Carrying amount	Contractual cash flow	On demand and within 1 year	1 to 2 years	2 to 5 years	More than 5 years
	RM	RM	RM	RM	RM	RM
2025						
Trade payables	19,004,287	19,004,287	19,004,287	-	-	-
Other payables and accruals	10,234,928	10,234,928	10,234,928	-	-	-
Lease liabilities	1,193,771	1,265,692	706,319	240,621	318,752	-
Bank borrowings	19,638,195	24,551,955	5,082,576	1,689,576	5,068,728	12,711,075
	50,071,181	55,056,862	35,028,110	1,930,197	5,387,480	12,711,075

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34. FINANCIAL INSTRUMENTS (CONT'D)

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

Financial risks (cont'd)

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

Liquidity risks (cont'd)

The summary of the maturity profile based on the contractual undiscounted repayment obligation is set out as follows: (cont'd)

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

Company	Carrying amount RM	Contractual cash flow RM	On demand and within one (1) year RM
2025			
Other payables and accruals	3,166,615	3,166,615	3,166,615
2024			
Other payables and accruals	49,100	49,100	49,100

Maturity profile of financial guarantee contracts of the Company at the end of each reporting period, based on contractual undiscounted repayment obligations, is repayable upon any default by the subsidiary in respect of the guaranteed bank facilities of RM19,638,195 (2024: RM15,035,000).

Foreign currency risk

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

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

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34. FINANCIAL INSTRUMENTS (CONT'D)

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

Financial risks (cont'd)

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

Foreign currency risk (cont'd)

Group	USD	THB	EUR	GBP
2025	RM	RM	RM	RM
Trade receivables	543,561	773,596	-	-
Other receivables	12,412	68,365	356	-
Cash and bank balances	169,796	93,308	62,244	-
Trade payables	-	(509,788)	-	(57,584)
Other payables	(1,828)	(36,945)	(21,550)	-
Net exposure	723,941	388,536	41,050	(57,584)

Group	USD	THB
2024	RM	RM
Trade receivables	5,917,912	438,416
Other receivables	-	56,978
Cash and bank balances	1,032,456	9,411
Trade payables	-	(70,695)
Other payables	-	(119,131)
Net exposure	6,950,368	314,979

Sensitivity analysis for foreign currency risk

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

Group	(Loss)/Profit for the financial year and equity	
	RM	RM
	2025	2024
USD/RM		
- Strengthen by 0.80% (2024: 0.16%)	4,402	8,452
- Weaken by 0.80% (2024: 0.16%)	(4,402)	(8,452)
THB/RM		
- Strengthen by 0.14% (2024: 0.22%)	413	527
- Weaken by 0.14% (2024: 0.22%)	(413)	(527)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

(cont'd)

34. FINANCIAL INSTRUMENTS (CONT'D)

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

Financial risks (cont'd)

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

Sensitivity analysis for foreign currency risk (cont'd)

Group	(Loss)/Profit for the financial year and equity	
	RM 2025	RM 2024
EUR/RM		
- Strengthen by 0.19% (2024: NIL)	59	-
- Weaken by 0.19% (2024: NIL)	(59)	-
GBP/RM		
- Strengthen by 0.24% (2024: NIL)	(105)	-
- Weaken by 0.24% (2024: NIL)	105	-

Interest rate risk

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

(cont'd)

34. FINANCIAL INSTRUMENTS (CONT'D)

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

Financial risks (cont'd)

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

Interest rate risk (cont'd)

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period, is as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Fixed-rate instrument				
Financial assets				
Amount owing by a subsidiary	-	-	4,181,309	11,852,287
Fixed deposits with a licensed financial institution	944,348	450,594	-	450,594
Total financial assets	944,348	450,594	4,181,309	12,302,881
Financial liability				
Bankers' acceptances	(3,393,000)	(1,356,000)	-	-
Net financial (liability)/assets	(2,448,652)	(905,406)	4,181,309	12,302,881
Floating rate instrument				
Financial liability				
Term loan	16,245,195	13,679,000	-	-

Sensitivity analysis for interest rate risk

A 100 basis point increase in interest rates based on the currently observable market environment, with all other variables held constant, would have the following effect on the Group's (loss)/profit for the financial year and equity:

	Group	
	2025 RM	2024 RM
Floating rate instrument		
- Strengthened by 1%	(123,464)	(103,960)
- Weakened by 1%	123,464	103,960

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

(cont'd)

34. FINANCIAL INSTRUMENTS (CONT'D)

(c) Determination of fair value

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and the insignificant impact of discounting.

Fair value hierarchy

Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.
- Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that causes the transfer.

There has been no transfer between Level 1 and 2 fair values during the financial year (2024: no transfer in either direction).

35. CAPITAL MANAGEMENT

Total capital managed at the Group level is the shareholders' funds as shown in the statements of financial position.

The primary objective of the Group's and the Company's capital management is to ensure that it maintains strong credit and financially prudent capital ratios to support its current business and future expansion, thereby maximising shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain and adjust the capital structure, the Company adjusts dividend payments to shareholders, returns capital to shareholders, or issues new shares.

The Group and the Company monitor capital using a gearing ratio, which is total external borrowings divided by total equity. The policy of the Group and of the Company is to keep the gearing ratio within manageable levels. At the end of the reporting period, the Group's and the Company's gearing ratios are 0.68 times (2024: 0.38 times) and nil (2024: nil), respectively.

There were no changes in the Group's and the Company's approach to capital management during the financial year ended 31 December 2025.

36. DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 8 April 2026.

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the ACE Market Listing Requirements, below are the financial data that are relevant for the purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest based financial position.

(a) Group Total Income and Total Assets

Total Income	Remarks	Group	
		2025 RM	2024 RM
Revenue		68,358,274	52,685,085
Other income		1,084,552	1,007,480
Interest/Finance income		28,849	37,907
Total		69,471,675	53,730,472
Total Assets		85,906,680	91,854,725

(b) Business Activities

Shariah Non-Compliant Activities	Remarks	Group	
		2025 RM	2024 RM
Interest income	Conventional	28,849	37,907
Other Shariah non-compliant activities	Cash rebate from a conventional credit card	280	412
Total		29,129	38,319

(c) Component of Financial Position

(i) Cash Component

Islamic Account/Instruments	Remarks	Group	
		2025 RM	2024 RM
Cash at bank (exclude cash in hand)		169,413	5,178
Short-term funds		540,956	522,858
Total Cash		710,369	528,036

Conventional Account/Instruments	Remarks	Group	
		2025 RM	2024 RM
Cash at bank (exclude cash in hand)		3,842,905	6,947,201
Deposits with bank in foreign jurisdiction: non-interest-bearing		81,892	7,602
Deposits with licensed bank		944,348	450,594
Short-term funds		2,330,136	2,247,068
Total Cash		7,199,281	9,652,465

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (cont'd)

(c) **Component of Financial Position (cont'd)**

(ii) **Debt Component**

	Remarks	Group	
		2025	2024
Islamic Financing		RM	RM
Non-Current		NA	NA
Current		NA	NA
Total Financing		NA	NA

	Remarks	Group	
		2025	2024
Conventional Borrowing		RM	RM
Current			
Banker's acceptances		3,393,000	1,356,000
Hire purchase payables		333,714	275,444
Term loans		1,040,108	1,306,604
Non-Current			
Hire purchase payables		526,340	415,095
Term loans		15,205,087	12,372,396
Total Debt		20,498,249	15,725,539

LIST OF PROPERTIES

No.	Title details/ Postal address	Description/ Existing use	Land area (sq. ft.)	Tenure	Approximate age of building (years)	Net carrying amount as at 31 December 2025 (RM'000)	Date acquired
1	Individual title held under GRN 124476, Lot 226, Seksyen 2, Pekan Bukit Changgang, Daerah Kuala Langat, Negeri Selangor 7, Jalan 1/1, Kawasan Perusahaan Olak Lempit, 42700 Banting, Selangor Darul Ehsan.	Industrial land with single-storey detached factory annexed with 3-storey office building	45,746	Freehold	12	5,656	1 June 2016
2	Individual title held under H.S.(D) 48997, PT 51478, Mukim Tanjong Duabelas, Daerah Kuala Langat, Negeri Selangor 12, Jalan 1/3, Kawasan Perusahaan Olak Lempit, 42700 Banting, Selangor Darul Ehsan.	Industrial land with a semi-detached factory comprising of 2 storey office	19,742	Freehold	4	3,916	30 August 2019
3	Individual title held under H.S.(D) 48998, PT 51479, Mukim Tanjong Duabelas, Daerah Kuala Langat, Negeri Selangor 12A, Jalan 1/3, Kawasan Perusahaan Olak Lempit, 42700 Banting, Selangor Darul Ehsan.	Industrial land with a semi-detached factory comprising of 2 storey office	19,805	Freehold	4	3,924	30 August 2019
4	Individual title held under H.S.(D) 48996, PT 51477, Mukim Tanjong Duabelas, Daerah Kuala Langat, Negeri Selangor 10, Jalan 1/3, Kawasan Perusahaan Olak Lempit, 42700 Banting, Selangor Darul Ehsan.	Industrial land with a semi-detached factory comprising of 2 storey office	19,676	Freehold	4	4,927	5 July 2022

ANALYSIS OF SHAREHOLDINGS

as at 27 March 2026

Total number of issued shares	:	299,679,925
Class of shares	:	Ordinary shares
Voting rights	:	1 vote per ordinary share

SHAREHOLDINGS DISTRIBUTION

Size of Holdings	No. of Shareholders/ Depositors	% of Shareholders/ Depositors	No. of Shares Held	% of Issued Capital
Less than 100	2	0.16	100	0.00
100 to 1,000	222	17.82	99,610	0.03
1,001 to 10,000	472	37.88	2,775,000	0.93
10,001 to 100,000	400	32.10	15,919,400	5.31
100,001 to less than 5% of issued shares	147	11.80	138,484,615	46.21
5% and above of issued shares	3	0.24	142,401,200	47.52
Total	1,246	100.00	299,679,925	100.00

SUBSTANTIAL SHAREHOLDERS

as per Register of Substantial Shareholders as at 27 March 2026

	No. of Shares Held			
	Direct	%	Indirect	%
Tan Kong Leong	107,892,900	36.00	9,198,100 *	3.07
Liew Heng Wei	53,208,300	17.76	130,000 **	0.04
Phitchaya Arsangku	6,259,800	2.09	110,831,200 ***	36.98
Lion Suk Chin	130,000	0.04	53,208,300 **	17.76

Notes:

* Deemed interest via spouse's shareholding and his shareholding in TECS Properties Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

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

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

ANALYSIS OF SHAREHOLDINGS

as at 27 March 2026
(cont'd)

DIRECTORS' INTEREST

as per Register of Directors' Shareholdings as at 27 March 2026

	Direct	No. of Shares Held		%
		%	Indirect	
Dr. Teh Chee Ghee	-	-	-	-
Tan Kong Leong	107,892,900	36.00	9,198,100 *	3.07
Sin Kuo Wei	8,424,500	2.81	-	-
Liew Heng Wei	53,208,300	17.76	130,000 **	0.04
Lion Suk Chin	130,000	0.04	53,208,300 **	17.76
Noor Zaliza Yati Binti Yahya	-	-	-	-
Ir. Chong Kai Feng	-	-	-	-

Notes:

* Deemed interest via spouse's shareholding and his shareholding in TECS Properties Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

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

TOP 30 SHAREHOLDERS/DEPOSITORS

No.	Name of Shareholder	No. of Shares Held	% of Issued Capital
1.	Liew Heng Wei	53,208,300	17.76
2.	Tan Kong Leong	53,092,900	17.72
3.	TA Nominees (Tempatan) Sdn. Bhd. <i>Pledged securities account for Tan Kong Leong</i>	36,100,000	12.05
4.	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Tan Kong Leong</i>	13,700,000	4.57
5.	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Tan Kong Kee</i>	10,000,000	3.34
6.	Sin Kuo Wei	8,346,400	2.79
7.	Phitchaya Arsangku	6,259,800	2.09
8.	Loh Wei Keat	5,201,100	1.74
9.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. <i>Pledged securities account for Tan Kong Leong</i>	5,000,000	1.67
10.	RHB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Wong Hoong Ton</i>	3,781,600	1.26
11.	Lim Khin Choong	3,473,000	1.16
12.	Yee Voon Hon	3,420,000	1.14
13.	Chong Chee Keong	3,067,300	1.02
14.	TECS Properties Sdn. Bhd.	2,938,300	0.98
15.	Yee Choon Kiat	2,750,000	0.92
16.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. <i>Pledged securities account for Timothy Tai Lik Siang</i>	2,409,000	0.80

ANALYSIS OF SHAREHOLDINGS

as at 27 March 2026

(cont'd)

TOP 30 SHAREHOLDERS/DEPOSITORS (CONT'D)

No.	Name of Shareholder	No. of Shares Held	% of Issued Capital
17.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Rakuten Trade Sdn. Bhd. for Lim Khin Choong</i>	2,326,300	0.78
18.	Ting Kai Ming	2,259,100	0.75
19.	Lim Hong Jun	2,000,000	0.67
20.	Wong Huey Kee	2,000,000	0.67
21.	Soh Swee See	1,801,000	0.60
22.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Rakuten Trade Sdn. Bhd. for Loh Wei Keat</i>	1,722,400	0.57
23.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Rakuten Trade Sdn. Bhd. for Wong Fook Loong</i>	1,672,000	0.56
24.	Pang Ko Yoek	1,615,600	0.54
25.	Lim Soon Guan	1,500,000	0.50
26.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>- Ong Teong Siang</i>	1,500,000	0.50
27.	Pua Siew Peng	1,500,000	0.50
28.	Yeow Koh Chye	1,387,000	0.46
29.	Wong Fook Loong	1,386,600	0.46
30.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Rakuten Trade Sdn. Bhd. for Chong Chee Keong</i>	1,336,600	0.45

NOTICE OF SEVENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Seventh (“7th”) Annual General Meeting (“AGM”) of the Company will be held at **Danau 2 Room, Kota Permai Golf & Country Club, No. 1, Jalan 31/100A, Kota Kemuning, Section 31, 40460 Shah Alam, Selangor Darul Ehsan** on **Friday, 22 May 2026 at 3.00 p.m.** for the purpose of transacting the following businesses: -

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Directors’ and Auditors’ Reports thereon.
2. To approve the payment of Directors’ fees and allowances up to RM255,000.00 for the period from this 7th AGM until the next AGM of the Company. **(Resolution 1)**
3. To re-elect the following Directors retiring pursuant to Article 92 of the Company’s Constitution and being eligible, offer themselves for re-election: -
 - (i) Liew Heng Wei **(Resolution 2)**
 - (ii) Lion Suk Chin **(Resolution 3)**
 - (iii) Noor Zaliza Yati Binti Yahya **(Resolution 4)**
4. To re-appoint Messrs. TGS TW PLT as Auditors of the Company to hold office until the conclusion of the next AGM and to authorise the Board of Directors to fix their remuneration. **(Resolution 5)**

AS SPECIAL BUSINESS

To consider, and if thought fit, to pass the following as ordinary resolutions: -

5. **AUTHORITY TO ISSUE SHARES AND WAIVER OF PRE-EMPTIVE RIGHTS** **(Resolution 6)**

“THAT pursuant to Section 75 and 76 of the Companies Act 2016 (“Act”), and subject to the approvals from the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue shares in the Company from time to time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares of the Company at the time of submission to the authority AND THAT the Directors be and are also hereby empowered to obtain the approval from the Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company.

AND THAT pursuant to Section 85 of the Act to be read together with Article 55 of the Company’s Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new Company shares ranking equally to the existing issued Company shares arising from any issuance of the new Company shares pursuant to Sections 75 and 76 of the Act.”

NOTICE OF SEVENTH ANNUAL GENERAL MEETING

(cont'd)

6. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE")** **(Resolution 7)**

"THAT subject always to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and/or its subsidiaries ("**Flexidynamic Group**") to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.5 of the Circular to Shareholders dated 24 April 2026, which are necessary for the day-to-day operations of Flexidynamic Group provided that the transaction are in the ordinary course of business, and are carried out at arms' length basis on normal commercial terms which are not more favourable to the related party than those generally available to the public as well as are not detrimental to the minority shareholders' of the Company and such approval, shall continue to be in force until; -

- i) the conclusion of the next AGM of the Company following the 7th AGM at which the Proposed Renewal of Shareholders' Mandate is passed, at which time it will lapse, unless by a resolution passed at the meeting, the Proposed Renewal of Shareholders' Mandate authority is renewed;
- ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2)(b) of the Companies Act, 2016 ("**Act**") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- iii) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is earlier.

AND THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, things and to execute all necessary documents as they may consider necessary or expedient in the best interest of the Company with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted under relevant authorities and to deal with all matters in relation thereto and to take such steps and do all acts and things in any manner as they may deem necessary of expedient to implement, finalise and give full effect to the transactions contemplated and/or authorised by this Ordinary Resolution".

7. To transact any other business which may properly be transacted at an AGM for which due notice shall have been given.

By Order of the Board

LIM SECK WAH (MAICSA NO. 0799845) (SSM PC NO: 202008000054)
TANG CHI HOE (KEVIN) (MAICSA NO. 7045754) (SSM PC NO: 202008002054)
CHEN LI CHIN (MIA NO. 43772) (SSM PC NO: 202508000413)
 Company Secretaries

Kuala Lumpur
 Dated: 24 April 2026

NOTICE OF SEVENTH ANNUAL GENERAL MEETING

(cont'd)

Notes:-

Explanatory Notes to Special Business

Ordinary Resolution 6– Authority to issue shares and waiver of pre-emptive rights

The effect of the Ordinary Resolution if passed, will give the Directors of the Company, from the date of the 7th AGM, authority to allot and issue shares up to 10% of the total number of issued shares of the Company for such purposes as the Directors may deem fit and in the interest of the Company. The authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next AGM of the Company.

The Board of Directors is of the view that the 10% General Mandate is in the best interest of the Company and its shareholders as the authority will facilitate any possible fundraising activities, including but not limited to placing of shares, for purpose of funding future investment project(s), working capital, repayment of bank borrowings and/or acquisitions.

The waiver of pre-emptive rights pursuant to Section 85 of the Act will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer new shares to all the existing shareholders of the Company prior to issuance of new shares in the Company under the mandate.

The previous mandate granted by the shareholders had not been utilised and hence no proceed was raised therefrom.

Ordinary Resolution 7 – Proposed Renewal of Shareholders' Mandate

The explanatory note on Ordinary Resolution 7 is set out in the Circular to Shareholders dated 24 April 2026.

NOTICE OF SEVENTH ANNUAL GENERAL MEETING

(cont'd)

Notes: -

General Meeting Record of Depositors

1. For the purpose of determining a member who shall be entitled to attend, speak and vote at the 7th AGM, the Company shall be requesting the Record of Depositors as at 18 May 2026. Only a depositor whose name appears on the Record of Depositors as at 18 May 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 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 7th AGM for further information on the electronic submission of Form of Proxy.
7. By submitting the duly executed Form of Proxy, a member and his/her proxy consent to the Company (and/or its agents/ service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for this meeting and any adjournment thereof.

ADMINISTRATIVE GUIDE FOR THE SEVENTH ANNUAL GENERAL MEETING (“7TH AGM”)

Day & Date	:	Friday, 22 May 2026
Time	:	3.00 p.m.
Venue	:	Danau 2 Room, Kota Permai Golf & Country Club, No. 1, Jalan 31/100A, Kota Kemuning, Section 31, 40460 Shah Alam, Selangor Darul Ehsan

1. REGISTRATION ON THE DAY OF THE 7TH AGM

- Registration will commence at 2.00 p.m. on Friday, 22 May 2026 and will remain open until the conclusion of the 7th AGM or such time as may be determined by the Chairman of the meeting.
- Please present your original National Registration Identity Card (NRIC) or Passport (for non-Malaysian) to the registration staff for verification.
- Upon verification, an identification wristband will be given to you for voting purposes thereafter. No one will be allowed to enter the meeting hall without an identification wristband. There will be no replacement for the identification wristband if it is lost or misplaced.
- Registration must be done in person. No person is allowed to register on behalf of another even with the original NRIC or Passport of the other person.
- The registration counter will handle verification of identity, registration and revocation of proxy/proxies.

2. ENTITLEMENT TO PARTICIPATE AND APPOINTMENT OF PROXY

- Only members whose names appear on the Record of Depositors as at 18 May 2026 shall be eligible to attend, speak and vote at the 7th AGM or appoint a proxy(ies) and/or the Chairman of the meeting to attend and vote on his/her behalf.
- If a member is unable to participate in 7th AGM, he/she may appoint the Chairman of the meeting as his/her proxy and indicate the voting instruction in the Form of Proxy.
- If you wish to participate in the 7th AGM yourself, please do not submit any Proxy of Form for the 7th AGM. You will not be allowed to participate in the 7th AGM together with a proxy appointed by you.
- Accordingly, Form of Proxy and/or documents relating to the appointment of proxy/corporate representative/attorney for the 7th AGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner not later than **Wednesday, 20 May 2026 at 3.00 p.m** or any adjournment thereof, otherwise the Form of Proxy shall not be treated as valid:-

(i) In Hard copy form:

By hand or post to the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur

ADMINISTRATIVE GUIDE FOR THE SEVENTH ANNUAL GENERAL MEETING (“7TH AGM”) (cont'd)

2. ENTITLEMENT TO PARTICIPATE AND APPOINTMENT OF PROXY (CONT'D)

(ii) By Electronic means:

You may also submit the proxy appointment electronically via Vistra Share Registry and IPO (MY) portal (“the Portal”) and the steps to submit are summarised below:

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User at The Portal	<ol style="list-style-type: none"> 1. Visit the website at https://srmy.vistra.com. 2. Click “Register” and select “Individual Holder” and complete the New User Registration Form. 3. For guidance, you may refer to the tutorial guide available on the homepage. 4. Once registration is completed, you will receive an email notification to verify your registered email address. 5. After verification, your registration will be reviewed and approved within one (1) working day. A confirmation email will be sent once approved. 6. Once you receive the confirmation, activate your account by creating your password. <p><i>If you are an existing user with the Portal or our TIIH Online portal previously, you are not required to register again.</i></p>
Proceed with submission of proxy form	<ol style="list-style-type: none"> 1. After the release of the Notice of Meeting by the Company, login with your email address and password. 2. Select the corporate event: “FLEXIDYNAMIC HOLDINGS BERHAD 7TH AGM”. 3. Navigate to the 3 dots at the end of the corporate event and choose “SUBMISSION OF PROXY FORM”. 4. Read and agree to the Terms and Conditions and confirm the Declaration. 5. Indicate the total number of shares assigned to your proxy(s) to vote on your behalf. 6. Appoint your proxy(ies) and insert the required details of your proxy(ies) or appoint the Chairman as your proxy. 7. Indicate your voting instructions – FOR or AGAINST or ABSTAIN. 8. Print the proxy form for your record.
ii. Steps for Corporation or Institutional Shareholders	
Register as a User at The Portal	<ol style="list-style-type: none"> 1. Visit the website at https://srmy.vistra.com. 2. Click “Register” and select “Representative of Corporate Holder” and complete the New User Registration Form. 3. Complete the registration form with your personal details. 4. Once registration is completed, you will receive an email notification to verify your registered email address. 5. After verification, your registration will be reviewed and approved within two (2) working days. A confirmation email will be sent once approved. 6. Once you receive the confirmation, activate your account by creating your password. <p><i>Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact Tricor if you need clarifications on the user registration.</i></p>
Proceed with submission of proxy form	<ol style="list-style-type: none"> 1. Login to https://srmy.vistra.com with your email address and password. 2. Select the corporate event: “FLEXIDYNAMIC HOLDINGS BERHAD 7TH AGM”. 3. Navigate to the icon “>” at the end of the corporate event. 4. Read and agree to the Terms and Conditions and confirm the Declaration. 5. Select the corporate holder’s name. 6. Proceed to download the submission file. 7. Prepare the file for the appointment of proxy(ies) by inserting the required data. 8. Proceed to upload the duly completed proxy appointment file. 9. Select “Confirm” to complete your submission. 10. Print the confirmation report of your submission for your record.

ADMINISTRATIVE GUIDE FOR THE SEVENTH ANNUAL GENERAL MEETING (“7TH AGM”)

(cont'd)

3. POLL VOTING

- The voting at the 7th AGM will be conducted by poll in accordance with Rule 8.31A(1) of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor Investor & Issuing House Services Sdn. Bhd. as Poll Administrator to conduct the poll voting electronically.
- Upon completion of the voting session for the 7th AGM, the Scrutineers will verify the poll results followed by the Chairman’s declaration whether the resolutions are duly passed.

4. NO RECORDING OR PHOTOGRAPHY

- Strictly no recording or photography of the 7th AGM proceedings is allowed.

5. NO DOOR GIFT/VOUCHER

- There will be no distribution of door gift or voucher for the 7th AGM.

We thank you for your continuous support to the Company.

6. ENQUIRY

If you have any enquiry prior to the meeting, you may contact the Share Registrar at:

Tricor Investor & Issuing House Services Sdn. Bhd. <i>Registration No. 197101000970 (11324-H)</i> Unit 32-01, Level 32, Tower A Vertical Business Suite, Avenue 3, Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur, Malaysia		Telephone Number
	General Line	+603-2783 9299
	Mr Muhammad Amirul Iskandar	+603-2783 9279 mohammad.amirul@vistra.com
	Mr Syafiqul Hafidz	+603-2783 9024 Syafiqul.hafidz@vistra.com
	Email	is.enquiry@vistra.com



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

PROXY FORM

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

No. of shares held	
CDS Account No.	

*I/We _____

of _____

with email: _____ and mobile phone no. _____

being a member/members of **Flexidynamic Holdings Berhad**, hereby appoint(s):-

Full Name (in Block) [Proxy 1]	NRIC/Passport No.	Percentage of Shareholdings
		%
Address		
Email Address		
Mobile Phone No.		

And/or*

Full Name (in Block) [Proxy 2]	NRIC/Passport No.	Proportion of Shareholding
		%
Address		
Email Address		
Mobile Phone No.		

or failing him/her, THE CHAIRMAN OF THE MEETING as *my/our proxy to vote for *me/us on *my/our behalf at the Seventh ("7th") Annual General Meeting ("AGM") of the Company to be held at Danau 2 Room, Kota Permai Golf & Country Club, No. 1, Jalan 31/100A, Kota Kemuning, Section 31, 40460 Shah Alam, Selangor Darul Ehsan on Friday, 22 May 2026 at 3.00 p.m. and at any adjournment thereof (as the case may be) and to vote as indicated below:

RESOLUTIONS		FOR	AGAINST
Ordinary Resolution 1	Approval of Director's fees and allowances up to RM255,000.00 from this 7 th AGM until the next AGM		
Ordinary Resolution 2	Re-election of Liew Heng Wei as Director		
Ordinary Resolution 3	Re-election of Lion Suk Chin as Director		
Ordinary Resolution 4	Re-election of Noor Zaliza Yati Binti Yahya as Director		
Ordinary Resolution 5	Re-appointment of Messrs. TGS TW PLT as Auditors of the Company		
Ordinary Resolution 6	Authority to Issue Shares and waiver of pre-emptive rights		
Ordinary Resolution 7	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

Please indicate with an "X" in the above columns how you wish your vote to be casted. In the absence of specific direction, your proxy(ies) may vote or abstain at his/her discretion.

* Delete if not applicable

Dated this day of 2026

.....
 Signature/Common Seal of member

Fold this flap for sealing

NOTES:

1. For the purpose of determining a member who shall be entitled to attend, speak and vote at the 7th AGM, the Company shall be requesting the Record of Depositors as at 18 May 2026. Only a depositor whose name appears on the Record of Depositors as at 18 May 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 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 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.

Then fold here

Affix
Stamp

The Share Registrar
FLEXIDYNAMIC HOLDINGS BERHAD
Registration No. 201901010656 (1319984-V)
c/o TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD
Registration No. 197101000970 (11324-H)

Unit 32-01, Level 32, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No.8, Jalan Kerinchi,
59200 Kuala Lumpur,
Malaysia.

1st fold here

6. The Form of Proxy shall be deposited at the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, 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 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 7th AGM for further information on the electronic submission of Form of Proxy.
7. By submitting the duly executed Form of Proxy, a member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for this meeting and any adjournment thereof.

www.flexidynamic.com

FLEXIDYNAMIC HOLDINGS BERHAD

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

A-3A-28, IOI Boulevard, Jalan Kenari 5,
Bandar Puchong Jaya, 47170 Puchong,
Selangor, Malaysia.

Tel: +603 8079 1878 Fax: +603 8079 1898