



**FLEXIDYNAMIC HOLDINGS BERHAD**

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

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2023**

**FLEXIDYNAMIC HOLDINGS BERHAD**

Registration No: 201901010656 (1319984-V)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2023<sup>(1)</sup>**

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	Unaudited 31/03/2023 RM'000	Unaudited 31/03/2022 RM'000	Unaudited 31/03/2023 RM'000	Unaudited 31/03/2022 RM'000
Revenue	10,803	28,732	10,803	28,732
Cost of sales	(8,051)	(24,147)	(8,051)	(24,147)
<b>Gross profit</b>	<b>2,752</b>	<b>4,585</b>	<b>2,752</b>	<b>4,585</b>
Other income	287	603	287	603
Selling and distribution expenses	(169)	(304)	(169)	(304)
Administrative expenses	(1,633)	(2,170)	(1,633)	(2,170)
Other expenses	(423)	(594)	(423)	(594)
<b>Profit from operations</b>	<b>814</b>	<b>2,120</b>	<b>814</b>	<b>2,120</b>
Finance costs	(84)	(23)	(84)	(23)
Finance income	46	50	46	50
<b>Profit before tax</b>	<b>776</b>	<b>2,147</b>	<b>776</b>	<b>2,147</b>
Tax expense	(217)	(1,145)	(217)	(1,145)
<b>Profit after tax</b>	<b>559</b>	<b>1,002</b>	<b>559</b>	<b>1,002</b>
<b>Other comprehensive income: -</b>				
<i>Item that will be reclassified subsequently to profit or loss</i>				
Foreign currency translations differences	14	17	14	17
<b>Total comprehensive income for the financial period</b>	<b>573</b>	<b>1,019</b>	<b>573</b>	<b>1,019</b>
<b>Profit/(Loss) attributable to: -</b>				
Owners of the Company	733	1,076	733	1,076
Non-controlling interest	(174)	(74)	(174)	(74)
	559	1,002	559	1,002
<b>Total comprehensive income/(loss) attributable to: -</b>				
Owners of the Company	740	1,084	740	1,084
Non-controlling interest	(167)	(65)	(167)	(65)
<b>Total comprehensive income/(loss) for the period</b>	<b>573</b>	<b>1,019</b>	<b>573</b>	<b>1,019</b>
<b>Earning per share attributable to owners of the Company (sen): -</b>				
Basic	0.26	0.38	0.26	0.38
Diluted	0.26	0.37	0.26	0.37

## NOTE:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the audited financial statements of Flexidynamic Holdings Berhad (“**Flexidynamic**” or “**the Company**”) and its subsidiaries (“**the Group**”) for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.

**FLEXIDYNAMIC HOLDINGS BERHAD**  
**Registration No: 201901010656 (1319984-V)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2023<sup>(1)</sup>**

	<b>Unaudited As At 31/03/2023 RM'000</b>	<b>Audited As At 31/12/2022 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	14,379	14,691
Investment properties	9,115	9,140
Deferred tax assets	4,898	5,068
<b>Total non-current assets</b>	<b>28,392</b>	<b>28,899</b>
<b>Current assets</b>		
Inventories	5,654	6,384
Trade receivables	14,398	20,727
Other receivables	13,480	11,682
Tax recoverable	2,413	2,110
Fixed deposits with a licensed financial institution	428	2,490
Cash and bank balances	21,621	8,990
<b>Total current assets</b>	<b>57,994</b>	<b>52,383</b>
<b>TOTAL ASSETS</b>	<b>86,386</b>	<b>81,282</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	35,623	35,623
Merge deficit	(20,431)	(20,431)
Capital reserve	631	631
Share based payment reserve	1,192	1,114
Foreign exchange reserve	(1)	(8)
Retained earnings	20,471	19,738
<b>Equity attributable to owners of the Company</b>	<b>37,485</b>	<b>36,667</b>
<b>Non-controlling interest</b>	<b>346</b>	<b>513</b>
<b>TOTAL EQUITY</b>	<b>37,831</b>	<b>37,180</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Bank borrowings	12,623	7,038
Lease liabilities	964	1,007
Employees' benefits	8	7
<b>Total non-current liabilities</b>	<b>13,595</b>	<b>8,052</b>
<b>Current Liabilities</b>		
Trade payables	10,417	10,627
Other payables and accruals	657	1,479
Contract liabilities	21,910	20,496
Bank borrowings	1,538	2,924
Lease liabilities	432	518
Tax payable	6	6
<b>Total current liabilities</b>	<b>34,960</b>	<b>36,050</b>
<b>TOTAL LIABILITIES</b>	<b>48,555</b>	<b>44,102</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>86,386</b>	<b>81,282</b>
<b>Net assets per ordinary share (RM) <sup>(2)</sup></b>	<b>0.13</b>	<b>0.13</b>

**NOTES:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Financial Position are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per ordinary share is calculated based on the number of ordinary shares in issue of 284,679,925 shares. (2022: 284,679,925).

# FLEXIDYNAMIC HOLDINGS BERHAD

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2023<sup>(1)</sup>

	← Non Distributable				→ Distributable				
	Share Capital RM'000	Merger Deficit RM'000	Capital Reserve RM'000	Share Based Payment Reserve RM'000	Foreign Exchange Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non-Controlling Interest RM'000	Total Equity RM'000
<b>3 Months Ended 31 March 2023</b>									
<b>Balance at 1 January 2023</b>	35,623	(20,431)	631	1,114	(8)	19,738	36,667	513	37,180
<b>Transactions with owners:</b>									
Share based payment relating to ESOS	-	-	-	78	-	-	78	-	78
Total transactions with owners	-	-	-	78	-	-	78	-	78
Profit/(Loss) after tax	-	-	-	-	-	733	733	(174)	559
Foreign currency translations differences	-	-	-	-	7	-	7	7	14
Total comprehensive income/(loss) for the period	-	-	-	-	7	733	740	(167)	573
<b>Balance at 31 March 2023 (Unaudited)</b>	<b>35,623</b>	<b>(20,431)</b>	<b>631</b>	<b>1,192</b>	<b>(1)</b>	<b>20,471</b>	<b>37,485</b>	<b>346</b>	<b>37,831</b>
<b>3 Months Ended 31 March 2022</b>									
<b>Balance at 1 January 2022</b>	35,354	(20,431)	631	693	(19)	26,492	42,720	647	43,367
<b>Transactions with owners:</b>									
Issuance of ordinary shares pursuant to ESOS	143	-	-	-	-	-	143	-	143
Transfer from share based payment reserve upon exercise ESOS	31	-	-	(31)	-	-	-	-	-
Share based payment relating to ESOS	-	-	-	118	-	-	118	-	118
Total transactions with owners	174	-	-	87	-	-	261	-	261
Profit/(loss) after tax	-	-	-	-	-	1,076	1,076	(74)	1,002
Foreign currency translations differences	-	-	-	-	8	-	8	9	17
Total comprehensive income/(loss) for the period	-	-	-	-	8	1,076	1,084	(65)	1,019
<b>Balance at 31 March 2022 (Unaudited)</b>	<b>35,528</b>	<b>(20,431)</b>	<b>631</b>	<b>780</b>	<b>(11)</b>	<b>27,568</b>	<b>44,065</b>	<b>582</b>	<b>44,647</b>

### NOTE:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2023<sup>(1)</sup>**

	<b>3 months ended Unaudited 31/03/2023 RM'000</b>	<b>3 months ended Unaudited 31/03/2022 RM'000</b>
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>		
Profit before tax	776	2,147
Adjustments for: -		
Depreciation of property, plant and equipment	338	270
Depreciation of investment properties	25	-
Loss on disposal of property, plant and equipment	-	10
Interest expenses	84	23
Interest income	(46)	(50)
Property, plant and equipment written off	3	-
Share based payment expenses	78	118
Dividend income	(10)	(15)
Employees' benefits	*	(1)
Unrealised gain on foreign exchange	(130)	(543)
Operating profit before working capital changes	1,118	1,959
Decrease in inventories	729	894
Decrease in receivables	4,531	2,142
Increase/(Decrease) in payables	376	(5,673)
Cash generated from/(used in) operations	6,754	(678)
Tax paid	(350)	(1,966)
Net cash from/(used in) operating activities	6,404	(2,644)
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(23)	(581)
Interests received	46	47
Dividend received	10	15
Net cash from/(used in) investing activities	33	(519)

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2023<sup>(1)</sup> (Cont'd)**

	<b>3 months ended Unaudited 31/03/2023 RM'000</b>	<b>3 months ended Unaudited 31/03/2022 RM'000</b>
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>		
Interests paid	(84)	(28)
Proceeds from issuance of ordinary shares	-	143
Drawdown of bank borrowings	6,580	587
Repayments of bank borrowings	(2,382)	(4,786)
Repayments of lease liabilities	(129)	(165)
Net cash from/(used in) financing activities	3,985	(4,249)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	10,422	(7,412)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	11,480	32,781
<b>EFFECT OF EXCHANGE RATES CHANGES</b>	147	537
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	22,049	25,906
<b>Represented by: -</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	21,621	22,418
Fixed deposits with a licensed financial institution	428	3,488
	22,049	25,906

## NOTE:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.

*\*Negligible*

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## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2023

### PART A – EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134, INTERIM FINANCIAL REPORTING

#### A1. BASIS OF PREPARATION

The interim financial report of Flexidynamic Holdings Berhad (“Flexidynamic” or “the Company”) and its subsidiaries (“the Group”) are unaudited and have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Boards, Paragraph 9.22 and Appendix 9B of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2022. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2022.

#### A2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and presentation adopted for the interim financial statements are consistent with those adopted as disclosed in the Group’s audited financial statements for the financial year ended 31 December 2022.

On 1 January 2023, the Group adopted the following new and amended Malaysian Financial Reporting Standards (“MFRSs”) mandatory for annual financial periods beginning on or after 1 January 2023.

- Amendments to MFRS 101: Presentation of Financial Statements – Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101: Presentation of Financial Statements – Disclosure of Accounting Policies
- Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
- Amendments to MFRS 112: Income Taxes – Deferred Tax Related to Assets and Liabilities arising from a Single Transaction

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

The new and amended standards and interpretations that are issued, but not yet effective for 31 December 2023 reporting period are as below and have not been early adopted by the Group.

<b>Standards</b>	<b>Effective for financial period beginning on or after</b>
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024

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## **NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2023**

### **A2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

The new and amended standards and interpretations that are issued, but not yet effective for 31 December 2023 reporting period are as below and have not been early adopted by the Group.

<b>Standards</b>	<b>Effective for financial period beginning on or after</b>
Amendment to MFRS 10 and MFRS 128: Consolidated Financial Statements & Investments In Associates and Joint Ventures – Sales or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred to a date to be determined and announced

\* Not applicable to the Group's operation

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

### **A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors' report for the preceding financial year ended 31 December 2022 was issued without any qualification.

### **A4. SEASONAL OR CYCLICAL FACTORS**

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

### **A5. MATERIAL AND UNSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOW**

There were no material and unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial quarter under review.

### **A6. MATERIAL SUBSEQUENT EVENT**

No material subsequent event to the end of the current financial quarter under review.

### **DEBT AND EQUITY SECURITIES**

#### **A7.**

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter under review.

### **A8. DIVIDEND PAID**

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



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**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2023****A9. SEGMENTAL INFORMATION**

The Group is principally engaged in the business of design, engineering, installation and commissioning of glove chlorination systems, as well as design and installation of storage tanks and process tanks for glove manufacturing industry.

For management purposes, majority of the Group's operations are involved in a single operating segment, i.e. the glove manufacturing industry. Accordingly, the information by business segment is not presented.

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

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	Unaudited 31/03/2023 RM'000	Unaudited 31/03/2022 RM'000	Unaudited 31/03/2023 RM'000	Unaudited 31/03/2022 RM'000
Local	4,734	14,972	4,734	14,972
Overseas <sup>(1)</sup>	6,069	13,760	6,069	13,760
	<u>10,803</u>	<u>28,732</u>	<u>10,803</u>	<u>28,732</u>

Note:

(1) Includes Vietnam, Thailand, Indonesia and United States of America.

**A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

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

**A11. CHANGES IN THE COMPOSITION OF THE GROUP**

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

**A12. CAPITAL COMMITMENTS**

The capital commitment of the Group as at 31 March 2023 is as follow: -

	Unaudited As At 31/03/2023 RM'000	Unaudited As At 31/03/2022 RM'000
Authorised and contracted for: - Property, plant and equipment	<u>155</u>	<u>5,072</u>

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**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2023****A13. SIGNIFICANT RELATED PARTY TRANSACTIONS**

The following are significant related party transactions: -

	<b>Individual Quarter 3 months ended</b>		<b>Cumulative Quarter 3 months ended</b>	
	<b>Unaudited 31/03/2023 RM'000</b>	<b>Unaudited 31/03/2022 RM'000</b>	<b>Unaudited 31/03/2023 RM'000</b>	<b>Unaudited 31/03/2022 RM'000</b>
Purchase of sawn timber	-	92	-	92
Rental expenses	17	17	17	17
Lease payment	6	6	6	6

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2023**

**PART B – EXPLANATORY NOTES PURSUANT TO CHARTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1. PERFORMANCE REVIEW**

	Individual Quarter			Cumulative Quarter		
	3 months ended			3 months ended		
	Unaudited	Unaudited	Changes	Unaudited	Unaudited	Changes
	31/03/2023	31/03/2022		31/03/2023	31/03/2022	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	10,803	28,732	(62.40)	10,803	28,732	(62.40)
Operating Profit	1,237	2,714	(54.42)	1,237	2,714	(54.42)
Profit before interest and tax	814	2,120	(61.60)	814	2,120	(61.60)
Profit before tax	776	2,147	(63.86)	776	2,147	(63.86)
Profit after tax	559	1,002	(44.21)	559	1,002	(44.21)
Profit attributable to: -						
Owners of the Company	733	1,076	(31.88)	733	1,076	(31.88)

**(a) Results for current quarter and financial period-to date**

The Group recorded revenue of RM10.80 million for the current financial quarter ended 31 March 2023, a decrease of RM17.93 million or 62.40% compared to RM28.73 million recorded in the previous year's corresponding quarter. The decrease in revenue was mainly due to the worsening supply and demand dynamics of rubber gloves which continue to negatively impact the glove sector, which resulted in a slowdown on near-term expansion plans by our customers.

The Group's revenue is derived mainly from the design, engineering, installation, and commissioning of glove chlorination system. The local and overseas markets had contributed 43.82% and 56.18% of the Group's revenue in the current financial quarter, respectively.

The Group recorded the profit before tax of RM0.78 million for the current financial quarter ended 31 March 2023, a decrease by approximately RM1.37 million or 63.86% from RM2.15 million in the previous year's corresponding quarter. The decrease in profit before tax was mainly due to inline with decrease in revenue.

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**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2023****B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER RESULTS**

	Individual Quarter		Change	
	3 months ended			
	Unaudited 31/03/2023 RM'000	Unaudited 31/12/2022 RM'000	RM'000	%
Revenue	10,803	12,865	(2,062)	(16.03)
Profit/(Loss) before tax	776	(4,363)	5,139	117.79
Profit/(Loss) after tax	559	(2,815)	3,374	119.86
Profit/(Loss) attributable to: -				
Owners of the Company	733	(2,547)	3,280	128.78

The Group's revenue for the current financial quarter ended 31 March 2023 decreased by approximately RM2.06 million or 16.03% to approximately RM10.80 million compared to RM12.86 million in the preceding financial quarter ended 31 December 2022. The decrease in revenue was mainly due to the worsening supply and demand dynamics of rubber gloves which continue to negatively impact the glove sector, which resulted in a slowdown on near-term expansion plans by our customers.

The Group recorded the profit before tax of RM0.78 million for the current financial quarter ended 31 March 2023, an increase by approximately RM5.14 million or 117.79% from loss before tax of RM4.36 million in the immediate preceding quarter. The increase in profit before tax was mainly due to an operating expense such as allowance of expected credit losses on trade receivables of RM4.05 million and unrealised loss on foreign exchange of RM1.44 million resulted from the strengthening of RM against USD incurred in the immediate preceding quarter.

**B3. PROSPECT AND OUTLOOK**

The global glove oversupply situation affecting our customer base is expected to continue in 2023 due to the excessive capacity expansion by the glove manufacturers during the Covid-19 pandemic. As such, capacity rationalisation resulting in the slowdown in expansion by the glove manufacturers is expected to negatively impact the Group, as project-driven revenue remains the Group's top revenue contributor.

Notwithstanding the current negative sentiment, global glove consumption is expected to increase in the long term in tandem with increased awareness and glove usage, especially in emerging markets with low glove consumption base.

Nevertheless, as the business landscape remains challenging in the near term, the Group will focus on better cost management and operational efficiencies to mitigate the impact of the negative business environment. The Group expects performance in the FY2023 to be very challenging.

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**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2023****B4. VARIANCE FROM PROFIT FORECAST**

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

**B5. TAX EXPENSE**

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	Unaudited 31/03/2023 RM'000	Unaudited 31/03/2022 RM'000	Unaudited 31/03/2023 RM'000	Unaudited 31/03/2022 RM'000
Income tax	47	12	47	12
Deferred tax	170	1,133	170	1,133
	<u>217</u>	<u>1,145</u>	<u>217</u>	<u>1,145</u>
Effective tax rate	27.96% <sup>(1)</sup>	53.33%	27.96% <sup>(1)</sup>	53.33%

Notes:

- (1) The Group's effective tax rate is higher than statutory tax rate for the current financial quarter ended 31 March 2023, mainly due to the reversal of deferred tax assets arising from the recognition of contract liabilities in the consolidated statements of profit or loss for the current financial quarter ended 31 March 2023.
- (2) Tax expense is recognised based on management's best estimate.

**B6. STATUS OF CORPORATE PROPOSAL**

There were no corporate proposals announced but not implemented as at the date of this report.

**B7. BORROWINGS**

	Unaudited As At 31/03/2023 RM'000	Unaudited As At 31/03/2022 RM'000
<b>Current:</b>		
Bank borrowings	1,538	1,507
Lease liabilities	432	463
	<u>1,970</u>	<u>1,970</u>
<b>Non-current:</b>		
Bank borrowings	12,623	3,200
Lease liabilities	964	853
	<u>13,587</u>	<u>4,053</u>
<b>Total borrowings</b>	<u>15,557</u>	<u>6,023</u>

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Registration No: 201901010656 (1319984-V)

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2023****B8. MATERIAL LITIGATION**

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

**B9. PROPOSED DIVIDEND**

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

**B10. EARNINGS PER SHARE****(a) Basic earnings per share**

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

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	Unaudited 31/03/2023	Unaudited 31/03/2022	Unaudited 31/03/2023	Unaudited 31/03/2022
Profit after tax attributable to owners of the Company (RM'000)	733	1,076	733	1,076
Weighted average number of ordinary shares in issue ('000)	284,680	283,936	284,680	283,936
Basic earnings per share (sen)	<u>0.26</u>	<u>0.38</u>	<u>0.26</u>	<u>0.38</u>

**(b) Diluted earnings per share**

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

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	Unaudited 31/03/2023	Unaudited 31/03/2022	Unaudited 31/03/2023	Unaudited 31/03/2022
Profit after tax attributable to owners of the Company (RM'000)	733	1,076	733	1,076
Weighted average number of ordinary shares in issue ('000)	284,680	283,936	284,680	283,936
Effect of dilutive potential ordinary share - ESOS ('000)	1,960	6,440	1,960	6,440
Weighted average number of ordinary shares for diluted earnings per share ('000)	<u>286,640</u>	<u>290,376</u>	<u>286,640</u>	<u>290,376</u>
Diluted earnings per share (sen) <sup>(1)</sup>	<u>0.26</u>	<u>0.37</u>	<u>0.26</u>	<u>0.37</u>

**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2023**

**B10. EARNINGS PER SHARE (Cont'd)**

**(b) Diluted earnings per share (cont'd)**

Note:

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

**B11. PROFIT BEFORE TAX**

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	Unaudited 31/03/2023 RM'000	Unaudited 31/03/2022 RM'000	Unaudited 31/03/2023 RM'000	Unaudited 31/03/2022 RM'000
Profit before tax is arrived at after charging/(crediting): -				
Depreciation of property, plant and equipment	338	270	338	270
Depreciation of investment properties	25	-	25	-
Interest expenses	84	23	84	23
Property, plant and equipment written off	3	-	3	-
Realised loss on foreign exchange	75	318	75	318
Loss on disposal of property, plant and equipment	-	10	-	10
Unrealised gain on foreign exchange	(130)	(543)	(130)	(543)
Interest income	(46)	(50)	(46)	(50)
Share based payment expenses	78	118	78	118

By Order of the Board

Flexidynamic Holdings Berhad  
Dated: 25 May 2023