



FLEXIDYNAMIC HOLDINGS BERHAD

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

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2023**

FLEXIDYNAMIC HOLDINGS BERHAD

Registration No: 201901010656 (1319984-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2023⁽¹⁾

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	Unaudited 30/09/2023 RM'000	Unaudited 30/09/2022 RM'000	Unaudited 30/09/2023 RM'000	Unaudited 30/09/2022 RM'000
Revenue	5,503	18,129	29,606	75,420
Cost of sales	(4,683)	(14,669)	(22,971)	(65,114)
Gross profit	820	3,460	6,635	10,306
Other income	243	118	743	1,166
Selling and distribution expenses	(150)	(463)	(494)	(1,168)
Administrative expenses	(1,508)	(1,840)	(4,701)	(5,852)
Other expenses	(315)	(609)	(1,335)	(1,394)
(Loss)/Profit from operations	(910)	666	848	3,058
Finance costs	(55)	(49)	(171)	(114)
Finance income	15	27	83	117
(Loss)/Profit before tax	(950)	644	760	3,061
Tax income/(expense)	39	(1,601)	(1,666)	(4,301)
Loss after tax	(911)	(957)	(906)	(1,240)
Other comprehensive (loss)/income: -				
<i>Item that will be reclassified subsequently to profit or loss</i>				
Foreign currency translations differences	(5)	(30)	22	(25)
Total comprehensive loss for the financial period	(916)	(987)	(884)	(1,265)
(Loss)/Profit attributable to: -				
Owners of the Company	(824)	(1,168)	(487)	(1,364)
Non-controlling interest	(87)	211	(419)	124
	(911)	(957)	(906)	(1,240)
Total comprehensive (loss)/income attributable to: -				
Owners of the Company	(826)	(1,182)	(476)	(1,376)
Non-controlling interest	(90)	195	(408)	111
Total comprehensive loss for the period	(916)	(987)	(884)	(1,265)
Loss per share attributable to owners of the Company (sen): -				
Basic	(0.29)	(0.41)	(0.17)	(0.48)
Diluted	(0.29)	(0.40)	(0.17)	(0.47)

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 30 SEPTEMBER 2023⁽¹⁾

	Unaudited As At 30/09/2023 RM'000	Audited As At 31/12/2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	13,773	14,691
Investment properties	9,065	9,140
Deferred tax assets	3,401	5,068
Total non-current assets	<u>26,239</u>	<u>28,899</u>
Current assets		
Inventories	4,812	6,384
Trade receivables	14,554	20,727
Other receivables	11,307	11,682
Tax recoverable	2,902	2,110
Fixed deposits with a licensed financial institution	436	2,490
Cash and bank balances	7,911	8,990
Total current assets	<u>41,922</u>	<u>52,383</u>
TOTAL ASSETS	<u><u>68,161</u></u>	<u><u>81,282</u></u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	35,623	35,623
Merge deficit	(20,431)	(20,431)
Capital reserve	631	631
Share based payment reserve	1,338	1,114
Foreign exchange reserve	3	(8)
Retained earnings	19,251	19,738
Equity attributable to owners of the Company	<u>36,415</u>	<u>36,667</u>
Non-controlling interest	<u>105</u>	<u>513</u>
TOTAL EQUITY	<u>36,520</u>	<u>37,180</u>
LIABILITIES		
Non-current liabilities		
Bank borrowings	6,603	7,038
Lease liabilities	840	1,007
Employees' benefits	7	7
Total non-current liabilities	<u>7,450</u>	<u>8,052</u>
Current Liabilities		
Trade payables	7,360	10,627
Other payables and accruals	601	1,479
Contract liabilities	14,929	20,496
Bank borrowings	846	2,924
Lease liabilities	455	518
Tax payable	-	6
Total current liabilities	<u>24,191</u>	<u>36,050</u>
TOTAL LIABILITIES	<u>31,641</u>	<u>44,102</u>
TOTAL EQUITY AND LIABILITIES	<u><u>68,161</u></u>	<u><u>81,282</u></u>
Net assets per ordinary share (RM) ⁽²⁾	0.13	0.13

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

Registration No: 201901010656 (1319984-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2023⁽¹⁾

	← Non Distributable				→ Distributable				
	Share Capital	Merger Deficit	Capital Reserve	Share Based Payment Reserve	Foreign Exchange Reserve	Retained Earnings	Total	Non-Controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
9 Months Ended									
30 September 2023									
Balance at 1 January 2023	35,623	(20,431)	631	1,114	(8)	19,738	36,667	513	37,180
Transactions with owners:									
Share based payment relating to ESOS	-	-	-	224	-	-	224	-	224
Total transactions with owners	-	-	-	224	-	-	224	-	224
Loss after tax	-	-	-	-	-	(487)	(487)	(419)	(906)
Foreign currency translations differences	-	-	-	-	11	-	11	11	22
Total comprehensive income/(loss) for the period	-	-	-	-	11	(487)	(476)	(408)	(884)
Balance at 30 September 2023 (Unaudited)	35,623	(20,431)	631	1,338	3	19,251	36,415	105	36,520
9 Months Ended									
30 September 2022									
Balance at 1 January 2022	35,354	(20,431)	631	693	(19)	26,492	42,720	647	43,367
Transactions with owners:									
Dividend paid	-	-	-	-	-	(2,844)	(2,844)	-	(2,844)
Issuance of ordinary shares pursuant to ESOS	220	-	-	-	-	-	220	-	220
Transfer from share-based payment reserve upon exercise ESOS	49	-	-	(49)	-	-	-	-	-
Share based payment relating to ESOS	-	-	-	352	-	-	352	-	352
Total transactions with owners	269	-	-	303	-	(2,844)	(2,272)	-	(2,272)
(Loss)/Profit after tax	-	-	-	-	-	(1,364)	(1,364)	124	(1,240)
Foreign currency translations differences	-	-	-	-	(12)	-	(12)	(13)	(25)
Total comprehensive (loss)/income for the period	-	-	-	-	(12)	(1,364)	(1,376)	111	(1,265)
Balance at 30 September 2022 (Unaudited)	35,623	(20,431)	631	996	(31)	22,284	39,072	758	39,830

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.

FLEXIDYNAMIC HOLDINGS BERHAD

Registration No: 201901010656 (1319984-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2023⁽¹⁾

	9 months ended Unaudited 30/09/2023 RM'000	9 months ended Unaudited 30/09/2022 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit before tax	759	3,061
Adjustments for: -		
Allowance for expected credit losses on trade receivables	-	38
Depreciation of property, plant and equipment	987	933
Depreciation of investment properties	74	-
Gain on disposal of property, plant and equipment	(59)	(78)
Interest expenses	171	114
Interest income	(83)	(117)
Property, plant and equipment written off	12	2
Share based payment expenses	224	352
Dividend income	(48)	(37)
Employees' benefits	-	(1)
Unrealised gain on foreign exchange	(229)	(954)
Operating profit before working capital changes	1,808	3,313
Decrease in inventories	1,572	3,936
Decrease in receivables	6,548	10,444
Decrease in payables	(9,718)	(26,901)
Cash generated from/(used in) operations	210	(9,208)
Tax paid	(797)	(5,208)
Net cash used in operating activities	(587)	(14,416)
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(257)	(2,333)
Interests received	83	114
Dividend received	48	37
Proceed from disposal of property, plant and equipment	245	103
Net cash from/(used in) investing activities	119	(2,079)

FLEXIDYNAMIC HOLDINGS BERHAD

Registration No: 201901010656 (1319984-V)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2023⁽¹⁾ (Cont'd)

	9 months ended Unaudited 30/09/2023 RM'000	9 months ended Unaudited 30/09/2022 RM'000
CASH FLOWS USED IN FINANCING ACTIVITIES		
Dividend paid	-	(2,844)
Interests paid	(171)	(119)
Proceeds from issuance of ordinary shares	-	220
Drawdown of bank borrowings	11,580	3,263
Repayments of bank borrowings	(14,094)	(7,188)
Repayments of lease liabilities	(230)	(409)
Net cash used in financing activities	<u>(2,915)</u>	<u>(7,077)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,383)	(23,572)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	11,480	32,781
EFFECT OF EXCHANGE RATES CHANGES	250	924
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>8,347</u>	<u>10,133</u>
Represented by: -		
CASH AND CASH EQUIVALENTS		
Cash and bank balances	7,911	6,614
Fixed deposits with a licensed financial institution	436	3,519
	<u>8,347</u>	<u>10,133</u>

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.

FLEXIDYNAMIC HOLDINGS BERHAD

Registration No: 201901010656 (1319984-V)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 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 and International Tax Reform – Pillar Two Model Rules

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.

Standards	Effective for financial period beginning on or after
MFRS 7: Financial Instruments: Disclosure – Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 16: Leases - Lease Liability in a Sale and Leaseback	1 January 2024

FLEXIDYNAMIC HOLDINGS BERHAD

Registration No: 201901010656 (1319984-V)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 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.

Standards	Effective for financial period beginning on or after
Amendments to MFRS 101: Presentation of Financial Statements - Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107: Statement of Cash Flows – Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability	1 January 2025
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.

FLEXIDYNAMIC HOLDINGS BERHAD

Registration No: 201901010656 (1319984-V)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2023**A8. DIVIDEND PAID**

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

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 9 months ended	
	Unaudited 30/09/2023 RM'000	Unaudited 30/09/2022 RM'000	Unaudited 30/09/2023 RM'000	Unaudited 30/09/2022 RM'000
Local	2,387	11,452	10,785	41,181
Overseas ⁽¹⁾	3,116	6,677	18,821	34,239
	<u>5,503</u>	<u>18,129</u>	<u>29,606</u>	<u>75,420</u>

Note:

(1) Includes Vietnam, Thailand, Indonesia, Sri Lanka 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 30 September 2023 is as follow: -

	Unaudited As At 30/09/2023 RM'000	Unaudited As At 30/09/2022 RM'000
Authorised and contracted for: - Property, plant and equipment	<u>67</u>	<u>904</u>

FLEXIDYNAMIC HOLDINGS BERHAD

Registration No: 201901010656 (1319984-V)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2023**A13. SIGNIFICANT RELATED PARTY TRANSACTIONS**

The following are significant related party transactions: -

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	Unaudited 30/09/2023 RM'000	Unaudited 30/09/2022 RM'000	Unaudited 30/09/2023 RM'000	Unaudited 30/09/2022 RM'000
Purchase of sawn timber	-	-	-	135
Rental expenses	17	17	50	50
Lease payment	7	6	19	18
Sales of trading good	4	-	4	-

FLEXIDYNAMIC HOLDINGS BERHAD

Registration No: 201901010656 (1319984-V)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 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			9 months ended		
	Unaudited 30/09/2023 RM'000	Unaudited 30/09/2022 RM'000	Changes %	Unaudited 30/09/2023 RM'000	Unaudited 30/09/2022 RM'000	Changes %
Revenue	5,503	18,129	(69.65)	29,606	75,420	(60.75)
Operating (Loss)/Profit	(595)	1,275	(146.67)	2,183	4,452	(50.97)
(Loss)/Profit before interest and tax	(910)	666	(236.64)	848	3,058	(72.27)
(Loss)/Profit before tax	(950)	644	(247.52)	760	3,061	(75.17)
Loss after tax	(911)	(957)	(4.81)	(906)	(1,240)	(26.94)
Loss attributable to: -						
Owners of the Company	(824)	(1,168)	(29.45)	(487)	(1,364)	(64.30)

(a) Results for current quarter

The Group recorded revenue of RM5.50 million for the current quarter ended 30 September 2023, representing a decrease of RM12.63 million or 69.65% as compared to RM18.13 million in the previous year's corresponding quarter. The decrease in revenue was mainly due to the completion of certain projects.

The Group's revenue was mainly derived from the design, engineering, installation and commissioning of glove chlorination system. The local and overseas markets contributed 43.37% and 56.63%, respectively, to the Group's revenue in the current quarter.

The Group recorded the operating loss of RM0.60 million for the current quarter ended 30 September 2023, representing a decrease of approximately RM1.87 million or 146.67% as compared to operating profit of RM1.27 million in the previous year's corresponding quarter. The decrease in operating loss was mainly due to lower gross profit incurred in the current quarter.

(b) Results for financial period-to date

The Group recorded revenue of RM29.61 million for the current financial period ended 30 September 2023, representing a decrease of RM45.81 million or 60.75% as compared to RM75.42 million recorded in the previous year's corresponding period. The decrease in revenue was mainly due to the completion of certain projects.

The Group recorded the profit before tax of RM0.76 million for the current financial period ended 30 September 2023, representing a decrease of approximately RM2.30 million or 75.17% as compared to RM3.06 million in the previous year's corresponding period. The decrease in profit before tax was mainly due to lower gross profit, foreign exchange fluctuation and higher finance cost.

The loss after tax of RM0.91 million for the current financial period ended 30 September 2023 was mainly due to the reversal of deferred tax assets arising from the recognition of contract liabilities in the consolidated statements of profit or loss.

FLEXIDYNAMIC HOLDINGS BERHAD

Registration No: 201901010656 (1319984-V)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2023

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER RESULTS

	Individual Quarter		Change	
	3 months ended			
	Unaudited 30/09/2023 RM'000	Unaudited 30/06/2023 RM'000	RM'000	%
Revenue	5,503	13,300	(7,797)	(58.62)
(Loss)/Profit before tax	(950)	934	(1,884)	(201.71)
Loss after tax	(911)	(554)	(357)	64.44
Loss attributable to: -				
Owners of the Company	(824)	(396)	(428)	108.08

The Group's revenue for the current quarter ended 30 September 2023 decreased by approximately RM7.80 million or 58.62% to approximately RM5.50 million as compared to RM13.30 million in the preceding quarter ended 30 June 2023. The decreased in revenue was mainly due to the completion of certain projects.

The Group recorded the loss before tax of RM0.95 million for the current financial quarter ended 30 September 2023, representing a decrease of approximately RM1.88 million or 201.71% as compare to RM0.93 million in the immediate preceding quarter. The decrease in profit before tax was mainly due to lower gross profit, foreign exchange fluctuation and higher finance cost.

B3. PROSPECT AND OUTLOOK

The global oversupply of gloves affecting our customers is expected to continue and no significant market recovery is expected to occur until late 2024, due to excessive capacity expansion by glove manufacturers during the Covid-19 pandemic. Capacity rationalisation leading to a slowdown in glove manufacturers' expansion is expected to have a negative impact on 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 as awareness and use of gloves increases, especially in emerging markets with low glove consumption where gloves are essential, particularly in the healthcare sector.

However, as the business environment remains challenging in the near future, the Group will continue to focus on better cost management and operational efficiency to mitigate the impact of the negative business environment. The Group expects performance in FY2023 and FY2024 to be very challenging. The Group will continue to improve and innovate to weather this challenging period while implementing sustainable business practices.

FLEXIDYNAMIC HOLDINGS BERHAD

Registration No: 201901010656 (1319984-V)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 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 9 months ended	
	Unaudited 30/09/2023 RM'000	Unaudited 30/09/2022 RM'000	Unaudited 30/09/2023 RM'000	Unaudited 30/09/2022 RM'000
Income tax	14	(17)	15	8
Deferred tax	(53)	1,618	1,651	4,293
	<u>(39)</u>	<u>1,601</u>	<u>1,666</u>	<u>4,301</u>
Effective tax rate	4.11% ⁽¹⁾	248.60%	219.21% ⁽²⁾	140.51%

Notes:

- (1) The Group's effective tax rate is lower than statutory tax rate for the current financial quarter ended 30 September 2023, mainly due to over-provision of income tax and under recognised of deferred tax in prior financial year.
- (2) The Group's effective tax rate is higher than statutory tax rate for the current financial period ended 30 September 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 period ended 30 September 2023.
- (3) 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 30/09/2023 RM'000	Unaudited As At 30/09/2022 RM'000
Current:		
Bank borrowings	846	2,095
Lease liabilities	455	572
	<u>1,301</u>	<u>2,667</u>
Non-current:		
Bank borrowings	6,603	6,183
Lease liabilities	840	1,054
	<u>7,443</u>	<u>7,237</u>
Total borrowings	<u>8,744</u>	<u>9,904</u>

FLEXIDYNAMIC HOLDINGS BERHAD

Registration No: 201901010656 (1319984-V)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 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. LOSS PER SHARE**(a) Basic loss per share**

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

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	Unaudited 30/09/2023	Unaudited 30/09/2022	Unaudited 30/09/2023	Unaudited 30/09/2022
Loss after tax attributable to owners of the Company (RM'000)	(824)	(1,168)	(487)	(1,364)
Weighted average number of ordinary shares in issue ('000)	284,680	284,680	284,680	284,389
Basic loss per share (sen)	<u>(0.29)</u>	<u>(0.41)</u>	<u>(0.17)</u>	<u>(0.48)</u>

(b) Diluted loss per share

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

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	Unaudited 30/09/2023	Unaudited 30/09/2022	Unaudited 30/09/2023	Unaudited 30/09/2022
Loss after tax attributable to owners of the Company (RM'000)	(824)	(1,168)	(487)	(1,364)
Weighted average number of ordinary shares in issue ('000)	284,680	284,680	284,680	284,389
Effect of dilutive potential ordinary share - ESOS ('000)	438	4,843	438	6,405
Weighted average number of ordinary shares for diluted earnings per share ('000)	<u>285,118</u>	<u>289,523</u>	<u>285,118</u>	<u>290,794</u>
Diluted loss per share (sen) ⁽¹⁾	<u>(0.29)</u>	<u>(0.40)</u>	<u>(0.17)</u>	<u>(0.47)</u>

FLEXIDYNAMIC HOLDINGS BERHAD

Registration No: 201901010656 (1319984-V)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2023**B10. LOSS PER SHARE (Cont'd)****(b) Diluted loss per share (cont'd)**

Note:

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

B11. (LOSS)/PROFIT BEFORE TAX

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	Unaudited 30/09/2023 RM'000	Unaudited 30/09/2022 RM'000	Unaudited 30/09/2023 RM'000	Unaudited 30/09/2022 RM'000
(Loss)/Profit before tax is arrived at after charging/(crediting): -				
Allowance for expected credit losses on trade receivables	-	38	-	38
Depreciation of property, plant and equipment	313	343	987	933
Depreciation of investment properties	25	-	74	-
Interest expenses	55	49	171	114
Property, plant and equipment written off	-	2	12	2
Realised loss on foreign exchange	15	208	323	401
(Gain)/Loss on disposal of property, plant and equipment	(78)	5	(59)	(78)
Unrealised gain on foreign exchange	(37)	(89)	(229)	(954)
Interest income	(15)	(27)	(83)	(117)
Share based payment expenses	69	117	224	352

By Order of the Board

Flexidynamic Holdings Berhad
Dated: 24 November 2023