



FLEXIDYNAMIC HOLDINGS BERHAD  
201901010656 (1319984-V)

ANNUAL REPORT  
2021

INFINITE  
POSSIBILITIES





# EXCELLENT GLOVES MANUFACTURING SOLUTIONS PROVIDER

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# ABOUT US

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Flexidynamic Group is a solutions provider for the rubber glove manufacturing industry with market presence in Thailand, Vietnam, Indonesia, and Sri Lanka, supported by our offices in Malaysia and Thailand, along with our manufacturing facility in Banting, Malaysia.

Incorporated in 2012, Flexidynamic Engineering Sdn Bhd started with humble beginnings, with a focus on providing chlorination system to glove manufacturers for the production of powder-free gloves. Over the years, we expanded our products in tandem with the enormous growth of the rubber glove manufacturing industry around the globe. In 2018, after the acquisition of Flexidynamic Engineering Co. Ltd. in Thailand, the incorporated subsidiary supported our overseas operations mainly in the Southeast Asia region.

With our wide range of products, continuous innovation, and strong support base, Flexidynamic Group looks to grow to new heights, both within and beyond the glove manufacturing industry.

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## OUR VALUES

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### ENERGY EFFICIENCY

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



### CUSTOMER SATISFACTION

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



### VALUE FOR MONEY

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



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### PHANG SZE FUI

Independent  
Non-Executive Chairperson

### TAN KONG LEONG

Managing Director

### SIN KUO WEI

Deputy Managing  
Director

### LIEW HENG WEI

Executive Director

### LION SUK CHIN

Executive Director

### NOOR ZALIZA YATI BINTI YAHYA

Independent  
Non-Executive Director

### CHONG KAI FENG

Independent  
Non-Executive Director

### POH CHEE FONG

Independent  
Non-Executive Director

## AUDIT AND RISK MANAGEMENT COMMITTEE

Noor Zaliza Yati Binti Yahya (Chairperson)  
Chong Kai Feng (Member)  
Poh Chee Fong (Member)

## REMUNERATION COMMITTEE

Chong Kai Feng (Chairperson)  
Noor Zaliza Yati Binti Yahya (Member)  
Poh Chee Fong (Member)

## NOMINATION COMMITTEE

Poh Chee Fong (Chairperson)  
Chong Kai Feng (Member)  
Noor Zaliza Yati Binti Yahya (Member)

## REGISTERED OFFICE

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

## HEAD OFFICE

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

## COMPANY SECRETARIES

Lim Seck Wah  
(MAICSA No. 0799845)  
(SSM PC No: 202008000054)

Tang Chi Hoe (Kevin)  
(MAICSA No. 7045754)  
(SSM PC No: 202008002054)

## AUDITORS

Grant Thornton Malaysia PLT  
(201906003682 & AF 0737)  
Level 11  
Sheraton Imperial Court  
Jalan Sultan Ismail, 50250 Kuala Lumpur  
Tel No. : 03-2692 4022  
Fax No. : 03-2732 1010

## SHARE REGISTRAR

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

## STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities  
Berhad



# CORPORATE STRUCTURE



## FLEXIDYNAMIC HOLDINGS BERHAD

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



**100%**

**Flexidynamic Engineering Sdn Bhd**  
Registration No. 201201038428 (1022906-K)

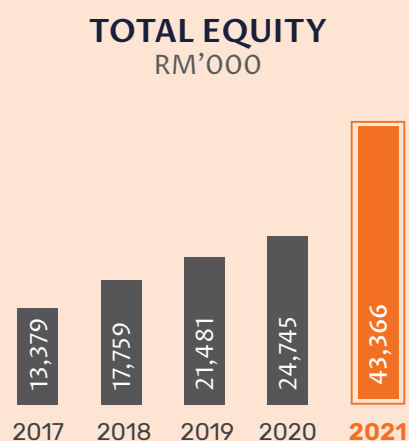
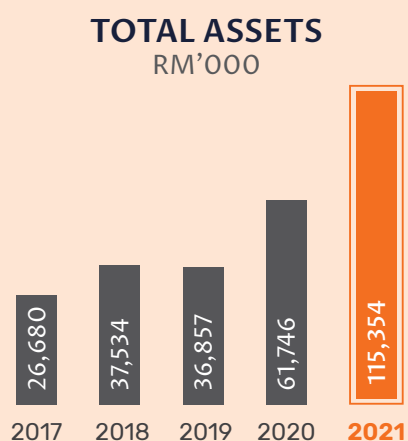
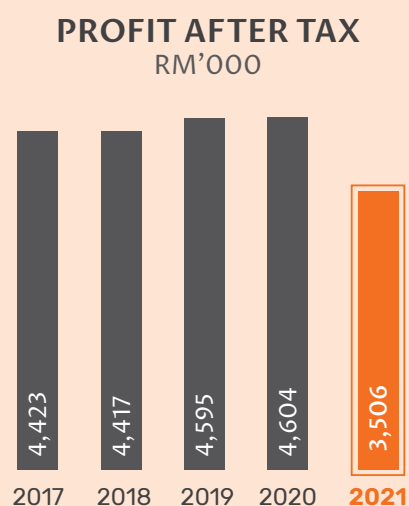
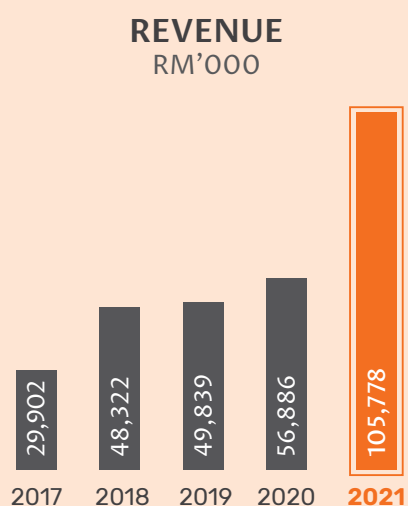


**49%**

**Flexidynamic Engineering Company Limited**  
Registration No. 0135558013141

# FINANCIAL HIGHLIGHTS

	FYE 2017	FYE 2018	FYE 2019	FYE 2020	FYE 2021
REVENUE (RM'000)	29,902	48,322	49,839	56,886	105,778
GROSS PROFIT (RM'000)	8,455	11,991	13,956	12,573	17,492
GROSS PROFIT MARGIN	28.28%	24.81%	28.00%	22.10%	16.54%
PROFIT AFTER TAX (RM'000)	4,423	4,417	4,595	4,604	3,506
PROFIT AFTER TAX MARGIN	14.79%	9.14%	9.22%	8.09%	3.31%
TOTAL ASSETS (RM'000)	26,680	37,534	36,857	61,746	115,354
TOTAL EQUITY (RM'000)	13,379	17,759	21,481	24,745	43,366



# PROFILE OF DIRECTORS

## PHANG SZE FUI



Female



50 years old



Malaysian

Phang Sze Fui, a Malaysian, female, aged 50, is our Independent Non-Executive Chairperson. She was appointed to our Board on 25 January 2021.

She obtained her Diploma in Commerce (Financial Accounting) from Tunku Abdul Rahman College in May 1997. She has been a member of The Association of Chartered Certified Accountants since November 2000, a fellow member of The Association of Chartered Certified Accountants since November 2005 and a member of the Malaysian Institute of Accountants since July 2009. Further, since September 2019, she has been an Audit Committee Member of the Institute of Internal Auditors Malaysia.

She began her career as Accounts Executive in Seawood Trading Company in November 1992. She subsequently started working with the company on a part-time basis from 1993 when she enrolled for her tertiary studies with Tunku Abdul Rahman College. She left in January 1995 to focus her studies. During her tenure with the company, she was involved in the handling of accounting records and related administrative matters.

Upon obtaining her diploma, she returned to work in July 1997 when she joined Monteiro & Heng (now known as Baker Tilly Monteiro Heng) as Graduate Assistant, where she was primarily involved in various statutory audit assignments. She was subsequently promoted to Senior Audit Manager, Associate Director of Transaction Reporting Division and Executive Director of Transaction Reporting Division in 2005, 2008 and 2011 respectively. During her tenure, she undertook various responsibilities including leading the audit team to conduct audit and special assignments, liaising with stakeholders, conducting training, ensuring compliance with auditing and accounting standards as well as regulatory requirements and expanding the growth of the Transaction Reporting Division. She left the firm in October 2015 and took a career break.

In May 2016, she joined Dolphin Applications Sdn Bhd (a subsidiary of Dolphin International Berhad, a company listed on Main Market of Bursa Securities) as Corporate Affairs Director responsible for supervising corporate exercises, handling special projects, overseeing investor relations and public relations matters, improving internal control systems and reporting structure, overseeing compliance matters and liaising with stakeholders.

She left Dolphin Applications Sdn Bhd in July 2017 to pursue her own business venture, Avia Alliance Sdn Bhd which specialises in the provision of business and accounting consultancy, a business that she is presently involved. In December 2019, she established Dynamic Aqua Evolution Sdn Bhd which specialises in aquaponic farming, a business that she is presently involved. In June 2020, she established 1Advisory Sdn Bhd which specialises in the provision of business consultancy, a business that she is presently involved.

She currently sits on the Board of Directors of Kim Teck Cheong Consolidated Berhad and SDS Group Berhad as Independent Non-Executive Director of both companies.

She does not have any family relationship with any director/or major shareholder of Flexidynamic Holdings Berhad.

## TAN KONG LEONG



Male



48 years old



Malaysian

Tan Kong Leong, a Malaysian, male, aged 48, is our Managing Director. He is responsible for determining the strategic direction and growth of our Group, as well as overseeing the overall business development of our Group. He was appointed to our Board on 9 June 2020.

In 1989, upon completing his Form 2 in Sekolah Menengah Jenis Kebangsaan Seg Hwa, Segamat, Johor, he worked as an apprentice in automotive workshops and metal workshops and was involved in various general contracting works in Penang. In 1992, he moved to Kuala Lumpur and became a freelance technician involved in providing installation, repair and maintenance services for air conditioners.

In December 1996, he set up T&L Air-Cond Engineering under a partnership with a business partner who subsequently left the business in 1999. Through T&L Air-Cond Engineering, he was involved in providing air conditioner installation, repair and maintenance services for residential and commercial buildings as a subcontractor.

In 2000, T&L Air-Cond Engineering ventured into the glove chlorination business as a subcontractor. In 2005, when ZYL Dynamic Sdn Bhd was established by his brother, Tan Kong Kee, T&L Air-Cond Engineering became a subcontractor to ZYL Dynamic Sdn Bhd, a company involved in the design and engineering of glove chlorination systems. As a subcontractor, T&L Air-Cond Engineering provided fabrication and installation services for glove chlorination systems, storage tanks and process tanks.

With over 12 years of experience in the manufacturing of glove chlorination systems as a subcontractor under T&L Air-Cond Engineering since 2000, he set out to establish Flexidynamic Engineering in November 2012 and has been the Managing Director of Flexidynamic Engineering since then. He also ceased to conduct business under T&L Air-Cond Engineering since then. In June 2020, he was appointed as the Managing Director of Flexidynamic Holdings Berhad.

He does not hold any directorship in other public listed company. He attended all Board meetings held during the financial year ended 31 December 2021.

## PROFILE OF DIRECTORS (cont'd)

### LIEW HENG WEI



Male



43 years old



Malaysian

Liew Heng Wei, a Malaysian, male, aged 43, is our Executive Director. He is responsible for overseeing the overall operational processes of our Group, including, amongst others, overseeing the manufacturing of our products and systems, supervising subcontractors' works, managing foreign workers as well as identifying and sourcing suitable suppliers.

He was appointed to our Board on 9 June 2020. In 1997, he completed his secondary education and obtained a Sijil Pelajaran Malaysia at Sekolah Menengah Jenis Kebangsaan Seg Hwa, Segamat, Johor. Upon completion of his secondary education, he joined Polydamic Project Sdn Bhd in December 1997 as Technician, where he was involved in the fabrication and welding of steel pipes, as well as manufacturing of plastic components.

In January 2000, he was promoted to Supervisor where he supervised the workflow of the technician team and provided guidance to junior technicians. In December 2004, he left Polydamic Project Sdn Bhd and joined ZYL Dynamic Sdn Bhd in January 2005 as a Supervisor, where he was involved in the layout design and drawing of glove chlorination systems, supervising production workflow and coordinating the installation of glove chlorination systems at customers' sites. He was also responsible for the implementation and enforcement of quality assurance procedures. He left ZYL Dynamic Sdn Bhd in October 2012.

In November 2012, he co-founded Flexidynamic Engineering with Tan Kong Leong and he was appointed as Director, where he oversaw the operational activities including the designing of glove chlorination systems and products, preparing quotations and tender documents, liaising with customers and consultants, planning production schedules, monitoring production progress, as well as testing and commissioning of systems to ensure smooth and timely delivery of projects. In June 2020, he was appointed as Executive Director of Flexidynamic Holdings Berhad.

He is the spouse of Lion Suk Chin. He does not hold any directorship in other public listed company. He attended all Board Meetings held during the financial year ended 31 December 2021.

### LION SUK CHIN



Female



41 years old



Malaysian

Lion Suk Chin, a Malaysian, female, aged 41, is our Executive Director. She is responsible for implementing, monitoring and managing our Group's operational processes including administrative functions, human resources management as well as compliance with rules and regulations and industry best practices. She was appointed to our Board on 9 June 2020. She is also a member of the ESOS Committee.

She graduated with a Diploma in Business Studies (Accounting) from Tunku Abdul Rahman College (now known as Tunku Abdul Rahman University College) in 2002. Upon graduation, she joined Lai Yeow Kwang & Co in May 2002 as Audit Junior, where she assisted in audit works for clients in various industries such as manufacturing, construction, property development, trading and consultancy. In March 2005, she left Lai Yeow Kwang & Co and joined Guan & Associates in April 2005 as Audit Semi Senior where she was responsible for audit works, monitoring audit processes to ensure completion within timeframe, reviewing customers' internal control systems, as well as introducing and implementing audit planning memorandums to improve the quality and efficiency of audit processes.

In November 2007, she left Guan & Associates and joined Tomei Gold & Jewellery Manufacturing Sdn Bhd as Accounts Executive, where she was responsible for performing daily accounting and finance tasks covering accounts receivables, general ledger, and cash and bank balance management. In April 2009, she was promoted to Senior Accounts Executive, where her responsibilities covered the accounting and finance functions of Tomei Consolidated Berhad, a company listed on the Main Market of Bursa Securities and its subsidiaries. She was further promoted to Assistant Accountant in 2010, where she undertook additional responsibilities including preparing annual reports, financial statements and quarterly announcements to Bursa Securities, as well as analysing the group's financial information and assisting the preparation of financial forecast and budgets. In 2011, she was transferred to another subsidiary under Tomei Consolidated Berhad, namely Tomei Gold & Jewellery Holdings (M) Sdn Bhd, where she assumed the same designation and responsibilities.

In August 2013, she left Tomei Gold & Jewellery Holdings (M) Sdn Bhd and joined our Group as Assistant Accountant, where she was responsible for the daily finance and accounting functions including, preparing and maintaining financial and management reports, managing cash flow and inventories, handling tax matters as well as legal matters in relation to the finance division of our Group. She was also in charge of administrative and human resource matters of our Group. In January 2014, she was promoted to Finance Manager, where she led and supervised the finance team in performing the daily financial operations and the preparation of statutory reporting of our Group. In addition, she also headed and managed the administrative and human resource functions of our Group. In April 2019, she was promoted and appointed as the Director of Flexidynamic Engineering.

In June 2020, she was appointed as Executive Director of Flexidynamic Holdings Berhad.

She is the spouse of Liew Heng Wei. She does not hold any directorship in other public listed company. She attended all Board meetings held during the financial year ended 31 December 2021.



## PROFILE OF DIRECTORS (cont'd)

### SIN KUO WEI



Male



31 years old



Malaysian

Sin Kuo Wei, a Malaysian, male, aged 31, is our Deputy Managing Director and Executive Director. He was appointed to the Board on 1 March 2022. He is also the Chairman of the ESOS Committee.

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

He started his career in March 2014 when he joined our Group as Project Engineer. He assisted in the planning and execution of projects including design, development, manufacturing and assembly of our Group's products and systems; as well as liaising with our customers, suppliers, subcontractors and government agencies to ensure smooth and timely delivery of projects. He developed a project management methodology that enables systematic communications and streamlining of interactions between various departments and/or job functions including manufacturing, inventory management and systems installation to increase efficiency of workflows.

In January 2016, he was promoted to Senior R&D Engineer where he took on additional responsibilities to include R&D activities to enhance and improve the efficiencies and functionalities of our existing products and systems. While he was Senior R&D Engineer, he successfully developed an enhanced and upgraded version of process tanks and storage tanks, which led to his promotion to Manager of our R&D in January 2017. As Manager of our R&D department, he led a team of engineers and worked closely with our engineering and production departments to constantly enhance and improve our products and systems in order to meet our customers' requirements and expectations.

In January 2018, he was promoted to Senior Manager of R&D where he led our R&D efforts, involving in monitoring the progress of our R&D projects, and provided advice and guidance to engineers in the enhancement of our existing products and systems as well as the development of new products and systems. Subsequently in July 2018, he was promoted to General Manager. In March 2022, he was promoted and appointed as the Director of Flexidynamic Engineering.

In March 2022, he was appointed as the Deputy Managing Director and Executive Director of Flexidynamic Holdings Berhad.

He does not have any family relationship with any director/or major shareholder of Flexidynamic Holdings Berhad.

### POH CHEE FONG



Male



50 years old



Malaysian

Poh Chee Fong, a Malaysian male, aged 50, is our Independent Non-Executive Director. He was appointed to our Board on 1 December 2021, and is also the Chairman of our Nomination Committee, a member of our Remuneration Committee and Audit and Risk Management Committee.

He graduated with a Bachelor of Arts (Accounting & Finance) from University of Strathclyde, the United Kingdom in 1994. In 2018, he obtained a Master of Business Administration from Monash University. Currently, he is a fellow member of the Association of Chartered Certified Accountants as well as a member of the Malaysian Institute of Accountants.

In September 1994, he began his career as an Audit Staff at Arthur Andersen & Co and subsequently became an Executive of the Corporate Advisory Department at Malaysian International Merchant Bankers Berhad. In July 1999, he joined OSK Securities Berhad where he was holding various positions, namely, Vice President of Institutional Sales, Vice President of Fixed Income and Head of Priority Broking. In February 2006, he left OSK Securities Berhad for Credit Suisse Singapore as a Relationship Manager of the Private Banking Division. In November 2009, he left Credit Suisse Singapore and joined Green Packet Berhad as the Head of Corporate Communication & Investor Relations (IR), where he was responsible for the strategic planning and implementation of IR activities and corporate communication of the company. In October 2011, he left Green Packet Berhad for Sime Darby Berhad as a Head of Investor Relations, where he was in charge of the strategic planning of the company's IR activities, executing IR engagement programs with its stakeholders with increasing emphasis on sustainability and sustainability reporting. In July 2020, he left Sime Darby Plantation Berhad and joined Esente Advisory Sdn Bhd as an Executive Director. He was responsible for strategic communication advisory which specializes in Investor Relations, Public Relations and corporate advisory services for public listed companies on Bursa Malaysia. He left Esente Advisory Sdn Bhd and joined Lotte Chemical Titan Berhad in April 2022, as a Director of IR and Communications, a position he holds until today.

He currently sits on the Board of Director of the Malaysian Investor Relations Association. He does not have any family relationship with any director/or major shareholder of Flexidynamic Berhad.

## PROFILE OF DIRECTORS (cont'd)

### NOOR ZALIZA YATI BINTI YAHYA



Female



44 years old



Malaysian

Noor Zaliza Yati Binti Yahya, a Malaysian, female, aged 44, is our Independent Non-Executive Director. She was appointed to our Board on 9 June 2020, and is also the chairperson of our Audit and Risk Management Committee and member of our Remuneration Committee and Nomination Committee.

In 2000, she graduated with a Bachelor of Accountancy (Honours) from Universiti Putra Malaysia. She is a chartered accountant and is a member of the Malaysian Institute of Certified Public Accountants since 2003 and the Malaysian Institute of Accountants since 2018.

Upon the completion of her Bachelor's Degree in 1999, she joined KPMG as Audit Assistant. She left KPMG in the same year and joined Arthur Andersen & Co in January 2000 as Staff Assistant, where she assisted in the documentation of audit projects. In September 2000, she was promoted to Experienced Staff Assistant where her responsibilities expanded to audit projects for clientele from wider range of industries. In September 2001, she was promoted to Semi-Senior and was subsequently re-designated to Senior Associate 2 in Ernst & Young in June 2002 upon the merger of Malaysia's Arthur Andersen & Co and Malaysia's Ernst & Young in 2002. In September 2002, she was promoted to Senior Associate 1, where she was responsible to lead audit projects.

In June 2003, she left Ernst & Young and joined Inai Kiara Sdn Bhd in July 2003 as Accountant, where she managed the daily finance and accounting functions of the company's related companies.

In June 2004, she was promoted to Head of Financial Accounting, where she assumed similar responsibilities. In December 2004, she left Inai Kiara Sdn Bhd and joined Integrated Marine Works Sdn Bhd as Manager, and she assumed similar responsibilities to oversee the daily finance and accounting operations of the company.

In February 2007, she left Integrated Marine Works Sdn Bhd and joined Kaminsons Sdn Bhd in March 2007 as Senior Manager, Group Corporate Services. She oversaw the daily finance and accounting functions of the company and its related companies, and was given additional responsibilities in managing matters pertaining to corporate finance, treasury, insurance, secretarial and human resources as well as due diligence exercises on the company's new investments and project proposals. In June 2008, she was transferred to JRI Resources Sdn Bhd, a subsidiary of Kaminsons Sdn Bhd, as Senior Manager (Accounts and Finance) where she assumed similar responsibilities.

In June 2009, she left JRI Resources Sdn Bhd and joined Ascenteus Holdings Sdn Bhd as Financial Controller/Executive Assistant under a 3-month contract. She was responsible for the development of accounting and inventory systems, as well as designing and improving procurement procedures and vendor selection processes, as well as accounting and finance functions. After the end of the 3-month contract in September 2009, she left Ascenteus Holdings Sdn Bhd and joined Smartpools Sdn Bhd as Manager-Finance/ Executive Assistant, where she oversaw the finance, accounting, treasury and administrative functions of the company.

In January 2010, she left Smartpools Sdn Bhd and joined Petroliam Nasional Berhad, and was seconded to Petronas Carigali Sdn Bhd, a wholly-owned subsidiary of Petroliam Nasional Berhad, as Executive (Budget – International Consolidation) where she was responsible for facilitating the cost control and project accounting functions for upstream development projects. Over the years, she was promoted to several designations within Petronas Carigali Sdn Bhd where her scope of responsibilities includes financial reporting, project expenditure and cost allocation as well as assets management. Her last secondment designation with Petronas Carigali Sdn Bhd was Head (Asset and Cost Allocation Management).

In March 2016, she left Petroliam Nasional Berhad and joined Sapurakencana Technology Sdn Bhd as Senior Manager, Finance. In April 2016, she was seconded to Sapurakencana GE Oil & Gas Services Sdn Bhd as Chief Financial Officer, where she oversaw and managed the overall finance functions of the company.

In March 2017, she left Sapurakencana GE Oil & Gas Services Sdn Bhd. Since then, she has been promoting life insurance and takaful services under Prudential Assurance (Malaysia) Berhad and unit trust fund investments under Public Mutual Berhad. In 2019, she incorporated Zanoor Synergy services, a sole proprietorship to undertake life insurance, takaful and unit trust investment business activities. She also provides trainings, consultation and advisory services within the area of accounting, investment and taxation on a freelance basis, a practice that she is presently involved in.

In January 2020, she joined Firmus Consulting Sdn Bhd as Security Consultant where she provides advisory services, including reviewing and providing recommendations to clients on issues relating to information technology security policies and practices. In July 2020, she left Firmus Consulting Sdn Bhd to focus on Zanoor Synergy Services.

She does not hold any directorship in other public listed company. She attended all Board meetings held during the financial year ended 31 December 2021.

## PROFILE OF DIRECTORS (cont'd)

### CHONG KAI FENG



Male



33 years old



Malaysian

Chong Kai Feng, a Malaysian, male, aged 33, is our Independent Non-Executive Director. He was appointed to our Board on 9 June 2020, and is also a Chairman of our Remuneration Committee, a member of our Audit and Risk Management Committee, Nomination Committee, and ESOS Committee.

In 2013, he graduated with a Bachelor's Degree in Mechanical Engineering from Multimedia University. Subsequently, he obtained a Master of Business Administration from Monash University in 2018. He is a Professional Engineer registered under the Board of Engineers Malaysia and a member of the Institution of Engineers Malaysia, both since 2019. He is also a member of Malaysia Perak Chinese Chamber of Commerce and Industry since 2015. Upon the completion of his Bachelor's Degree in 2012, he started his career with Terminal Urus Sdn Bhd (a subsidiary of Perak Transit Berhad) in October 2012 as Operations Manager, where he was involved in the day-to-day operations and management of bus terminal activities.

In February 2013, he left Terminal Urus Sdn Bhd and joined his family business, Success Engineering Solutions (M) Sdn Bhd as Project Engineer, where he was involved in project tenders, commercial negotiations and management of construction projects involving steel structures, steel storage tanks and bulk handling facilities. In January 2016, he was promoted to Project Director, where he is involved in strategic management, and project resources and risk management. Mr. Chong left Success Engineering Solutions Sdn Bhd in June 2021.

In July 2017, he set up Kai Advisory, a sole proprietorship process engineering consultancy firm as a founder, a position he presently assumes, where he is responsible for general business development.

In December 2018, he cofounded Winny Ker & Collaborations PLT, a limited liability partnership providing design and build solution for residential and/or commercial projects. He acts as Adviser who provides guidance pertaining operational management.

He does not hold any directorship in other public listed company. He attended all Board meetings held during the financial year ended 31 December 2021.

#### Other Information

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



# PROFILE OF KEY SENIOR MANAGEMENT

## CHEN LI CHIN



Female



40 years old



Malaysian

Chen Li Chin, a Malaysian female, aged 40, is our Financial Controller. She joined our Group on 14 June 2021. She is responsible for overseeing our Group's overall financial matters including accounting, taxation, corporate finance and treasury functions. She is also a member of the ESOS Committee.

She is a chartered accountant and a member of Malaysian Institute of Accountants since 2018. She is also a member of The Association of Chartered Certified Accountants since 2017.

She started her career as an Audit Junior at S.M.Tuang & Co in September 2004, where she was primarily involved in various statutory audit assignments and also involved in Taxation. In December 2010, she left S.M.Tuang & Co and joined SJ Grant Thornton as Audit Supervisor. She was subsequently promoted to Audit Assistant Manager, Audit Manager and Audit Senior Manager in 2011, 2012 and 2014 respectively where her role was extended to leading and monitoring a team of audit associates in various audit assignments.

In August 2017, she was promoted to the Principal at Grant Thornton Malaysia, where she acted as the second reviewer, with a strong focus on statutory audit of listed companies in the Main Market and ACE Market of Bursa Malaysia. During this time, she is also responsible for due diligence review, corporate exercises, IPOs, and merger and acquisitions.

In July 2019, she left Grant Thornton Malaysia for the role of Financial Controller at IRS Software Solution (M) Sdn Bhd, where she developed organization financial strategies and recommended strategic directions.

In June 2021, she left IRS Software Solution (M) Sdn Bhd and joined our Group as the Financial Controller, a position she holds until today.

She does not have any directorship in other public listed company.

### Other Information

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

# CHAIRPERSON'S STATEMENT

“Dear Shareholders,

On behalf of the Board of Directors (“Board”), I am pleased to present the second annual report and audited financial statements of Flexidynamic Holdings Berhad (“Flexidynamic” or the “Company”) and its subsidiaries (“Group”) for the financial year ended 31 December 2021 (“FY2021”).

”

Despite facing a slowdown in the overall glove manufacturing industry amid oversupply woes in the last year, Flexidynamic has successfully delivered a year of good performance for FY2021. We remain cautiously optimistic and strive to rise above the glove manufacturing scene's challenges as we ride on the wave of the impending surge in demand for rubber gloves in the coming years. We will continue to seek new opportunities to grow our business locally and regionally, namely in Southeast Asia.

## YEAR IN REVIEW

In FY2021, the Group recorded total revenue of RM105.78 million, derived mainly from the design, engineering, installation, and commissioning of glove chlorination systems. The significant increase of 85.95% in revenue for the financial year under review compared to RM56.89 million documented for FY2020 was mainly attributed to the progress of our projects' on-site works as our customers ramped up their expansion plans to meet the increased demand for gloves.

While we are pleased with the improvement in revenue, we note several challenges that we faced within the Malaysian market throughout FY2021. Aside from dampened market conditions, Flexidynamic's profit margin has been affected due to fluctuation of raw material costs, resulting from market uncertainty impacted by the COVID-19 pandemic throughout the year. We saw potential new players entering this niche glove manufacturing market during this time. The increasing dominance of China's glove manufacturers in the sector also heightened the overall industry's competitiveness.

## CHAIRPERSON'S STATEMENT (cont'd)

### MOVING AHEAD

The outlook for the glove manufacturing industry remains robust, with an estimated total volume of rubber gloves needed globally to grow at 10-20% a year for the next few years. The expectation is that the booming demand for rubber gloves will likely continue, driven by ongoing mass vaccination programs for COVID-19 globally. We expect that Malaysian glove manufacturers will further strengthen their production capacity to be well-positioned to meet the global demand and we aim to provide solutions to cater to their advancement.

We anticipate expanding our product portfolio to include more products in line with supporting the glove manufacturing industry in the coming year. Our two new factories at Banting, Selangor will soon house additional machinery for more production lines to further augment our current manufacturing capability and reduce reliance on third-party subcontractors. Both factories are expected to be ready and commence operations by 3<sup>rd</sup> quarter.

With these strategies in place, we are focused and remain positive to grow our business in tandem with the growth of the glove manufacturing industry while reinforcing our existing customer base and enhancing our market share with new customers.

We also welcomed two members on the Board with the recent appointment of Mr. Poh Chee Fong as Independent and Non-Executive Director (1 December 2021) and Mr. Sin Kuo Wei as Executive Director cum Deputy Managing Director (1 March 2022). We are delighted to have them both on Board, and we believe that their continued efforts will assist Flexidynamic to create greater value for all stakeholders of the Group.

### DIVIDEND

In respect of FY2021, the Board has proposed a dividend payout of 1 sen, equivalent to 2.08% based on the closing market price recorded on 2 March 2022. Upon shareholder's approval, the total payout amount will be RM2.84 million.

### APPRECIATION

On behalf of the Board of Directors, I would like to thank our esteemed customers, business partners and shareholders for your invaluable trust and confidence in Flexidynamic throughout the years.

I would also like to take this opportunity to express my heartfelt gratitude to my fellow Board members and members of our staff for their continuous contribution to the Company's success thus far.

### PHANG SZE FUI

Independent Non-Executive Chairperson



# MANAGEMENT DISCUSSION AND ANALYSIS



## COMPANY BUSINESS OVERVIEW

Flexidynamic Holdings Berhad ("Flexidynamic" or the "Company") and its subsidiaries ("Group") is principally involved 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 the glove manufacturing industry.

Other products and services that the Group provides are FRP lining services for trenches, pits and floors for better chemical resistance, and design and install scrubber system to treat and draw acidic fumes from former cleaning areas.

In addition, Flexidynamic is involved in the trading of raw materials and replacement parts for glove chlorination systems. The Group also undertakes repair, refurbishment and maintenance works for glove chlorination systems for its customers as and when required.

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

## REVIEW OF FINANCIAL PERFORMANCE

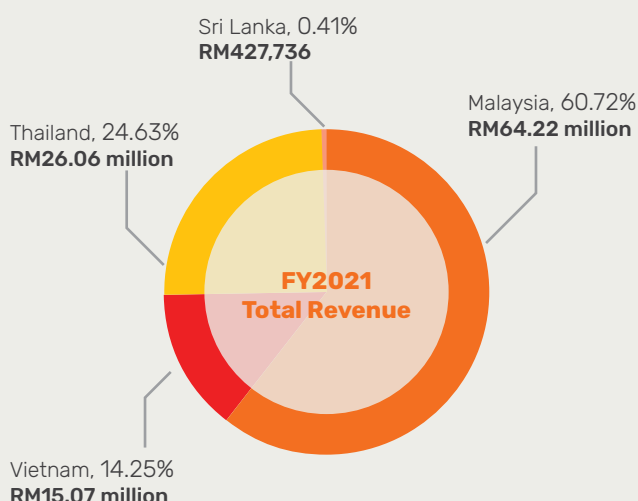
In the financial year ended 31 December 2021 ("FY2021"), the Group recorded a total revenue of RM105.78 million, a significant increase of 85.95% for the financial year under review as compared to RM56.89 million documented for the preceding financial year ended 31 December 2020 ("FY2020").

The Group's revenue for FY2021 was mainly derived from the design, engineering, installation, and commissioning of glove chlorination systems, attributed to the progress of our projects' on-site works as our customers ramped up their expansion plans to meet the increased demand for gloves.

# MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

## Revenue by Geographical Locations

Flexidynamic services customers in Malaysia and overseas, hence the Group's revenue is segmented by geographical locations.



For FY2021, Flexidynamic recorded RM105.78 million in total revenue, of which RM64.22 million, equivalent to 60.72% was contributed by local sales. Meanwhile, the balance of RM41.56 million in revenue was contributed by overseas sales, of which RM15.07 million (14.25%) was contributed by Vietnam, RM26.06 million (24.63%) was contributed by Thailand, and RM427,736 (0.41%) was contributed by Sri Lanka respectively.

## Gross Profit and Gross Profit Margin

Despite higher gross profit recorded at RM17.49 million for FY2021 as compared to RM12.57 million for FY2020, the Group notes that its profit margin was affected, resulting in a decline of 5.56% to 16.54% for the financial year under review, as compared to 22.10% documented in the preceding financial year. This is predominantly due to fluctuation of cost of raw material, arising from market uncertainty impacted by the COVID-19 pandemic throughout FY2021.

## Profit Before Tax and Profit After Tax

While Flexidynamic presented improved revenue and higher gross profit for FY2021, the Group recorded lower Profit Before Tax ("PBT") of RM5.68 million, a decline of 8.68% as compared to RM6.22 million for FY2020. The decrease in PBT was mainly due to the Company's defraying of listing expenses of RM2.44 million and the share-based payment of RM0.69 million, pursuant to the Employees' Share Options Scheme implemented in December 2021.

Correspondingly, the Group concluded FY2021 with Profit After Tax ("PAT") of RM3.50 million for FY2021 as compared to RM4.60 million registered for FY2020.

## Liquidity and Capital Resources

The Group reports a stronger financial position for FY2021 with cash and cash equivalents of RM32.78 million as compared to RM18.34 million recorded for FY2020. There has been a slight decrease for net increase in cash and cash equivalents however, from RM14.22 million noted for FY2020 to RM13.25 million recorded for FY2021.

While Flexidynamic's cash flow increased as a result of the Group's financing activities via drawing bank borrowings for its Initial Public Offering ("IPO") and proceeds received from issuance of ordinary shares, the Group experienced higher expenditure in operating activities and investing activities, which includes the purchase of property, machinery and equipment for the Group's business expansion in FY2021. Flexidynamic's gearing ratio is at 0.23x.

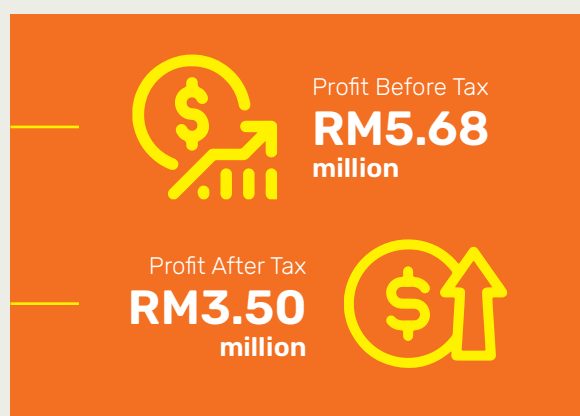
## Proposed Employees' Share Option Scheme ("ESOS")

The Company had on 14 September 2021 announced the proposed establishment of an ESOS of up to 25% of the total number of issued shares of Flexidynamic at any point during the duration of the proposed ESOS. The proposal was approved by the shareholders of the Company at an Extraordinary General Meeting held on 29 October 2021.

The ESOS was successfully implemented on 13 December 2021, with a total of 15.01 million ESOS options granted with the option exercise price of RM0.28 per share.

## Dividend

In respect of FY2021, the Board has proposed a dividend pay-out of 1 sen, equivalent to 2.08% based on the market price recorded on 2 March 2022. Upon shareholders' approval, the total pay-out amount is RM2.84 million.



## MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

### ANTICIPATED OR KNOWN RISKS

#### 1. Continuous exposure to existing business risks arising from expansion of in-house manufacturing capacity

We are in the midst of expanding our business and manufacturing capability to undertake in-house manufacturing of long and cylindrical products. As such, we will continue to be exposed to any existing business risks such as shortage of raw materials and disruption in supply. Furthermore, our expansion plan involves an increase in expenditure and overall operational cost, which translates into cost-related risks for the Group.

*The Group will continuously seek new opportunities and increase sales in order to cover for such increase in cost and subsequently, boost our financial performance.*

#### 2. We experience shortage of labour due to movement restrictions during the COVID-19 pandemic

The pandemic continued to slow down work processes with the limitation of staff members allowed at the workplace as a result of movement control orders ("MCO") implemented from time to time.

*The Group is prepared to work overtime in order to speed up work processes to meet deadlines and fulfill customers' orders when the country transitions towards an endemic phase come 1 April 2022.*

#### 3. We are subject to volatility in prices of our raw materials

The prices of raw materials such as plastic resins and mild steel are subject to fluctuations as a result of global demand and supply conditions.

*The Group will continue to monitor closely the price movement of raw materials and attempt to mitigate any negative impact on Flexidynamic's profitability. We persist to minimise the impact on the Group's operations and financial performance by purchasing the raw materials upon receipt of confirmed orders from our customers.*

#### 4. We are subject to higher credit risk or bad debts

We generally grant our customer credit periods between 30 to 90 days. In the event that the payment is not received within the credit period, we may provide impairment loss on trade receivables or write off trade receivables as bad debt, which will adversely affect the Group's financial performance.

*The Group is determined to improve our collection rate by closely following up with customers with overdue outstanding payments.*



## MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

### FORWARD LOOKING STATEMENT

The outlook for the glove manufacturing industry remains bright with an estimated total volume of rubber gloves needed globally to grow at 10-20% a year for the next few years. It is expected that the booming demand for rubber gloves is likely to continue, driven by ongoing mass vaccination programs for COVID-19 carried out globally.

We expect Malaysian glove manufacturers will be strengthening their production capacity further to be well-positioned to meet the global demand, and we aim to provide our solutions to cater to their advancement. With that said, the prospects for glove chlorination manufacturers, including Flexidynamic remain positive as we foresee growth in tandem with the growth in the glove manufacturing industry.

For the coming years, we aim to expand our product portfolio to include more products in line with supporting the glove manufacturing industry. At the moment, construction works are almost completed for our two new factories located in Banting, and we will soon be progressing to install new machinery and equipment.

Both factories will have a total built-up area of 14,660 square feet and are expected to commence operations by 3<sup>rd</sup> quarter. By means of this, we will be able to operate with enhanced manufacturing capability and undertake in-house manufacturing works of parts and components of our on-line chlorination systems, which will allow us to reduce reliance on third-party subcontractors.

With these strategies in place, we will be better positioned to reinforce our existing customer base and be able to service new customers as well. We are optimistic that we are on the right track to successfully expanding the business of Flexidynamic and achieve positive results for FY2022. We remain focused on the objective to enlarge our market share and generate greater value for all our stakeholders.



# SUSTAINABILITY STATEMENT



## Reporting Framework

This Sustainability Statement presents information pertaining to the sustainability practices and policies of Flexidynamic Holdings Berhad ("Flexidynamic" or the "Company" and its subsidiaries (collectively referred to as the "Group"). This Sustainability Statement has been prepared in accordance with the Sustainability Reporting Guide issued by Bursa Malaysia Securities Berhad ("Bursa Malaysia").

This Sustainability Statement covers the reporting period from 1 January 2021 to 31 December 2021 and is mainly focused on Flexidynamic's operations in Malaysia, which remains the highest contributor of the Group's total sales revenue for the financial year ended 31 December 2021 ("FY2021").

## Sustainability Governance








As a leading manufacturer of glove chlorination systems, Flexidynamic recognises the importance of sustainability as a key driver for long-term business growth and believes that business success should be measured in a holistic manner rather than just by financial profits. We are mindful of the need to develop the Group's business by practicing, preserving and promoting activities that contribute to the economic, environmental and social ("EES") pillars of sustainability.

The Group's sustainability initiatives are overseen by the Board of Directors with a governance structure to support and drive initiatives in all the EES pillars. We are progressively exploring as we gradually adopt the right framework to improve on the Company's sustainability practices. We currently have a workgroup consisting of representatives from each relevant department, involving Strategy, Marketing, Sales, Operations, Finance, Purchasing and Human Resources, to identify the Company's sustainability matters, oversee the implementation and monitor its progress. The Group's sustainability initiatives are also reinforced by the Flexidynamic code of conduct that promotes a healthy corporate culture and ethical business practices.

This Sustainability Statement provides a report of the Group's key non-financial metrics performance to stakeholders while allowing a basis from which it can highlight areas where sustainability management and initiatives can be improved.

# SUSTAINABILITY STATEMENT (cont'd)

## Stakeholder Engagement Table

Stakeholder	Interest/Expectations	Engagement Methods (Frequency)
 <b>Investors</b>	<ul style="list-style-type: none"> <li>Financial performance</li> <li>Sustainable financial returns</li> <li>Business strategy</li> <li>Sustainable dividend policy</li> <li>Corporate Governance</li> </ul>	<ul style="list-style-type: none"> <li>Annual general meetings (annually)</li> <li>Annual report (annually)</li> <li>Quarterly financial reports (quarterly)</li> <li>Corporate website</li> </ul>
 <b>Customers</b>	<ul style="list-style-type: none"> <li>Resolving complaints efficiently</li> <li>Ensuring on-time service</li> <li>Ensuring on-time product delivery</li> <li>Relationship building</li> <li>Health and safety</li> </ul>	<ul style="list-style-type: none"> <li>Regular feedback and meetings</li> <li>Participation in industry networking events</li> <li>Actively engage and build relationships</li> </ul>
 <b>Local Communities</b>	<ul style="list-style-type: none"> <li>Building good relationships</li> <li>Impact of operations</li> <li>Interaction with local communities</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Social Responsibility</li> </ul>
 <b>Regulatory Agencies</b>	<ul style="list-style-type: none"> <li>Compliance with corporate governance</li> <li>Compliance with all local laws and regulations</li> <li>Compliance with labour, environmental and health and safety regulations</li> </ul>	<ul style="list-style-type: none"> <li>Annual report (annually)</li> <li>ISO 9001:2015</li> <li>Policies in place to comply with relevant government law and regulations</li> <li>Seminar or information sessions held by authorities</li> </ul>
 <b>Suppliers</b>	<ul style="list-style-type: none"> <li>Transparent procurement practices</li> <li>Regular/on-time payment schedule</li> <li>Transparent pricing</li> <li>Timely delivery</li> </ul>	<ul style="list-style-type: none"> <li>Contracts (on an "as-needed" basis)</li> <li>Vendor registration (on an "as-needed" basis)</li> <li>Timely delivery</li> <li>Payments</li> </ul>
 <b>Industry Peers</b>	<ul style="list-style-type: none"> <li>Industry best practices</li> </ul>	<ul style="list-style-type: none"> <li>Participation in industry networking events</li> </ul>
 <b>Employees</b>	<ul style="list-style-type: none"> <li>Training and development</li> <li>Occupational health and safety</li> <li>Competitive remuneration and rewards</li> </ul>	<ul style="list-style-type: none"> <li>Training and development programme (ongoing)</li> <li>Safety training and awareness (ongoing)</li> <li>Appraisals (annually)</li> <li>Whistle-blowing policy</li> </ul>

## ECONOMIC SUSTAINABILITY MATTERS

Flexidynamic Holdings Berhad is a leading manufacturer of glove chlorination systems based in Malaysia, who is principally involved in the design, engineering, installation and commissioning of glove chlorination systems. The Company and its subsidiaries ("Group"), Flexidynamic Engineering Sdn. Bhd. ("Flexidynamic Engineering") and Flexidynamic Engineering Company Ltd. ("Flexidynamic Thailand") serves customers in Malaysia as well as customers in Vietnam, Thailand, Indonesia and Sri Lanka.

Other core business activities of the Group include the design and installation of storage tanks and process tanks for the glove manufacturing industry, repair, refurbishment and maintenance of glove chlorination systems, and other products and services including fiberglass reinforced plastics (FRP) lining services and scrubber systems.

The Group's primary place of operations and manufacturing plant is located in Banting, Selangor, while an operations office and storage facility in Ipoh, Perak serves customers in the Northern Region of Peninsular



# SUSTAINABILITY STATEMENT (cont'd)

## ECONOMIC SUSTAINABILITY MATTERS (CONT'D)

Malaysia. There is also a sales and support office located in Pathumthani Province, Thailand to cater for customers in Thailand and overseas.

### Product Portfolio Management

The booming demand for rubber gloves is likely to continue with an estimated total volume of rubber gloves needed globally to grow at 10-20% a year for the next few years. Looking ahead, the Group aims to expand our product portfolio to incorporate more products that support the glove manufacturing industry. The Group remains mindful to implement sustainable measures through the process of product innovation.

### Competitive Advantages

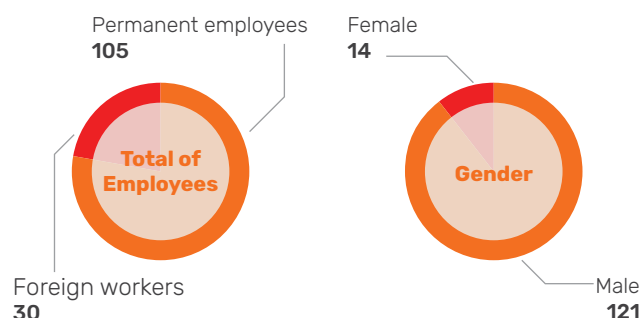
In light of the continued robust growth of the glove manufacturing industry, we foresee Flexidynamic's business to grow in tandem with the growth in the glove manufacturing industry. Our two new factories are ready and have been handed over by the developer on 29 March 2022. Upon minor renovation and installation of new machinery, we will be operating with enhanced capacity to cater to more glove manufacturers locally as well as globally.

With both new plants in operation, we will also be able to undertake in-house manufacturing works of parts and components of our on-line chlorination systems, which will allow us to reduce the Group's reliance on third-party subcontractors.

### Talent Management

As at 31 December 2021, the Group employs a total of 135 employees, of which 105 are permanent employees and 30 are foreign workers. A majority of 121 employees of our total workforce are male employees, whereas the remaining 14 are female employees. Meanwhile, Flexidynamic Thailand employs a total of 53 employees, of which 51 are male employees and 2 are female employees.

The Group has in place a management succession plan in which individuals have been identified for their key competencies and requirements. We are also proactive towards addressing talent management to ensure that talents are well-groomed to undertake leadership positions.



As for all our employees, we believe in the investment of upskilling our employees to boost employee retention whilst encouraging greater morale and higher productivity. Throughout the year, we have conducted in-house training as well as engaged with third party training providers for skill development programmes for our employees of their respective department.




## ENVIRONMENTAL SUSTAINABILITY MATTERS

### Electricity and Water Consumption Management

The Group practices prudent management of electricity and water consumption in all our operating premises. We continue to seek alternatives to reduce our carbon footprint, including exploring new alternatives to help reduce our energy consumption throughout our operating facilities.

For FY2021, the Group utilised 103,542 kilowatt hour (kWh) of electricity across its operating premises versus 65,088 kWh noted for FY2020. While there has been an increase in electricity consumption for the financial year under review, this was mainly due to the notable increase in total revenue, being evidence of increased productivity for FY2021.

The comparison of electricity consumption against total revenue for FY2021 and FY2020 shows a slight reduction in electricity consumption for FY2021 as below:

	 Electricity (kWh)	 Revenue	 Electricity / Revenue
2020	65,088	RM56,778,510	0.001146
2021	103,542	RM105,777,606	0.000979

## SUSTAINABILITY STATEMENT (cont'd)

In terms of water consumption management, the Group recorded water consumption of 1,835m<sup>3</sup> throughout its operating premises. It is a significant reduction from 5,564m<sup>3</sup> recorded for the previous financial year ended 31 December 2020 ("FY2020"). The reduction was mainly due to the Group having in place a practice and keeping in mind to reduce water usage during operation whenever possible.

### Waste Management

The Group has embarked on efforts to reduce the amount of waste material produced by working with organisations and companies to repurpose scrap materials that can be feasibly repurposed.

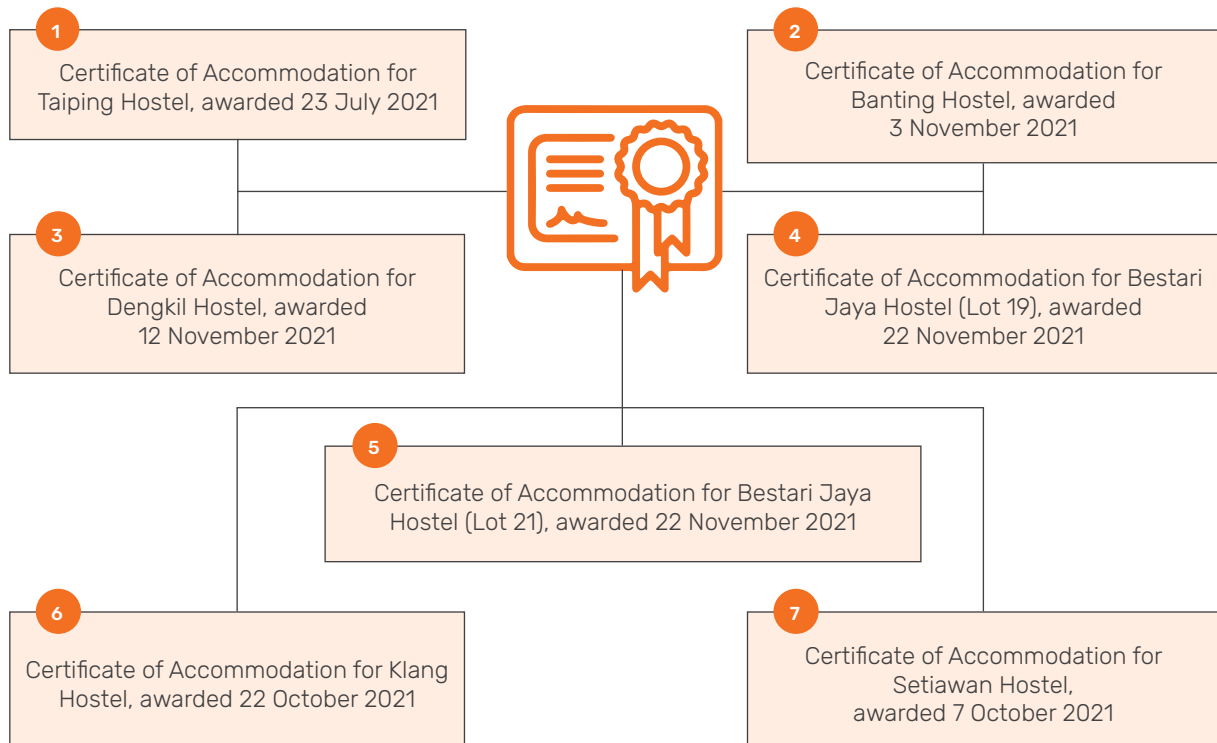
## SOCIAL SUSTAINABILITY MATTERS

### Code of Conduct

We have implemented an Anti-Bribery and Corruption Policy, Ethics and Compliance Whistle Blowing Policy, and Board Charter, which are available on our website. These policies are applicable to all employees of the Group and it reflects the underlying shared values that we uphold.

### Workforce

To date, the Group has fulfilled all requirements as stated in the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralised Accommodation) Regulations 2020 that came in effect 1 September 2020. The regulation includes providing minimum space requirement for workers' accommodation and basic facilities that adhere to safety and hygiene standards. The Group's Certificate of Accommodation awarded by the Ministry of Human Resources for our compliance are listed as follows:



The above certificates each have a validity period of 3 years.

### Workplace Safety

At Flexidynamic, the safety of our employees weighs great importance to ensure that the workplace remains an incident-free environment. The Group has an Occupational Health and Safety ("OHS") Policy in place to safeguard all employees against possible occupational risks. The OHS Policy has been disseminated to all existing employees and new employees.

## SUSTAINABILITY STATEMENT (cont'd)

### Community

While we strive for our business, we remain mindful towards contributing to our local community development our way of appreciation for the people's support in Flexidynamic throughout our years of operation. With our business expansion on track, we are geared to uphold our role as a provider of jobs in society.



As a whole, we will continue to develop our existing strategy and monitor each sustainability matter closely to deliver progressive improvements in our future reporting. We are mindful of our responsibilities in order to create long term sustainable value for our stakeholders as well as business growth for the Group.