



**FLEXIDYNAMIC HOLDINGS BERHAD**

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

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2024**

**FLEXIDYNAMIC HOLDINGS BERHAD**

Registration No: 201901010656 (1319984-V)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2024<sup>(1)</sup>**

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	Unaudited 30/06/2024 RM'000	Unaudited 30/06/2023 RM'000	Unaudited 30/06/2024 RM'000	Unaudited 30/06/2023 RM'000
Revenue	7,757	13,300	12,502	24,103
Cost of sales	(5,074)	(10,237)	(8,256)	(18,288)
<b>Gross profit</b>	<b>2,683</b>	<b>3,063</b>	<b>4,246</b>	<b>5,815</b>
Other income	334	213	784	500
Selling and distribution expenses	(127)	(175)	(238)	(344)
Administrative expenses	(1,577)	(1,560)	(2,975)	(3,193)
Other expenses	(314)	(597)	(592)	(1,020)
<b>Profit from operations</b>	<b>999</b>	<b>944</b>	<b>1,225</b>	<b>1,758</b>
Finance costs	(93)	(32)	(177)	(116)
Finance income	10	22	19	68
<b>Profit before tax</b>	<b>916</b>	<b>934</b>	<b>1,067</b>	<b>1,710</b>
Tax income/(expense)	76	(1,488)	(8)	(1,705)
<b>Profit/(Loss) after tax</b>	<b>992</b>	<b>(554)</b>	<b>1,059</b>	<b>5</b>
<b>Other comprehensive income: -</b>				
<i>Item that will be reclassified subsequently to profit or loss</i>				
Foreign currency translations differences	19	13	19	27
<b>Total comprehensive income/(loss) for the financial period</b>	<b>1,011</b>	<b>(541)</b>	<b>1,078</b>	<b>32</b>
<b>Profit/(Loss) attributable to: -</b>				
Owners of the Company	1,142	(396)	1,199	337
Non-controlling interest	(150)	(158)	(140)	(332)
	992	(554)	1,059	5
<b>Total comprehensive income/(loss) attributable to: -</b>				
Owners of the Company	1,151	(390)	1,208	350
Non-controlling interest	(140)	(151)	(130)	(318)
<b>Total comprehensive income/(loss) for the financial period</b>	<b>1,011</b>	<b>(541)</b>	<b>1,078</b>	<b>32</b>
<b>Earnings/(Loss) per share attributable to owners of the Company (sen): -</b>				
Basic	0.38	(0.14)	0.41	0.12
Diluted	0.38	(0.14)	0.41	0.12

## 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 2023 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 JUNE 2024<sup>(1)</sup>**

	<b>Unaudited As At 30/06/2024 RM'000</b>	<b>Audited As At 31/12/2023 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	8,748	9,347
Investment properties	12,989	13,063
Deferred tax assets	3,603	3,494
<b>Total non-current assets</b>	<b>25,340</b>	<b>25,904</b>
<b>Current assets</b>		
Inventories	4,274	4,547
Trade receivables	19,868	17,238
Other receivables	18,343	10,138
Tax recoverable	3,094	2,908
Fixed deposits with a licensed financial institution	445	439
Cash and bank balances and short-term investments	7,559	7,709
<b>Total current assets</b>	<b>53,583</b>	<b>42,979</b>
<b>TOTAL ASSETS</b>	<b>78,923</b>	<b>68,883</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	37,739	35,623
Merge deficit	(20,431)	(20,431)
Capital reserve	631	631
Share based payment reserve	1,470	1,398
Foreign exchange reserve	11	2
Retained earnings	22,013	20,814
<b>Equity attributable to owners of the Company</b>	<b>41,433</b>	<b>38,037</b>
<b>Non-controlling interest</b>	<b>(305)</b>	<b>(175)</b>
<b>TOTAL EQUITY</b>	<b>41,128</b>	<b>37,862</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Bank borrowings	6,197	6,466
Lease liabilities	450	641
Employees' benefits	7	8
<b>Total non-current liabilities</b>	<b>6,654</b>	<b>7,115</b>
<b>Current Liabilities</b>		
Trade payables	8,524	7,342
Other payables and accruals	1,114	1,349
Contract liabilities	19,678	14,072
Bank borrowings	1,470	731
Lease liabilities	327	412
Tax payable	28	-
<b>Total current liabilities</b>	<b>31,141</b>	<b>23,906</b>
<b>TOTAL LIABILITIES</b>	<b>37,795</b>	<b>31,021</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>78,923</b>	<b>68,883</b>
<b>Net assets per ordinary share (RM) <sup>(2)</sup></b>	<b>0.14</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 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per ordinary share is calculated based on the number of ordinary shares in issue of 299,679,925 shares. (2023: 284,679,925).

# FLEXIDYNAMIC HOLDINGS BERHAD

Registration No: 201901010656 (1319984-V)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2024<sup>(1)</sup>

	← 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
<b>6 Months Ended 30 June 2024</b>									
Balance at 1 January 2024	35,623	(20,431)	631	1,398	2	20,814	38,037	(175)	37,862
<b>Transactions with owners:</b>									
Issue of ordinary shares	2,175	-	-	-	-	-	2,175	-	2,175
Share issuance expenses	(59)	-	-	-	-	-	(59)	-	(59)
Share based payment relating to ESOS	-	-	-	72	-	-	72	-	72
Total transactions with owners	2,116	-	-	72	-	-	2,188	-	2,188
Profit/(Loss) after tax	-	-	-	-	-	1,199	1,199	(140)	1,059
Foreign currency translations differences	-	-	-	-	9	-	9	10	19
Total comprehensive income/(loss) for the period	-	-	-	-	9	1,199	1,208	(130)	1,078
<b>Balance at 30 June 2024 (Unaudited)</b>	<b>37,739</b>	<b>(20,431)</b>	<b>631</b>	<b>1,470</b>	<b>11</b>	<b>22,013</b>	<b>41,433</b>	<b>(305)</b>	<b>41,128</b>
<b>6 Months Ended 30 June 2023</b>									
Balance at 1 January 2023	35,623	(20,431)	631	1,114	(8)	19,905	36,834	346	37,180
<b>Transactions with owners:</b>									
Share based payment relating to ESOS	-	-	-	155	-	-	155	-	155
Total transactions with owners	-	-	-	155	-	-	155	-	155
Profit/(Loss) after tax	-	-	-	-	-	337	337	(332)	5
Foreign currency translations differences	-	-	-	-	13	-	13	14	27
Total comprehensive income/(loss) for the period	-	-	-	-	13	337	350	(318)	32
<b>Balance at 30 June 2023 (Unaudited)</b>	<b>35,623</b>	<b>(20,431)</b>	<b>631</b>	<b>1,269</b>	<b>5</b>	<b>20,242</b>	<b>37,339</b>	<b>28</b>	<b>37,367</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 2023 and the accompanying explanatory notes attached to this interim financial report.

**FLEXIDYNAMIC HOLDINGS BERHAD**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2024<sup>(1)</sup>**

	<b>6 months ended Unaudited 30/06/2024 RM'000</b>	<b>6 months ended Unaudited 30/06/2023 RM'000</b>
<b>CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES</b>		
Profit before tax	1,067	1,710
Adjustments for: -		
Depreciation of property, plant and equipment	548	674
Depreciation of investment properties	74	49
(Gain)/Loss on disposal of property, plant and equipment	(138)	19
Interest expenses	177	116
Interest income	(19)	(68)
Property, plant and equipment written off	-	12
Share based payment expenses	72	155
Dividend income	(62)	(24)
Employees' benefits	-	-
Unrealised gain on foreign exchange	(200)	(192)
	<hr/>	<hr/>
Operating profit before working capital changes	1,519	2,451
Decrease in inventories	273	986
(Increase)/Decrease in receivables	(10,833)	9,365
Increase/(Decrease) in payables and contract liabilities	6,560	(7,338)
	<hr/>	<hr/>
Cash generated (used in)/from operations	(2,481)	5,464
Tax paid	(289)	(793)
Tax refunded	13	-
	<hr/>	<hr/>
Net cash (used in)/from operating activities	(2,757)	4,671
	<hr/>	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(31)	(27)
Interests received	19	69
Dividend received	62	24
Proceed from disposal of property, plant and equipment	214	40
	<hr/>	<hr/>
Net cash from investing activities	264	106
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**FLEXIDYNAMIC HOLDINGS BERHAD**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2024<sup>(1)</sup> (Cont'd)**

	<b>6 months ended Unaudited 30/06/2024 RM'000</b>	<b>6 months ended Unaudited 30/06/2023 RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interests paid	(173)	(116)
Proceeds from issuance of ordinary shares	2,175	-
Share issuance expenses	(59)	-
Drawdown of bank borrowings	986	11,580
Repayments of bank borrowings	(516)	(8,249)
Repayments of lease liabilities	(275)	(247)
Net cash from financing activities	<u>2,138</u>	<u>2,968</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(355)</b>	<b>7,745</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	<b>8,148</b>	<b>11,480</b>
<b>EFFECT OF EXCHANGE RATES CHANGES</b>	<b>211</b>	<b>219</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<b><u>8,004</u></b>	<b><u>19,444</u></b>
<b>Represented by: -</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	7,559	19,011
Fixed deposits with a licensed financial institution	445	433
	<u>8,004</u>	<u>19,444</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 2023 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 SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2024

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

#### A1. BASIS OF PREPARATION

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

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2023. 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 2023.

#### A2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information 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 2023.

On 1 January 2024, the Group adopted the following new and amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2024.

- MFRS 7: Financial Instruments: Disclosure – Supplier Finance Arrangements
- Amendments to MFRS 16: Leases - Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101: Presentation of Financial Statements - Non-current Liabilities with Covenants
- Amendments to MFRS 107: Statement of Cash Flows – Supplier Finance Arrangements

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 2024 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 121: The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability	1 January 2025
Amendments to MFRS 7: Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9: Financial Instruments – Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19: Subsidiaries without Public Accountability - Disclosures	1 January 2027

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## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2024

### A2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

The new and amended standards and interpretations that are issued, but not yet effective for 31 December 2024 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 2023 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 FLOWS

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.

### A7. DEBT AND EQUITY SECURITIES

There was no other 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.



**FLEXIDYNAMIC HOLDINGS BERHAD**

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**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2024****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, the Group principally 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 6 months ended	
	Unaudited 30/06/2024 RM'000	Unaudited 30/06/2023 RM'000	Unaudited 30/06/2024 RM'000	Unaudited 30/06/2023 RM'000
Local	5,902	3,664	10,338	8,398
Overseas <sup>(1)</sup>	1,855	9,636	2,164	15,705
	<u>7,757</u>	<u>13,300</u>	<u>12,502</u>	<u>24,103</u>

Note:

(1) Includes Vietnam, Thailand, Indonesia, Sri Lanka and the 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**Investment in a subsidiary

The Company had on 12 June 2024, entered into a binding letter of intent ("Letter of Intent") with Gammatech Sdn Bhd ("Gammatech") for the subscription of 1,040,816 new ordinary shares, representing 51% of the enlarged issued share capital in Gammatech at a total subscription price of RM1,040,816 or RM1.00 per ordinary share ("Subscription"). The said subscription had been completed on 18 July 2024 and Gammatech is a 51%-owned subsidiary of the Company.

Save for the above, there were no other changes in the composition of the Group for the current financial quarter under review.

**A12. CAPITAL COMMITMENTS**

The capital commitments of the Group as at 30 June 2024 is as follow: -

	Unaudited As At 30/06/2024 RM'000	Unaudited As At 30/06/2023 RM'000
Authorised and contracted for: - Property, plant and equipment	<u>48</u>	<u>155</u>

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**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2024****A13. SIGNIFICANT RELATED PARTY TRANSACTIONS**

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

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
	<b>30/06/2024</b>	<b>30/06/2023</b>	<b>30/06/2024</b>	<b>30/06/2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Rental expenses	16	16	33	33
Lease payment	6	6	12	12
Interest payment	4	-	4	-

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**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2024****PART B – EXPLANATORY NOTES PURSUANT TO CHARTER 9, APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES****B1. PERFORMANCE REVIEW**

	Individual Quarter			Cumulative Quarter		
	3 months ended			6 months ended		
	Unaudited 30/06/2024 RM'000	Unaudited 30/06/2023 RM'000	Changes %	Unaudited 30/06/2024 RM'000	Unaudited 30/06/2023 RM'000	Changes %
Revenue	7,757	13,300	(41.68)	12,502	24,103	(48.13)
Operating Profit	1,313	1,541	(14.80)	1,817	2,778	(34.59)
Profit before interest and tax	999	944	5.83	1,225	1,758	(30.32)
Profit before tax	916	934	(1.93)	1,067	1,710	(37.60)
Profit/(Loss) after tax	992	(554)	279.06	1,059	5	21,080.00
Profit/(Loss) attributable to: -						
Owners of the Company	1,142	(396)	388.38	1,199	337	255.79

**(a) Results for current financial quarter**

The Group recorded revenue of RM7.76 million for the current financial quarter ended 30 June 2024, representing a decrease of RM5.54 million or 41.68% as compared to RM13.30 million in the previous year's corresponding financial quarter. The decrease in revenue was mainly due to the decrease in revenue from overseas arising from the completion of overseas projects in the previous financial year. Notwithstanding, the Group recorded an increase in revenue from repair and maintenance on the current system, system and equipment upgrades for the storage and process tanks from the existing customers in the current financial quarter.

The Group's revenue was mainly derived from the design, engineering, installation and commissioning of glove chlorination system. The local and overseas markets contributed 76.09% and 23.91%, respectively, to the Group's revenue in the current financial quarter.

The Group recorded profit before tax of RM0.92 million for the current financial quarter ended 30 June 2024, representing a decrease of approximately RM0.01 million or 1.93% as compared to RM0.93 million in the previous year's corresponding financial quarter. The decrease in profit before tax was mainly due to an increase in finance cost in the current financial quarter.

The profit after tax of RM0.99 million for the current financial quarter ended 30 June 2024 was mainly due to recognition of deferred tax assets arising from downpayment received from customers.

**(b) Results for financial period-to-date**

The Group recorded revenue of RM12.50 million for the current financial period ended 30 June 2024, representing a decrease of RM11.60 million or 48.13% as compared to RM24.10 million recorded in the previous year's corresponding period. The decrease in revenue was mainly due to the decrease in revenue from overseas arising from the completion of overseas projects in the previous financial year.

The Group recorded profit before tax of RM1.07 million for the current financial period ended 30 June 2024, representing a decrease of approximately RM0.64 million or 37.60% as compared to RM1.71 million in the previous year's corresponding period. The decrease in profit before tax was mainly due to decrease in revenue and an increase in finance cost in the current financial period.

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### NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2024

#### B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER RESULTS

	Individual Quarter		Change	
	3 months ended			
	Unaudited 30/06/2024 RM'000	Unaudited 31/03/2024 RM'000	RM'000	%
Revenue	7,757	4,745	3,012	63.48
Profit before tax	916	151	765	506.62
Profit after tax	992	67	925	1,380.60
Profit attributable to: -				
Owners of the Company	1,142	57	1,085	1,903.51

The Group's revenue for the current financial quarter ended 30 June 2024 increase by approximately RM3.01 million or 63.48% to RM7.76 million as compared to RM4.75 million in the preceding financial quarter ended 31 March 2024. The increase in revenue was mainly due to system and equipment upgrades for the storage and process tanks from existing customers and final claim issued for completed projects in the current financial quarter.

The Group recorded profit before tax of RM0.92 million for the current financial quarter ended 30 June 2024, representing an increase of approximately RM0.77 million or 506.62% as compared to RM0.15 million in the preceding financial quarter ended 31 March 2024. The increase in profit before tax was mainly due to higher gross profit on certain projects in the current financial quarter.

#### B3. PROSPECT AND OUTLOOK

The global oversupply of gloves affecting our customers is expected to persist due to the excessive capacity expansion by glove manufacturers during the Covid-19 pandemic. Capacity rationalisation and the resulting slowdown in expansion among glove manufacturers are anticipated to negatively impact the Group, as project-driven revenue continues to be the Group's primary source of income.

Despite the current negative sentiment, global glove consumption is expected to rise in the long term as awareness and usage increase, particularly in emerging markets with low glove consumption where gloves are essential, especially in the healthcare sector. Greater hygiene awareness stemming from lessons learned during the previous pandemic and the recent emergence of Mpox is expected to further drive demand for gloves.

The Group was recently awarded a project for the supply and installation of mechanical and electrical works for the water treatment plant and water intake at Loji Rawatan Air Chupak, Jajahan Gua Musang, Kelantan. This project is expected to contribute positively to the Group's earnings.

The Group also plans to provide sterilisation services using gamma radiation through Gammatech, its 51%-owned subsidiary. The project is currently in the planning stages, and an announcement will be made on Bursa Securities as and when updates are available.

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.

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**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2024****B4. VARIANCE FROM PROFIT FORECAST**

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

**B5. TAX EXPENSE**

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	Unaudited 30/06/2024 RM'000	Unaudited 30/06/2023 RM'000	Unaudited 30/06/2024 RM'000	Unaudited 30/06/2023 RM'000
Income tax	100	(46)	117	1
Deferred tax	(176)	1,534	(109)	1,704
	<u>(76)</u>	<u>1,488</u>	<u>8</u>	<u>1,705</u>
Effective tax rate	(8.37%) <sup>(1)</sup>	159.31%	0.76% <sup>(1)</sup>	99.71%

Notes:

- (1) The Group's effective tax rate is lower than statutory tax rate i.e. 24.00% for the current financial quarter ended 30 June 2024, mainly due to recognition of deferred tax assets arising from downpayment received from customers and utilisation of unabsorbed tax loss brought forward from prior financial year.
- (2) Tax expense is recognised based on management's best estimate.

**B6. STATUS OF CORPORATE PROPOSAL**

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

**B7. UTILISATION OF PROCEEDS**

The status of utilisation of the gross proceeds raised from the Private Placement is as follows:

Proposed Utilisation of Proceeds	Proposed Utilisation <sup>(1)</sup> RM'000	Actual Proceeds <sup>(2)</sup> RM'000	Actual Utilisation RM'000	Balance Unutilised RM'000	Intended Timeframe for Utilisation
Working capital	2,667	2,092	(2,092)	-	Within 6 months
Future business expansion	2,500	-	-	-	Within 18 months
Estimated expenses for the Private Placement	100	83	(83)	-	Within 1 month
<b>Total</b>	<b><u>5,267</u></b>	<b><u>2,175</u></b>	<b><u>(2,175)</u></b>	<b>-</b>	

Notes:

- (1) The utilisation of proceeds as disclosed above should be read in conjunction with the Announcement for the Private Placement dated 2 January 2024.
- (2) As at the date of this report, the Group had issued a total of 15,000,000 Placement Shares at RM0.145 per Placement Share, raising total proceeds of RM2.175 million.
- (3) The Private Placement had lapsed on 31 July 2024 and was deemed completed on even date.

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**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2024****B8. BORROWINGS**

	Unaudited As At 30/06/2024		Unaudited As At 30/06/2023	
	Foreign denomination '000	RM '000	Foreign denomination '000	RM '000
<b>Current:</b>				
<b>Secured</b>				
Bank borrowings		1,470		1,316
Lease liabilities		311		353
Lease liabilities	THB 123	16	THB 521	68
		<u>1,797</u>		<u>1,737</u>
<b>Non-current:</b>				
<b>Secured</b>				
Bank borrowings		6,197		11,977
Lease liabilities		449		833
Lease liabilities	THB 9	1	THB 184	24
		<u>6,647</u>		<u>12,834</u>
<b>Total borrowings</b>		<u>8,444</u>		<u>14,571</u>
Exchange Rate RM to THB100		12.8308		13.1427

**B9. 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.

**B10. PROPOSED DIVIDEND**

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

**B11. EARNINGS/(LOSS) PER SHARE****(a) Basic earnings/(loss) per share**

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

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	Unaudited 30/06/2024	Unaudited 30/06/2023	Unaudited 30/06/2024	Unaudited 30/06/2023
Profit/(Loss) after tax attributable to owners of the Company (RM'000)	1,142	(396)	1,199	337
Weighted average number of ordinary shares in issue ('000)	299,680	284,680	294,293	284,680
Basic earnings/(loss) per share (sen)	<u>0.38</u>	<u>(0.14)</u>	<u>0.41</u>	<u>0.12</u>

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**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2024****B11. EARNINGS/(LOSS) PER SHARE (cont'd)****(b) Diluted earnings/(loss) per share**

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

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	Unaudited 30/06/2024	Unaudited 30/06/2023	Unaudited 30/06/2024	Unaudited 30/06/2023
Profit/(Loss) after tax attributable to owners of the Company (RM'000)	1,142	(396)	1,199	337
Weighted average number of ordinary shares in issue ('000)	299,680	284,680	294,293	284,680
Effect of dilutive potential ordinary share - ESOS ('000)	-(2)	1,211	-(2)	1,211
Weighted average number of ordinary shares for diluted earnings per share ('000)	299,680	285,891	294,293	285,891
Diluted earnings/(loss) per share (sen) <sup>(1)</sup>	0.38	(0.14)	0.41	0.12

Notes:

- (1) The diluted earnings/(loss) per share of the Company has been adjusted for the dilutive effects of the potential ordinary shares, i.e., share options granted to the eligible Directors and employees on the assumption that the full exercise of the share options on the share options grant date.
- (2) Diluted earnings/(loss) per share of the Company for the individual and cumulative quarter 30 June 2024 was equivalent to the basic earnings per share as the share option had an anti-dilutive effect of the basic earnings per share and the Company has no other dilutive potential ordinary shares in issue at the end of the reporting period.

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**NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2024****B12. PROFIT BEFORE TAX**

	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	Unaudited 30/06/2024 RM'000	Unaudited 30/06/2023 RM'000	Unaudited 30/06/2024 RM'000	Unaudited 30/06/2023 RM'000
Profit before tax is arrived at after charging/(crediting): -				
Depreciation of property, plant and equipment	266	336	548	674
Depreciation of investment properties	37	24	74	49
Interest expenses	93	32	177	116
Property, plant and equipment written off	-	9	-	12
Realised loss/(gain) on foreign exchange	-	233	(33)	308
(Gain)/Loss on disposal of property, plant and equipment	(62)	19	(138)	19
Unrealised gain on foreign exchange	(3)	(62)	(200)	(192)
Interest income	(10)	(22)	(19)	(68)
Share based payment expenses	32	77	72	155