



FLEXIDYNAMIC HOLDINGS BERHAD

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

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2024**

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 2024⁽¹⁾

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	Unaudited 30/09/2024 RM'000	Unaudited 30/09/2023 RM'000	Unaudited 30/09/2024 RM'000	Unaudited 30/09/2023 RM'000
Revenue	19,229	5,503	31,731	29,606
Cost of sales	(15,754)	(4,683)	(24,010)	(22,971)
Gross profit	3,475	820	7,721	6,635
Other income	7	243	791	743
Selling and distribution expenses	(190)	(150)	(428)	(494)
Administrative expenses	(1,543)	(1,508)	(4,518)	(4,701)
Other expenses	(1,037)	(315)	(1,629)	(1,335)
Profit/(Loss) from operations	712	(910)	1,937	848
Finance costs	(81)	(55)	(258)	(171)
Finance income	10	15	29	83
Profit/(Loss) before tax	641	(950)	1,708	760
Tax income/(expense)	179	39	171	(1,666)
Profit/(Loss) after tax	820	(911)	1,879	(906)
Other comprehensive income: -				
<i>Item that will be reclassified subsequently to profit or loss</i>				
Foreign currency translations differences	-	(5)	19	22
Total comprehensive income/(loss) for the financial period	820	(916)	1,898	(884)
Profit/(Loss) attributable to: -				
Owners of the Company	854	(824)	2,053	(487)
Non-controlling interest	(34)	(87)	(174)	(419)
	820	(911)	1,879	(906)
Total comprehensive income/(loss) attributable to: -				
Owners of the Company	854	(826)	2,062	(476)
Non-controlling interest	(34)	(90)	(164)	(408)
Total comprehensive income/(loss) for the financial period	820	(916)	1,898	(884)
Earnings/(Loss) per share attributable to owners of the Company (sen): -				
Basic	0.28	(0.29)	0.69	(0.17)
Diluted	0.28	(0.29)	0.69	(0.17)

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 SEPTEMBER 2024⁽¹⁾

	Unaudited As At 30/09/2024 RM'000	Audited As At 31/12/2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	8,595	9,347
Investment properties	12,952	13,063
Deferred tax assets	3,848	3,494
Total non-current assets	25,395	25,904
Current assets		
Inventories	3,835	4,547
Trade receivables	23,599	17,238
Other receivables	16,525	10,138
Contract assets	2,808	-
Tax recoverable	3,057	2,908
Fixed deposits with a licensed financial institution	448	439
Cash and bank balances and short-term investments	8,643	7,709
Total current assets	58,915	42,979
TOTAL ASSETS	84,310	68,883
EQUITY AND LIABILITIES		
EQUITY		
Share capital	37,739	35,623
Merge deficit	(20,826)	(20,431)
Capital reserve	631	631
Share based payment reserve	1,498	1,398
Foreign exchange reserve	11	2
Retained earnings	22,867	20,814
Equity attributable to owners of the Company	41,920	38,037
Non-controlling interest	282	(175)
TOTAL EQUITY	42,202	37,862
LIABILITIES		
Non-current liabilities		
Bank borrowings	8,084	6,466
Lease liabilities	455	641
Employees' benefits	7	8
Total non-current liabilities	8,546	7,115
Current Liabilities		
Trade payables	13,459	7,342
Other payables and accruals	911	1,349
Contract liabilities	18,005	14,072
Bank borrowings	825	731
Lease liabilities	329	412
Tax payable	33	-
Total current liabilities	33,562	23,906
TOTAL LIABILITIES	42,108	31,021
TOTAL EQUITY AND LIABILITIES	84,310	68,883
Net assets per ordinary share (RM) ⁽²⁾	0.14	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 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
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2024⁽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 2024									
Balance at 1 January 2024	35,623	(20,431)	631	1,398	2	20,814	38,037	(175)	37,862
Transactions with owners:									
Issue of ordinary shares	2,175	-	-	-	-	-	2,175	-	2,175
Share issuance expenses	(59)	-	-	-	-	-	(59)	-	(59)
Share based payment relating to ESOS	-	-	-	100	-	-	100	-	100
Subscription share in subsidiary	-	(395)	-	-	-	-	(395)	621	226
Total transactions with owners	2,116	(395)	-	100	-	-	1,821	621	2,442
Profit/(Loss) after tax	-	-	-	-	-	2,053	2,053	(174)	1,879
Foreign currency translations differences	-	-	-	-	9	-	9	10	19
Total comprehensive income/(loss) for the period	-	-	-	-	9	2,053	2,062	(164)	1,898
Balance at 30 September 2024 (Unaudited)	37,739	(20,826)	631	1,498	11	22,867	41,920	282	42,202
9 Months Ended 30 September 2023									
Balance at 1 January 2023	35,623	(20,431)	631	1,114	(8)	19,905	36,834	346	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	19,418	36,582	(62)	36,520

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 THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2024⁽¹⁾

	9 months ended Unaudited 30/09/2024 RM'000	9 months ended Unaudited 30/09/2023 RM'000
CASH FLOWS USED IN OPERATING ACTIVITIES		
Profit before tax	1,708	760
Adjustments for: -		
Depreciation of property, plant and equipment	800	987
Depreciation of investment properties	111	74
Gain on disposal of property, plant and equipment	(138)	(59)
Interest expenses	258	171
Interest income	(29)	(83)
Property, plant and equipment written off	17	12
Share based payment expenses	100	224
Dividend income	(86)	(48)
Unrealised loss/(gain) on foreign exchange	755	(229)
	<hr/>	<hr/>
Operating profit before working capital changes	3,496	1,809
Decrease in inventories	712	1,572
(Increase)/Decrease in receivables	(12,747)	6,547
Increase/(Decrease) in payables and contract liabilities	6,802	(9,718)
	<hr/>	<hr/>
Cash generated (used in)/from operations	(1,737)	210
Tax paid	(312)	(797)
Tax refunded	13	-
	<hr/>	<hr/>
Net cash used in operating activities	(2,036)	(587)
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(44)	(257)
Interests received	29	83
Dividend received	86	48
Proceed from disposal of property, plant and equipment	214	245
Subscription share in subsidiary by non-controlling interest	226	-
	<hr/>	<hr/>
Net cash from investing activities	511	119
	<hr/>	<hr/>

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2024⁽¹⁾ (Cont'd)

	9 months ended Unaudited 30/09/2024 RM'000	9 months ended Unaudited 30/09/2023 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Interests paid	(258)	(171)
Proceeds from issuance of ordinary shares	2,175	-
Share issuance expenses	(59)	-
Drawdown of bank borrowings	2,986	11,580
Repayments of bank borrowings	(1,275)	(14,094)
Repayments of lease liabilities	(371)	(230)
Net cash from/(used in) financing activities	3,198	(2,915)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,673	(3,383)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	8,148	11,480
EFFECT OF EXCHANGE RATES CHANGES	(730)	250
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	9,091	8,347
Represented by: -		
CASH AND CASH EQUIVALENTS		
Cash and bank balances	8,643	7,911
Fixed deposits with a licensed financial institution	448	436
	9,091	8,347

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.

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

Standards	Effective for financial period beginning on or after
Amendments to MFRS 121: The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability	1 January 2025
Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards – Annual Improvements – Volume 11	1 January 2026
Amendments to MFRS 7: Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 7: Financial Instruments: Disclosures – Annual Improvements – Volume 11	1 January 2026
Amendments to MFRS 9: Financial Instruments – Amendments to the Classification and Measurement of Financial Instruments	1 January 2026

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

Standards	Effective for financial period beginning on or after
Amendments to MFRS 9: Financial Instruments – Annual Improvements – Volume 11	1 January 2026
Amendments to MFRS 10: Consolidated Financial Statements – Annual Improvements – Volume 11	1 January 2026
Amendments to MFRS 107: Statement of Cash Flows – Annual Improvements – Volume 11	1 January 2026
MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19: Subsidiaries without Public Accountability - Disclosures	1 January 2027
Amendment to MFRS 10 and MFRS 128: Consolidated Financial Statements & Investments In Associates and Joint Ventures – Sales or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred to a date to be determined and announced

* Not applicable to the Group's operation

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

A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report for the preceding financial year ended 31 December 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.

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NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2024**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.

On 11 March 2024, the Group was awarded a sub-contract for supply and installation of mechanical and electrical (“M&E”) engineering works for the water treatment plant and water intake at Loji Rawatan Air Chupak, Jajahan Gua Musang, Kelantan. This sub-contract has started to contribute to the Group’s earnings.

The Group is currently involved in two operating segments, namely the glove manufacturing industry and M&E engineering industry. The glove manufacturing industry and M&E engineering industry contributed 86% and 14% respectively, to the Group’s revenue in the current financial period.

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 30/09/2024 RM'000	Unaudited 30/09/2023 RM'000	Unaudited 30/09/2024 RM'000	Unaudited 30/09/2023 RM'000
Local	18,678	2,387	29,016	10,785
Overseas ⁽¹⁾	551	3,116	2,715	18,821
	<u>19,229</u>	<u>5,503</u>	<u>31,731</u>	<u>29,606</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

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

FLEXIDYNAMIC HOLDINGS BERHAD

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NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2024**A12. CAPITAL COMMITMENTS**

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

	Unaudited As At 30/09/2024 RM'000
Authorised and contracted for: -	
Property, plant and equipment	<u>6,066</u>

A13. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	Unaudited 30/09/2024 RM'000	Unaudited 30/09/2023 RM'000	Unaudited 30/09/2024 RM'000	Unaudited 30/09/2023 RM'000
Rental expenses	17	17	50	50
Lease payment	6	7	18	19
Interest payment	-	-	4	-
Sales of trading good	-	4	-	4
Purchase of timber	79	-	79	-
	<u>79</u>	<u>-</u>	<u>79</u>	<u>-</u>

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NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 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			9 months ended		
	Unaudited	Unaudited	Changes	Unaudited	Unaudited	Changes
	30/09/2024	30/09/2023	%	30/09/2024	30/09/2023	%
	RM'000	RM'000		RM'000	RM'000	
Revenue	19,229	5,503	249.43	31,731	29,606	7.18
Operating Profit/(Loss)	1,749	(595)	393.95	3,566	2,183	63.35
Profit/(Loss) before interest and tax	712	(910)	178.24	1,937	848	128.42
Profit/(Loss) before tax	641	(950)	167.47	1,708	760	124.74
Profit/(Loss) after tax	820	(911)	190.01	1,879	(906)	307.40
Profit/(Loss) attributable to: - Owners of the Company	854	(824)	203.64	2,053	(487)	521.56

(a) Results for current financial quarter

The Group recorded revenue of RM19.23 million for the current financial quarter ended 30 September 2024, representing an increase of RM13.73 million or 249.43% as compared to RM5.50 million in the previous year's corresponding financial quarter. The increase in revenue was mainly due to existing customers upgrades their current production system and revenue from the sub-contract for supply and installation of M&E engineering works in the current financial quarter.

The Group's revenue was derived from the design, engineering, installation and commissioning of glove chlorination system and supply and installation of M&E engineering works. The local and overseas markets contributed 97.13% and 2.87%, respectively, to the Group's revenue in the current financial quarter.

The Group recorded profit before tax of RM0.64 million for the current financial quarter ended 30 September 2024, representing an increase of approximately RM1.59 million or 167.47% as compared to loss before tax of RM0.95 million in the previous year's corresponding financial quarter. The increase in profit before tax was due to higher gross profit on certain projects in the current financial quarter.

The profit after tax of RM0.82 million for the current financial quarter ended 30 September 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 RM31.73 million for the current financial period ended 30 September 2024, representing an increase of RM2.13 million or 7.18% as compared to RM29.61 million recorded in the previous year's corresponding period. The increase in revenue was mainly due to the revenue from M&E engineering's work recorded in the current financial period.

The Group recorded profit after tax of RM1.88 million for the current financial period ended 30 September 2024, representing an increase of approximately RM2.79 million or 307.40% as compared to loss after tax of RM0.91 million in the previous year's corresponding period. The increase in profit before tax was mainly due to higher gross profit on certain projects and recognition of deferred tax assets arising from downpayment received from customers in the current financial period.

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NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2024

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER RESULTS

	Individual Quarter		Change	
	3 months ended			
	Unaudited 30/09/2024 RM'000	Unaudited 30/06/2024 RM'000	RM'000	%
Revenue	19,229	7,757	11,472	147.89
Profit before tax	641	916	(275)	(30.02)
Profit after tax	820	992	(172)	(17.34)
Profit attributable to: -				
Owners of the Company	854	1,142	(288)	(25.22)

The Group's revenue for the current financial quarter ended 30 September 2024 increase by approximately RM11.47 million or 147.89% to RM19.23 million as compared to RM7.76 million in the preceding financial quarter ended 30 June 2024. The increase in revenue was mainly due to system and equipment upgrades for the replacement parts, storage and process tanks from existing customers and revenue from M&E engineering works performed in the current financial quarter.

The Group recorded profit before tax of RM0.64 million for the current financial quarter ended 30 September 2024, representing a decrease of approximately RM0.28 million or 30.02% as compared to RM0.92 million in the preceding financial quarter ended 30 June 2024. The decrease in profit before tax was mainly due to foreign exchange fluctuation in the current financial quarter.

B3. PROSPECT AND OUTLOOK

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 Office of the United States Trade Representative (USTR)'s recent announcement of increase import tariffs on China-made medical and surgical gloves to 50% effective from January 2025, and up to 100% by January 2026. With the import tariffs increase on China, our local customers are preparing to upgrade the current system and equipment to meet the returning glove demand.

The Group was recently awarded a sub-contract for the supply and installation of M&E works for the water treatment plant and water intake at Loji Rawatan Air Chupak, Jajahan Gua Musang, Kelantan. This sub-contract has started to contribute to the Group's earnings.

The Group also plans to provide sterilisation services using gamma radiation through Gammatech Sdn Bhd, 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 THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 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 9 months ended	
	Unaudited 30/09/2024 RM'000	Unaudited 30/09/2023 RM'000	Unaudited 30/09/2024 RM'000	Unaudited 30/09/2023 RM'000
Income tax	65	14	183	15
Deferred tax	(244)	(53)	(354)	1,651
	<u>(179)</u>	<u>(39)</u>	<u>(171)</u>	<u>1,666</u>
Effective tax rate	(27.93%) ⁽¹⁾	4.11%	(10.01%) ⁽¹⁾	219.21%

Notes:

- (1) The Group's effective tax rate is lower than statutory tax rate i.e. 24% for the current financial quarter ended 30 September 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 ⁽¹⁾ RM'000	Actual Proceeds ⁽²⁾ 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
Total	<u>5,267</u>	<u>2,175</u>	<u>(2,175)</u>	-	

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 THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2024**B8. BORROWINGS**

	Unaudited As At 30/09/2024		Unaudited As At 30/09/2023	
	Foreign denomination '000	RM '000	Foreign denomination '000	RM '000
Current:				
Secured				
Bank borrowings		825		846
Lease liabilities		319		416
Lease liabilities	THB 79	10	THB 307	39
		<u>1,154</u>		<u>1,301</u>
Non-current:				
Secured				
Bank borrowings		8,084		6,603
Lease liabilities		455		817
Lease liabilities	THB	-	THB 175	23
		<u>8,539</u>		<u>7,443</u>
Total borrowings		<u>9,693</u>		<u>8,744</u>
Exchange Rate RM to THB100		12.8032		12.8583

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 9 months ended	
	Unaudited 30/09/2024	Unaudited 30/09/2023	Unaudited 30/09/2024	Unaudited 30/09/2023
Profit/(Loss) after tax attributable to owners of the Company (RM'000)	854	(824)	2,053	(487)
Weighted average number of ordinary shares in issue ('000)	299,680	284,680	296,108	284,680
Basic earnings/(loss) per share (sen)	<u>0.28</u>	<u>(0.29)</u>	<u>0.69</u>	<u>(0.17)</u>

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NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 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		Cumulative Quarter	
	3 months ended		9 months ended	
	Unaudited 30/09/2024	Unaudited 30/09/2023	Unaudited 30/09/2024	Unaudited 30/09/2023
Profit/(Loss) after tax attributable to owners of the Company (RM'000)	854	(824)	2,053	(487)
Weighted average number of ordinary shares in issue ('000)	299,680	284,680	296,108	284,680
Effect of dilutive potential ordinary share - ESOS ('000)	_(2)	438	_(2)	438
Weighted average number of ordinary shares for diluted earnings per share ('000)	299,680	285,118	296,108	285,118
Diluted earnings/(loss) per share (sen) ⁽¹⁾	0.28	(0.29)	0.69	(0.17)

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 September 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 THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2024**B12. PROFIT/(LOSS) BEFORE TAX**

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	Unaudited 30/09/2024 RM'000	Unaudited 30/09/2023 RM'000	Unaudited 30/09/2024 RM'000	Unaudited 30/09/2023 RM'000
Profit/(Loss) before tax is arrived at after charging/(crediting): -				
Depreciation of property, plant and equipment	252	313	800	987
Depreciation of investment properties	37	25	111	74
Interest expenses	81	55	258	171
Property, plant and equipment written off	17	-	17	12
Realised loss/(gain) on foreign exchange	19	15	(14)	323
Gain on disposal of property, plant and equipment	-	(78)	(138)	(59)
Unrealised loss/(gain) on foreign exchange	955	(37)	755	(229)
Interest income	(10)	(15)	(29)	(83)
Share based payment expenses	28	69	100	224