



# FINANCIAL STATEMENTS

- 80 Directors' Report
- 85 Statement By Directors
- 85 Statutory Declaration
- 86 Independent Auditors' Report
- 90 Statements of Financial Position
- 92 Statements of Profit or Loss and Other Comprehensive Income
- 94 Statements of Changes In Equity
- 96 Statements of Cash Flows
- 99 Notes To The Financial Statements

## DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

### PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding services.

The principal activities of its subsidiaries are disclosed in Note 5 to the financial statements.

There have been no significant changes in the nature of these principal activities of the Company and its subsidiaries during the financial year.

### FINANCIAL RESULTS

	Group RM	Company RM
Profit/(Loss) for the financial year	376,815	(166,435)
Attributable to:		
Owners of the Company	909,167	(166,435)
Non-controlling interest	(532,352)	-
	376,815	(166,435)

### DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year.

### RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

### DIRECTORS

The name of the Directors of the Company and of the subsidiary in office during the financial year and during the period commencing from the end of the financial year to the date of this report are:-

#### Company

Tan Kong Leong  
Liew Heng Wei  
Lion Suk Chin  
Chong Kai Feng  
Noor Zaliza Yati Binti Yahya  
Phang Sze Fui  
Poh Chee Fong  
Sin Kuo Wei

# DIRECTORS' REPORT

(CONT'D)

## DIRECTORS (CONT'D)

### Subsidiary

#### Flexidynamic Engineering Sdn. Bhd.

Tan Kong Leong

Liew Heng Wei

Lion Suk Chin

Sin Kuo Wei

## DIRECTORS' REMUNERATION

During the financial year, the fees and other benefits received and receivable by the Directors of the Company are as follows:-

	Incurring by the Company RM	Incurring by the subsidiaries RM	Group RM
Salaries, bonuses and allowances	12,000	1,403,289	1,415,289
Fee	198,000	-	198,000
Defined contribution plan	-	164,354	164,354
Social security contribution	-	4,634	4,634
Share option granted under ESOS	59,503	-	59,503
	269,503	1,572,277	1,841,780

The estimated value of benefits-in-kind provided to Directors during the financial year for the Group amounted to RM92,100.

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## DIRECTORS' INTERESTS IN SHARES

According to the register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests and deemed interests in the ordinary shares of the Company of those who were Directors as at year end are as follows:-

	Number of ordinary shares		
	At 1 January 2023	Allotment Sold	At 31 December 2023
<b>The Company</b>			
<b>Direct Interests:-</b>			
Tan Kong Leong	117,892,900	-	117,892,900
Liew Heng Wei	53,208,300	-	53,208,300
Lion Suk Chin	130,000	-	130,000
Sin Kuo Wei	8,346,400	-	8,346,400

## DIRECTORS' REPORT

(CONT'D)

### DIRECTORS' INTERESTS IN SHARES (CONT'D)

According to the register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests and deemed interests in the ordinary shares of the Company of those who were Directors as at year end are as follows (cont'd):-

	Number of ordinary shares			
	At 1 January 2023	Allotment	Sold	At 31 December 2023
<b>The Company</b>				
<b>Deemed Interests:-</b>				
Tan Kong Leong <sup>(**)</sup>	9,137,800	60,300	-	9,198,100
Liew Heng Wei <sup>(#)</sup>	130,000	-	-	130,000
Lion Suk Chin <sup>(#)</sup>	53,208,300	-	-	53,208,300

(#) Deemed interest by virtue of shares held by spouse.

(\*) Deemed interest by virtue of the shareholdings in TECS Properties Sdn. Bhd.

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

	Number of share option				
	At 1 January 2023	Granted	Exercised	Expired	At 31 December 2023
Interests in the Company:-					
Lion Suk Chin	2,370,000	-	-	-	2,370,000
Chong Kai Feng	100,000	-	-	-	100,000
Noor Zaliza Yati Binti Yahya	100,000	-	-	-	100,000
Phang Sze Fui	120,000	-	-	-	120,000

None of the other Directors in office at the end of the financial year had any direct interest in shares in the Company or its related corporations during the financial year.

By virtue of the direct interest of Tan Kong Leong in the Company, he is also deemed to have interest in shares of all the subsidiaries to the extent that the Company has an interest under Section 8 of the Company Act 2016.

### ISSUE OF SHARES AND DEBENTURES

There were no changes in the issued and paid-up capital of the Company during the financial year.

# DIRECTORS' REPORT

(CONT'D)

## OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issue of options pursuant to the ESOS.

At an extraordinary general meeting held on 29 October 2021, the Company's shareholders approved the establishment of an ESOS of up to 25% of the total number of issued share capital of the Company to eligible Directors and employees of the Group.

The salient features and other terms of the ESOS are disclosed in the Note 16 to the financial statements.

As at 31 December 2023, the options offered to take up unissued ordinary shares and the exercise prices are as follows:-

Date of offer	Exercise price	Number of options over ordinary shares				At 31 December 2023
		At 1 January 2023	Granted	Exercised	Expired/ Lapsed	
13 December 2021	RM0.28	14,224,575	-	-	(927,300)	13,297,275

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose in this report the names of option holders, other than Directors, who have been granted for options during the financial year and details of their holdings as required by Section 5 of Schedule 5 (Part 1) of the Companies Act 2016. This information has been separately filed with the Companies Commission of Malaysia.

Details of options granted to Directors are disclosed in the section of Directors' Interests in this report.

## INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The amount of indemnity coverage and insurance premium paid for Directors and Officers of the Company during the financial year are amounted to RM10,000,000 and RM19,725 respectively.

## OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:-

- to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and no provision for doubtful debts was required; and
- to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:-

- which would render it necessary to make any provision for doubtful debts in the financial statements of the Group and of the Company or the amount written off for bad debts inadequate to any substantial extent; or
- which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

# DIRECTORS' REPORT

(CONT'D)

## OTHER STATUTORY INFORMATION (CONT'D)

At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

In the opinion of the Directors:-

- (a) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
- (b) the results of operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (c) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

## EVENTS AFTER THE REPORTING PERIOD

The events after the reporting period are disclosed in Note 35 to the financial statements.

## AUDITORS

The Auditors, Grant Thornton Malaysia PLT have indicated that they do not wish to seek for re-appointment.

The amount of audit and other fees paid and payable to the auditors and its member firm by the Group and the Company for the financial year ended 31 December 2023 are as follows:

	Group RM	Company RM
Grant Thornton Malaysia PLT	103,100	38,600
Other auditors	25,948	-
	129,048	38,600

The Group and the Company have agreed to indemnify the Auditors, Grant Thornton Malaysia PLT to the extent permissible under the provision of the Companies Act 2016 in Malaysia. However, no payment has been made arising from this indemnity for the financial year.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors.

**TAN KONG LEONG**  
DIRECTORS

**LIEW HENG WEI**  
DIRECTORS

Kuala Lumpur

24 April 2024

## STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 90 to 144 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of their financial performance and their cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors.

**TAN KONG LEONG**

Kuala Lumpur

24 April 2024

**LIEW HENG WEI**

## STATUTORY DECLARATION

I, Chen Li Chin, being the Officer primarily responsible for the financial management of Flexidynamic Holdings Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 90 to 144 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by     )  
the abovenamed at Kuala Lumpur in     )  
the Federal Territory this day of     )  
24 April 2024     )

Before me:

**Ramathilagam A/P T Ramasamy**  
No. W671  
Commissioner for Oaths

**CHEN LI CHIN**  
(MIA No: 43772)  
CHARTERED ACCOUNTANT

# INDEPENDENT AUDITORS' REPORT

to the members of Flexidynamic Holdings Berhad  
(Incorporated in Malaysia)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Flexidynamic Holdings Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 90 to 144.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Group

#### *Revenue recognition*

#### The risk

Revenue recognition has been identified as a risk primarily relating to the occurrence, accuracy and timing of revenue recognition for sales with deliveries occurring on or around year end and judgement is required to determine when controls have transferred under contractual arrangements with third parties.

#### Our responses

We have evaluated and tested the internal controls over the occurrence, accuracy and timing of revenue recognised in the financial statements. We have also verified based on a sampling basis, the revenue captured by vouching to the customer's purchase orders, sales invoices, acknowledged delivery orders and bank and/or cash receipts. We understood and reviewed the appropriateness of revenue recognition policies.



# INDEPENDENT AUDITORS' REPORT

to the members of Flexidynamic Holdings Berhad  
(Incorporated in Malaysia)  
(CONT'D)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

### Key Audit Matters (cont'd)

#### Group (cont'd)

##### *Allowance for expected credit losses ("ECL") on trade receivables*

#### The risk

The Group has a material amount of trade receivables amounting to RM17,238,235 as disclosed in Note 33.2(a)(i) to the financial statements whereby the amount of RM15,490,970 is past due but not impaired. The key associated risk is recoverability of billed trade receivables as management judgement is required in assessing the adequacy of impairment losses by considering the expected recoverability of the outstanding trade receivables.

#### Our responses

Our audit procedures in relation to the allowance for ECL included obtaining an understanding on how the Group identifies and assesses ECL for trade receivables. We have reviewed the key data sources and assumptions for data used in the determination of default rate and the current and forward-looking adjustment factors. We have considered the age of debts as well as the trend of collections to identify the collection risks. We have obtained debtors' confirmations and review collectability by way of obtaining evidence of receipts from the debtors subsequent to year end.

##### *Inventories valuation*

#### The risk

The Group holds an amount of inventories that amounted to RM4,546,783 as disclosed in Note 7 to the financial statements which is subject to a risk that the inventories might become slow-moving or obsolete and rendering it not saleable or can only be sold for selling prices that are less than the carrying value. There is inherent subjectivity and estimation involved in determining the accuracy of inventory obsolescence and in making an assessment of its adequacy, therefore there are risks of inventories not stated at the lower of cost or market value.

#### Our responses

Our audit procedures in relation to the valuation of inventories included comparing the unit cost to the last purchase invoices for a sample of inventory items. We have obtained an understanding and reviewed the management's assessment of net realisable value ("NRV") of the inventories and on a sample basis, tested the subsequent selling price of inventories. We have examined the condition of selected inventories by attending physical inventories count at the financial year end at selected locations.

#### Company

There is no key audit matters to be communicated in respect of the audit of the financial statements of the Company.

### Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## INDEPENDENT AUDITORS' REPORT

to the members of Flexidynamic Holdings Berhad  
(Incorporated in Malaysia)  
(CONT'D)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

#### Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine if necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations or have no realistic alternative but to do so.

#### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

# INDEPENDENT AUDITORS' REPORT

to the members of Flexidynamic Holdings Berhad  
(Incorporated in Malaysia)  
(CONT'D)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

### Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

We communicated with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determined those matters that were of most significant in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We described these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, is disclosed in Note 5 to the financial statements.

## OTHER MATTER

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**GRANT THORNTON MALAYSIA PLT**  
(201906003682 & LLP0022494-LCA)  
CHARTERED ACCOUNTANTS (AF 0737)

Kuala Lumpur

24 April 2024

**ANTONY LEONG WEE LOK**  
(NO: 03381/06/2024 J)  
CHARTERED ACCOUNTANT

# STATEMENTS OF FINANCIAL POSITION

as at 31 December 2023

		←	Group		→	Company		→
	Note		2023	2022	2021	2023	2022	
				Restated				
			RM	RM	RM	RM		RM
ASSETS								
NON-CURRENT ASSETS								
Property, plant and equipment	3		9,347,083	14,691,326	17,397,703	-		-
Investments properties	4		13,063,036	9,139,682	-	-		-
Investment in a subsidiary	5		-	-	-	22,271,217		21,796,786
Deferred tax assets	6		3,493,838	5,068,079	7,829,439	-		-
Other receivables			-	-	52,438	-		-
Total non-current assets			25,903,957	28,899,087	25,279,580	22,271,217		21,796,786
CURRENT ASSETS								
Inventories	7		4,546,783	6,383,643	11,658,631	-		-
Trade receivables	8		17,238,235	20,727,003	33,572,027	-		-
Other receivables	9		10,137,977	11,681,600	12,063,502	62,522		49,336
Amount due from a subsidiary	10		-	-	-	11,752,378		11,668,238
Tax recoverable			2,908,312	2,110,336	-	4,309		-
Fixed deposits with a licensed financial institution	11		439,115	2,490,187	3,459,436	439,115		427,936
Cash and bank balances and short-term investments	12		7,709,051	8,990,037	29,321,265	2,191,845		2,795,312
Total current assets			42,979,473	52,382,806	90,074,861	14,450,169		14,940,822
TOTAL ASSETS			68,883,430	81,281,893	115,354,441	36,721,386		36,737,608
EQUITY AND LIABILITIES								
EQUITY								
Equity attributable to owners of the Company								
Share capital	13		35,623,055	35,623,055	35,353,657	35,623,055		35,623,055
Merger deficit	14		(20,431,412)	(20,431,412)	(20,431,412)	-		-
Capital reserve	15		631,154	631,154	631,154	-		-
Share-based payment reserve	16		1,398,083	1,114,149	692,935	1,398,083		1,114,149
Foreign exchange reserve			2,410	(8,431)	(19,092)			-
Retained earnings/ (Accumulated losses)			20,814,596	19,905,429	26,492,183	(368,466)		(202,031)
			38,037,886	36,833,944	42,719,425	36,652,672		36,535,173
Non-controlling interest	5		(175,454)	345,613	646,746	-		-
TOTAL EQUITY			37,862,432	37,179,557	43,366,171	36,652,672		36,535,173

# STATEMENTS OF FINANCIAL POSITION

as at 31 December 2023

(CONT'D)

		←	Group	→	←	Company	→
	Note	2023	2022	2021	2023	2022	
			Restated				
		RM	RM	RM	RM	RM	
<b>LIABILITIES</b>							
<b>NON-CURRENT LIABILITIES</b>							
Lease liabilities	17	640,630	1,006,667	975,955	-	-	
Bank borrowings	18	6,466,309	7,038,369	7,040,407	-	-	
Employees' benefits	19	7,798	7,385	6,945	-	-	
Total non-current liabilities		7,114,737	8,052,421	8,023,307	-	-	
<b>CURRENT LIABILITIES</b>							
Trade payables	20	7,341,899	10,626,831	23,129,758	-	-	
Other payables and accruals	21	1,349,343	1,479,522	1,167,841	68,714	196,158	
Contract liabilities	22	14,072,118	20,495,670	34,655,301	-	-	
Lease liabilities	17	411,723	518,017	442,869	-	-	
Bank borrowings	18	731,178	2,923,598	1,638,788	-	-	
Tax payable		-	6,277	2,930,406	-	6,277	
Total current liabilities		23,906,261	36,049,915	63,964,963	68,714	202,435	
<b>TOTAL LIABILITIES</b>		31,020,998	44,102,336	71,988,270	68,714	202,435	
<b>TOTAL EQUITY AND LIABILITIES</b>							
		68,883,430	81,281,893	115,354,441	36,721,386	36,737,608	

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial year ended 31 December 2023

	Note	Group		Company	
		2023	2022	2023	2022
		RM	Restated RM	RM	RM
Revenue	23	38,260,731	88,285,051	-	-
Cost of sales		(27,780,437)	(74,744,773)	-	-
Gross profit		10,480,294	13,540,278	-	-
Other income		838,255	1,861,779	518,150	432,500
Allowance of expected credit losses on trade receivables	8	-	(4,083,462)	-	-
Selling and distribution expenses		(614,490)	(1,522,298)	-	-
Administrative expenses		(6,982,613)	(8,340,571)	(681,942)	(686,494)
Other operating expenses		(1,610,407)	(2,660,163)	-	-
Profit/(Loss) from operations		2,111,039	(1,204,437)	(163,792)	(253,994)
Finance costs	24	(240,112)	(228,027)	-	-
Finance income	24	93,826	130,363	11,687	11,114
Profit/(Loss) before tax	25	1,964,753	(1,302,101)	(152,105)	(242,880)
Tax expense	26	(1,587,938)	(2,752,851)	(14,330)	(32,687)
Profit/(Loss) for the financial year		376,815	(4,054,952)	(166,435)	(275,567)
Other comprehensive income:-					
<b>Item that will be reclassified subsequently to profit or loss</b>					
Foreign currency translation		22,126	21,757	-	-
<b>Other comprehensive income for the financial year, net of tax</b>		22,126	21,757	-	-
Total comprehensive income/(loss) for the financial year		398,941	(4,033,195)	(166,435)	(275,567)

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial year ended 31 December 2023

(CONT'D)

Note	← Group →		← Company →	
	2023	2022	2023	2022
	RM	Restated RM	RM	RM
<b>Profit/(Loss) for the financial year attributable to:-</b>				
Owners of the Company	909,167	(3,742,723)	(166,435)	(275,567)
Non-controlling interest	(532,352)	(312,229)	-	-
	376,815	(4,054,952)	(166,435)	(275,567)
<b>Total comprehensive income/(loss) for the financial year attributable to:-</b>				
Owners of the Company	920,009	(3,732,062)	(166,435)	(275,567)
Non-controlling interest	(521,068)	(301,133)	-	-
	398,941	(4,033,195)	(166,435)	(275,567)
Earnings/(Loss) per share				
- Basic (sen)	27	0.32	(1.32)	
- Diluted (sen)	27	0.32	(1.30)	

The accompanying notes form an integral part of the financial statements.

## for the financial year ended 31 December 2023

	Attributable to the owners of the Company								
	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	RM	RM	RM	RM	RM	RM	RM	RM
<b>Group</b>									
Balance at 1 January 2022	35,353,657	(20,431,412)	631,154	692,935	(19,092)	26,492,183	42,719,425	646,746	43,366,171
Transactions with owners:-									
Dividend paid (Note 28)	-	-	-	-	-	(2,844,031)	(2,844,031)	-	(2,844,031)
Issuance of ordinary shares pursuant to ESOS	220,843	-	-	-	-	-	220,843	-	220,843
Transfer from share-based payment reserve upon exercise	48,555	-	-	(48,555)	-	-	-	-	-
Share-based payment relating to ESOS	-	-	-	469,769	-	-	469,769	-	469,769
Total transactions with owners	269,398	-	-	421,214	-	(2,844,031)	(2,153,419)	-	(2,153,419)
Loss for the financial year									
- As previously stated	-	-	-	-	-	(3,910,475)	(3,910,475)	(144,477)	(4,054,952)
- Prior year adjustments (Note 36)	-	-	-	-	-	167,752	167,752	(167,752)	-
Other comprehensive income for the financial year	-	-	-	-	10,661	-	10,661	11,096	21,757
Total comprehensive income/(loss) for the financial year	-	-	-	-	10,661	(3,742,723)	(3,732,062)	(301,133)	(4,033,195)
Balance at 31 December 2022, as restated	35,623,055	(20,431,412)	631,154	1,114,149	(8,431)	19,905,429	36,833,944	345,613	37,179,557
Transactions with owners:-									
Share-based payment relating to ESOS	-	-	-	283,934	-	-	283,934	-	283,934
Total transactions with owners	-	-	-	283,934	-	-	283,934	-	283,934
Profit/(Loss) for the financial year	-	-	-	-	-	909,167	909,167	(532,352)	376,815
Other comprehensive income for the financial year	-	-	-	-	10,841	-	10,841	11,285	22,126
Total comprehensive income/(loss) for the financial year	-	-	-	-	10,841	909,167	920,008	(521,067)	398,941
Balance at 31 December 2023	35,623,055	(20,431,412)	631,154	1,398,083	2,410	20,814,596	38,037,886	(175,454)	37,862,432



# STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 December 2023

(CONT'D)

	Share capital RM	Share-based payment reserve RM	Retained earnings RM	Total RM
<b>Company</b>				
Balance at 1 January 2022	35,353,657	692,935	2,917,567	38,964,159
<u>Transactions with owners:-</u>				
Dividend paid (Note 28)	-	-	(2,844,031)	(2,844,031)
Issuance of ordinary shares pursuant to ESOS	220,843	-	-	220,843
Transfer from share-based payment reserve upon exercise	48,555	(48,555)	-	-
Share-based payment relating to ESOS	-	469,769	-	469,769
Total transactions with owners	269,398	421,214	(2,844,031)	(2,153,419)
Total comprehensive loss for the financial year	-	-	(275,567)	(275,567)
Balance at 31 December 2022	35,623,055	1,114,149	(202,031)	36,535,173
<u>Transactions with owners:-</u>				
Share-based payment relating to ESOS	-	283,934	-	283,934
Total transactions with owners	-	283,934	-	283,934
Total comprehensive loss for the financial year	-	-	(166,435)	(166,435)
Balance at 31 December 2023	35,623,055	1,398,083	(368,466)	36,652,672

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2023

Note	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>OPERATING ACTIVITIES</b>				
Profit/(Loss) before tax	1,964,753	(1,302,101)	(152,105)	(242,880)
<b>Adjustments for:-</b>				
Allowance of expected credit losses on trade receivables	-	4,083,462	-	-
Depreciation of property, plant and equipment	1,305,437	1,266,057	-	-
Depreciation of investment properties	111,317	46,110	-	-
Finance costs	240,112	228,027	-	-
Finance income	(93,826)	(130,363)	(11,687)	(11,114)
Gain on disposal of property, plant and equipment	(166,966)	(93,306)	-	-
Unrealised (gain)/loss on foreign exchange	(60,347)	1,440,530	-	-
Dividend income	(74,893)	(47,354)	(40,942)	(12,691)
Employees' benefits	-	973	-	-
Property, plant and equipment written off	42,566	1,814	-	-
Right-of-use assets written off	27,855	-	-	-
Bad debts written off	6,964	-	-	-
Share-based payment expenses	283,934	469,769	59,503	91,143
Operating profit/(loss) before working capital changes	3,586,906	5,963,618	(145,231)	(175,542)
Changes in working capital:-				
Inventories	1,836,860	5,274,988	-	-
Receivables	5,025,444	9,200,445	(127,444)	139,056
Payables	(9,818,127)	(26,374,445)	(13,186)	(26,500)
Cash generated from/(used in) operations	631,083	(5,935,394)	(285,861)	(62,986)
Tax paid	(817,950)	(5,025,034)	(24,916)	(26,410)
Net cash flows used in operating activities	(186,867)	(10,960,428)	(310,777)	(89,396)
<b>INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment	A	(144,082)	(1,927,718)	-
Purchase of investment properties	B	-	(767,084)	-
Dividend received		74,893	47,354	40,942
Interests received		93,809	127,124	11,687
Advances to a subsidiary		-	-	(334,140)
Proceeds from disposal of property, plant and equipment		448,954	103,000	-
Net cash flows from/(used in) investing activities		473,574	(2,417,324)	(281,511)

(1,988,358)

# STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2023

(CONT'D)

Note	← Group →		← Company →	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>FINANCING ACTIVITIES</b>				
Dividends paid	-	(2,844,031)	-	(2,844,031)
Interests paid	(240,112)	(238,601)	-	-
Employee benefit paid	-	(672)	-	-
Proceed from issuance of share capital	-	220,843	-	220,843
Drawdown of bank borrowings	11,580,000	4,912,000	-	-
Repayment of bank borrowings	(14,344,480)	(8,057,028)	-	-
Repayment of lease liabilities	(658,331)	(510,640)	-	-
Net cash flows used in financing activities	(3,662,923)	(6,518,129)	-	(2,623,188)
<b>CASH AND CASH EQUIVALENTS</b>				
Net changes	(3,376,216)	(19,895,881)	(592,288)	(4,700,942)
Effect on foreign exchanges translation	44,158	(1,404,596)	-	-
At beginning of financial year	11,480,224	32,780,701	3,223,248	7,924,190
At end of financial year	C 8,148,166	11,480,224	2,630,960	3,223,248

## NOTES TO THE STATEMENTS OF CASH FLOWS

### A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	← Group →		← Company →	
	2023 RM	2022 RM	2023 RM	2022 RM
Total purchase	330,082	2,658,218	-	-
Purchase through finance lease	(186,000)	(616,500)	-	-
Purchase through term loan	-	(114,000)	-	-
	144,082	1,927,718	-	-

### B. INVESTMENT PROPERTIES

	← Group →		← Company →	
	2023 RM	2022 RM	2023 RM	2022 RM
Total purchase	-	5,080,884	-	-
Purchase through term loan	-	(4,313,800)	-	-
	-	767,084	-	-

# STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2023

(CONT'D)

## NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

### C. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statements of cash flows comprise the following:-

	← Group →		← Company →	
	2023	2022	2023	2022
	RM	RM	RM	RM
Cash and bank balances	4,372,375	5,779,259	23,558	706,823
Income fund with a licensed financial institution	3,336,676	3,210,778	2,168,287	2,088,489
Fixed deposits with a licensed financial institution	439,115	2,490,187	439,115	427,936
	8,148,166	11,480,224	2,630,960	3,223,248

The accompanying notes form an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

## 1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the ACE Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur. The principal place of business of the Company is located at A-3A-28, IOI Boulevard, Jalan Kenari 5, Bandar Puchong Jaya, 47170 Puchong, Selangor Darul Ehsan.

The Company is principally engaged in investment holding services.

The principal activities of its subsidiaries are disclosed in Note 5 to the financial statements.

There have been no significant changes in nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 24 April 2024.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

### 2.2 Basis of measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial market takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:-

- Level 1 - Quoted (unadjusted) market prices is active market for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

## 2. BASIS OF PREPARATION (CONT'D)

### 2.2 Basis of measurement (cont'd)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

### 2.3 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM") which is the Company's functional currency and all value are rounded to the nearest RM except when otherwise stated.

### 2.4 Adoption of new standards/amendments/improvements to MFRS

At the beginning of the current financial year, the Group and the Company adopted new standards/amendments/improvements to MFRS which are mandatory for the financial periods beginning on or after 1 January 2023.

Initial application of the new standards/amendments/improvements to MFRS did not have material impact on the financial statements of the Group and of the Company. The details of the amendments are disclosed below:-

#### Amendments to MFRS 101 Presentation of Financial Statements - Disclosure of Accounting Policies

The amendments change the requirements in MFRS 101 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant' with 'material'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in MFRS 101 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The MASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in MFRS Practice Statement 2.

The amendments have had an impact on the Group's and the Company's disclosures of accounting policies but not on the measurement, recognition or presentation of any items in the Group's and the Company's financial statements.

### 2.5 Standards issued but not yet effective

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been early adopted by the Group and the Company.

Management anticipates that all relevant pronouncements will be adopted in the Group's and the Company's accounting policies for the first period beginning after the effective date of the pronouncement. New standards, amendments and interpretations not adopted in current financial period have not been disclosed as it is not expected to have material impact on the Group's and the Company's financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

## 2. BASIS OF PREPARATION (CONT'D)

### 2.6 Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and the Company's accounting policies and reported amounts of assets, liabilities, income and expenses and disclosures made.

Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

#### 2.6.1 Estimation uncertainty

Information about significant estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below:-

##### Useful lives of depreciable assets

Management estimates the useful lives of the property, plant and equipment and investment properties to be within 5 to 50 years and 50 years respectively and reviews the useful lives of depreciable assets at end of each reporting period. At 31 December 2023 management assesses that the useful lives represent the expected utility of the assets to the Group. Actual results, however, may vary due to change in the expected level of usage and technological developments, which resulting the adjustment to the Group's assets.

The carrying amount of the Group's property, plant and equipment and investment properties at the end of the reporting date is disclosed in Note 3 and Note 4 to the financial statements.

##### Impairment of non-financial assets

An impairment loss is recognised for the amount by which the assets or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected cash flows, management makes assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the Group's and the Company's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

##### Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the times the estimates are made. The Group's core business is subject to economical factor which may cause selling prices to change rapidly, and the Group's profit to change.

The carrying amount of the Group's inventories at the end of the reporting date is disclosed in Note 7 to the financial statements.

##### Allowance for expected credit losses of trade receivables

The Group uses a provision matrix to calculate Expected Credit Loss ("ECL") for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

## 2. BASIS OF PREPARATION (CONT'D)

### 2.6 Significant accounting estimates and judgements (cont'd)

#### 2.6.1 Estimation uncertainty (cont'd)

##### Allowance for expected credit losses of trade receivables (cont'd)

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECL on the Group's trade receivables is disclosed in Note 33.2(a)(i) to the financial statements.

##### Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which all the deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The carrying amount of the Group's deferred tax assets at the end of the reporting date is disclosed in Note 6 to the financial statements.

##### Employee share options

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The assumptions and model used for estimating fair value for share-based payment transactions, sensitivity analysis and the carrying amounts are disclosed in Note 16 to the financial statements.

##### Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. The Group accounts for the portions separately if the portions could be sold separately (or leased out separately under a finance lease). If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.



# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

## 2. BASIS OF PREPARATION (CONT'D)

### 2.6 Significant accounting estimates and judgements (cont'd)

#### 2.6.1 Estimation uncertainty (cont'd)

##### Classification between investment properties and owner-occupied properties (cont'd)

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

##### Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

#### 2.6.2 Significant management judgement

The following are significant management judgement in applying the accounting policies of the Group that have the most significant effect on the financial statements.

##### Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:-

- Identifying performance obligations in the design, engineering, installation and commissioning services and bundled sale of products.

The Group provides design, engineering, installation and commissioning services that are either sold separately or bundled together with sale of products to customers. The services are a promise to transfer services in the future and are part of the negotiated exchange between the Group with the customers.

The Group determined that both the sale of products and services are capable of being distinct. The fact that the Group regularly sell both products and services on a stand-alone basis indicate that the customer can benefit from both product and services on their own. The Group also determined that the promises to transfer the product and to provide services are distinct within the context of the contract.

The product and services are not inputs to a combined item in the contract. The Group are not providing a significant integration service because the presence of the products and services together in this contract do not result in any additional or combined functionality and neither the product nor the services modify or customise the other.

In addition, the products and services are not highly interdependent or highly interrelated, because the Group would be able to transfer the products even if the customer declined services and would be able to provide services in relation to products sold by other distributors. Consequently, the Group allocated a portion of the transaction price to the products and the services based on relative stand-alone selling prices.



## NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

### 3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Computers	Electrical and fittings		Freehold building	Freehold land	Furniture and fittings		Machineries	Motor vehicles		Right-of-use assets – Motor vehicles		Mould	Office equipment		Renovations	Signboards		Building in progress	Right-of-use assets – Office		Total
		RM	RM			RM	RM		RM	RM	RM	RM		RM	RM		RM	RM		RM	RM	
Accumulated depreciation																						
	At 1 January 2022	126,485	115,474	406,192	-	53,077	347,914	255,124	1,262,008	60,148	301,067	291,186	8,352	-	19,534	3,246,561						
	Charge for the financial year	55,081	31,267	115,247	-	29,845	117,102	76,184	572,223	57,648	93,682	95,799	2,318	-	19,661	1,266,057						
	Reclassification	-	-	-	-	-	-	271,559	(271,559)	-	-	-	-	-	-	-						
	Disposals	-	-	-	-	-	-	(57,971)	(125,923)	-	(1,350)	-	-	-	-	(185,244)						
	Written off	(7,018)	-	-	-	(271)	-	-	-	-	-	-	-	-	-	(7,289)						
	Exchange differences	-	-	-	-	-	-	1,272	3,941	-	1,009	1,042	-	-	661	7,925						
	At 31 December 2022	174,548	146,741	521,439	-	82,651	465,016	546,168	1,440,690	117,796	394,408	388,027	10,670	-	39,856	4,328,010						
	Charge for the financial year	57,400	29,075	116,882	-	42,566	128,498	84,101	581,477	61,999	73,465	103,122	2,446	-	24,406	1,305,437						
	Reclassification	-	-	-	-	-	-	32,410	(32,410)	-	-	-	-	-	-	-						
	Transfer to investment properties	-	-	(72,315)	-	-	-	-	-	-	-	-	-	-	-	(72,315)						
	Disposals	-	-	-	-	-	(62,882)	(189,459)	(408,404)	-	-	-	-	-	-	(660,745)						
	Written off	(4,456)	(17,030)	-	-	(2,283)	(508)	-	-	(22,414)	(7,791)	(4,992)	(2,303)	-	(65,468)	(127,245)						
	Exchange differences	-	-	-	-	-	-	3,284	12,963	-	3,787	3,633	-	-	1,206	24,873						
	At 31 December 2023	227,492	158,786	566,006	-	122,934	530,124	476,504	1,594,316	157,381	463,869	489,790	10,813	-	-	4,798,015						
Net carrying amount																						
	At 31 December 2023	155,984	38,409	3,429,325	2,386,821	299,650	648,642	238,971	1,150,059	418,459	106,899	461,675	12,189	-	-	9,347,083						
	At 31 December 2022	137,796	66,399	5,938,900	4,028,799	344,183	899,610	318,734	1,679,237	509,194	178,055	549,748	15,832	-	24,839	14,691,326						

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

## 3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

### Group

The motor vehicles of the Group with net carrying amount of RM1,150,059 (2022: RM1,679,237) were acquired under finance lease arrangements.

The office of the Group with net carrying amount of RMNil (2022: RM24,839) were acquired under lease arrangements.

The freehold land and building of the Group with net carrying amount RM2,386,821 (2022: RM4,028,799) and RM3,429,325 (2022: RM5,938,900) respectively have been pledged to bank as security for the banking facilities granted to the Group as disclosed in Note 18 to the financial statements.

### Material accounting policy information

#### (a) Recognition and measurement

All property, plant and equipment, are measured at cost less accumulated depreciation and less any impairment losses. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bring the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

#### (b) Depreciation

Depreciation is recognised on the straight-line method in order to write off the cost of each asset over its estimated useful life. Freehold land with an infinite life and building in progress are not depreciated. Other property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:-

Computers	20%
Electrical and fittings	20%
Freehold building	2%
Furniture and fittings	10%
Machineries	10%
Motor vehicles	20%
Right-of-use assets - Motor vehicles	20%
Mould	10%
Office equipment	20%
Renovations	10-20%
Signboards	10%
Right-of-use assets - Office	20%

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

## 4. INVESTMENT PROPERTIES

	Group	
	2023	2022
	RM	RM
<b>Cost</b>		
At beginning of the financial year	9,185,792	-
Addition	-	5,080,884
Borrowing costs capitalised at 4.07% per annum	-	5,937
Transfer from property, plant and equipment	4,106,986	4,098,971
At end of the financial year	13,292,778	9,185,792
<b>Less: Accumulated depreciation</b>		
At beginning of the financial year	46,110	-
Charge for the financial year	111,317	46,110
Transfer from property, plant and equipment	72,315	-
At end of the financial year	229,742	46,110
<b>Net carrying amount</b>	<b>13,063,036</b>	<b>9,139,682</b>
<u>Pledged to bank as security for the banking facilities granted to the Group (Note 18)</u>		
Included in the above are:		
Freehold land	5,878,142	4,236,164
Freehold buildings	7,184,894	4,903,518
	13,063,036	9,139,682
Fair value of investment properties	21,332,486	10,737,277

### Investment properties under leases

Investment properties comprise a number of freehold land and buildings that are leased to third parties. Each of the leases contains a cancellable period for 1 year. Subsequent renewals are negotiated with the lessee on renewal period of 1 year.

During the financial year, a property has been transferred from property, plant and equipment to investment properties, since the building will not be utilising immediately due to negative market conditions in the short-term by the Group and would be leased to a third party.

### Income and expenses recognised in profit and loss

	Group	
	2023	2022
	RM	RM
Rental income	480,000	46,452
<u>Direct operating expenses:</u>		
Income generating investment properties	30,418	4,434
Non-income generating investment properties	25,844	35,596

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

## 4. INVESTMENT PROPERTIES (CONT'D)

Detail of the Group's investment properties and information about the fair value hierarchy are as follows:-

	Level 2/Total RM
<b>2023</b>	
Freehold land and buildings	21,332,486
<b>2022</b>	
Freehold land and buildings	10,737,277

Level 2 fair values of freehold land and buildings have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

Based on the sales comparison approaches, there were no indication of future impairment losses for the investment properties.

There were no transfers between Level 1, 2 and 3 during the year.

### Material accounting policy information

#### (a) Recognition and measurement

Investment properties which are owned are measured initially at cost. Cost includes expenditures that are directly attributable to the acquisition of the investment property. Right-of-use asset held under a lease contract that meets the definition of investment property is initially measured similarly as other right-of-use assets.

#### (b) Depreciation

Investment properties are depreciated based on the estimated useful lives of the freehold buildings are 2%.

## 5. INVESTMENT IN A SUBSIDIARY

	Company	
	2023 RM	2022 RM
Investment costs:-		
<b>At cost:-</b>		
Unquoted shares	21,796,786	21,418,160
<b>Contributions to subsidiary:-</b>		
ESOS granted to employees of subsidiary	224,431	378,626
Capitalisation of amount due to subsidiary	250,000	-
	474,431	378,626
	22,271,217	21,796,786

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

## 5. INVESTMENT IN A SUBSIDIARY (CONT'D)

Details of the subsidiaries are as follows:-

Name of company	Principal place of business	Effective interest (%)		Principal activities
		2023	2022	
Flexidynamic Engineering Sdn. Bhd. ("FESB")	Malaysia	100	100	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.

### Subsidiary of FESB

Flexidynamic Engineering Company Limited **	Thailand	49	49	Installation and maintenance of glove chlorination systems, storage tanks and process tanks for the glove manufacturing industry.
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\* Subsidiary not audited by Grant Thornton Malaysia PLT.

# Although FESB owns less than half of the ownership interest and less than half of the voting power of Flexidynamic Engineering Company Limited, but the Directors have determined that FESB controls the entity. FESB has power to exercise control through a casting vote given to the Managing Director of FESB who is also the Chairman of the Board of Directors of the subsidiary.

### Non-controlling interest in a subsidiary

The Group's subsidiary that has material non-controlling interest is as follows:-

	Flexidynamic Engineering Company Limited	
	2023	2022 Restated
NCI percentage of ownership interest and voting interest (%)	51	51
Carrying amount of non-controlling interest (RM)	(175,454)	345,613
Loss allocated to non-controlling interest (RM)	(532,352)	(312,229)
Total comprehensive loss allocated to non-controlling interest (RM)	(521,068)	(301,133)

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

## 5. INVESTMENT IN A SUBSIDIARY (CONT'D)

### Non-controlling interest in a subsidiary (cont'd)

The summary of financial information before intra-group elimination for the Group's subsidiary that has material non-controlling interest is as below:-

	Flexidynamic Engineering Company Limited	
	2023	2022
		Restated
	RM	RM
<b>Financial position</b>		
Non-current assets	149,470	322,004
Current assets	235,364	936,005
Non-current liabilities	(13,767)	(51,250)
Current liabilities	(715,095)	(529,087)
Net (liabilities)/assets	(344,028)	677,672
<b>Summary of financial performance</b>		
Loss for the financial year	(1,043,827)	(612,214)
Other comprehensive income	22,126	21,757
Total comprehensive losses	(1,021,701)	(590,457)
Included in the total comprehensive income is:-		
Revenue	852,652	5,465,590
<b>Summary of cash flows</b>		
Net cash (used in)/from operating activities	(418,183)	459,150
Net cash from/(used in) investing activities	34,801	(324)
Net cash used in financing activities	(98,763)	(92,503)
Net cash (outflow)/inflow	(482,145)	366,323

### Material accounting policy information

Investment in a subsidiary is measured in the Company's statement of financial position at cost less any impairment losses.

## 6. DEFERRED TAX ASSETS

	Group	
	2023	2022
	RM	RM
At beginning of the financial year	5,068,079	7,829,439
Recognised in profit or loss (Note 26)	(1,574,241)	(2,761,360)
At end of financial year	3,493,838	5,068,079



# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

## 6. DEFERRED TAX ASSETS (CONT'D)

The components of recognised deferred tax assets as at the reporting date are made up of the temporary differences arising from:-

	Group	
	2023	2022
	RM	RM
Property, plant and equipment	(249,952)	(378,594)
Unrealised (gain)/loss on foreign exchange	(14,297)	8,685
Deferred income	2,778,056	4,457,957
Impairment loss of finance assets	980,031	980,031
	3,493,838	5,068,079

### Material accounting policy information

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. The initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

## 7. INVENTORIES

	Group	
	2023	2022
	RM	RM
<b>At cost:-</b>		
Raw materials	3,718,545	4,972,131
Finished goods	828,238	1,411,512
	4,546,783	6,383,643
<b>Recognised in profit or loss:-</b>		
Inventories recognised in cost of sales	26,014,325	66,814,572

### Material accounting policy information

Inventory are measured at the lower of cost and net realisable value. The cost of raw material determined on a first-in-first-out basis.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

### 8. TRADE RECEIVABLES

	Group	
	2023	2022
	RM	RM
Trade receivables	21,321,697	24,810,465
Less:		
Allowance for expected credit losses	(4,083,462)	(4,083,462)
	17,238,235	20,727,003

The movement of expected credit losses during the financial year is as follows:-

	Group	
	2023	2022
	RM	RM
At 1 January	4,083,462	-
Allowance for expected credit losses	-	4,083,462
At 31 December	4,083,462	4,083,462

#### Group

The normal credit term granted by the Group to the trade receivables are ranging from 30 to 90 days (2022: 30 to 90 days). Other credit terms are assessed and approved by the management on a case-by-case basis.

### 9. OTHER RECEIVABLES

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
<b>Current:-</b>				
Non-trade receivables	22,720	67,927	-	-
Deposits	130,416	206,255	1,000	1,000
Prepayments	248,590	278,923	61,522	48,336
Deferred expenses <sup>(1)</sup>	9,735,974	11,126,734	-	-
GST/VAT receivable, net <sup>(2)</sup>	277	1,761	-	-
	10,137,977	11,681,600	62,522	49,336

<sup>(1)</sup> Deferred expenses refer to expenses related to down payment for future project cost.

<sup>(2)</sup> GST defined as Good and Services Tax and VAT defined as Value-added Taxes.

### 10. AMOUNT DUE FROM A SUBSIDIARY

The amount due from a subsidiary is non-trade in nature, unsecured, bear interest ranging from 3.12% to 4.45% (2022: 3.12%) per annum and repayable on demand.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

## 11. FIXED DEPOSITS WITH A LICENSED FINANCIAL INSTITUTION

### Group

The fixed deposits with a licensed financial institution of the Group at the end of the reporting period bore effective interest rates ranging 2.65% (2022: 1.70% to 2.65%) per annum.

### Company

The fixed deposits with a licensed financial institution of the Company at the end of the reporting period bore effective interest rates at 2.65% (2022: 2.65%) per annum.

## 12. CASH AND BANK BALANCES AND SHORT-TERM INVESTMENTS

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Income fund with a licensed financial institution (redeemable upon 1 day notice)	3,336,677	3,210,778	2,168,288	2,088,489
Cash and bank balances	4,372,374	5,779,259	23,557	706,823
	7,709,051	8,990,037	2,191,845	2,795,312

## 13. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2023	2022	2023	2022
	Unit	Unit	RM	RM
<b>Issued and fully paid with no par value:-</b>				
At beginning of the financial year	284,679,925	283,891,200	35,623,055	35,353,657
Issuance of ordinary shares pursuant to ESOS	-	788,725	-	220,843
Transfer from share-based payment reserve upon exercise	-	-	-	48,555
At the end of financial year	284,679,925	284,679,925	35,623,055	35,623,055

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

## 14. MERGER DEFICIT

The merger deficit arises as and when the combination takes place, where the net asset value exceeds the cost of merger of the share capital of subsidiary acquired.

## 15. CAPITAL RESERVE

Capital reserve represents employees benefit through transfer of the subsidiaries' shares to its employees.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

### 16. SHARE BASED PAYMENT RESERVE

The share-based payment reserve arose from the granting of options under the Employees Share Option Scheme ("ESOS") to eligible employees.

At an extraordinary general meeting held on 29 October 2021, the Company's shareholders approved the establishment of an ESOS of up to 25% of the total number of issued share capital of the Company to eligible Directors and employees of the Group.

The salient features of the ESOS are as follows:-

- (a) The maximum number of new shares of the Company, which may be allotted and issued pursuant to the ESOS shall not exceed in aggregate 25% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time during the duration of the ESOS.
- (b) The maximum number of new Flexidynamic Shares that may be offered to an Eligible Person under the Proposed ESOS shall be determined at the sole and absolute discretion of the ESOS Committee after taking into consideration, amongst other relevant factors, the Eligible Person's performance, seniority, number of years in service and such other factors that the ESOS Committee may deem relevant in its discretion and shall be subject to the following:-
  - (i) That the total number of new Flexidynamic Shares to be issued under the Proposed ESOS shall not exceed in aggregate 25% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time during the duration of the Proposed ESOS;
  - (ii) The allocation to any individual Eligible Person, who either individually or collectively, through persons connected with him/her, holds 20% or more of the total number of issued shares of Flexidynamic, must not exceed 10% of the total number of new Flexidynamic Shares to be issued under the Proposed ESOS;
  - (iii) The Directors and senior management of Flexidynamic Group (excluding dormant subsidiaries, if any) do not participate in the deliberation or discussion of their own allocation of ESOS Options as well as allocation to persons connected with them, if any; and
  - (iv) Not more than 70% of the total number of new Flexidynamic Shares to be issued under the ESOS shall be allocated, in aggregate, to the eligible directors and senior management of the Group (excluding dormant subsidiaries, if any) who are Eligible Persons ("Maximum Allocation"). The Maximum Allocation was determined after taking into consideration, the number of Eligible Persons falling within the grading of directors and senior management of the Group, as well as their position, seniority, length of service, performance and contribution to the Group, provided always that it is in accordance with any prevailing requirements issued by Bursa Securities and the Listing Requirements as amended from time to time.
- (c) The ESOS will be made available for participation by eligible persons of the Group who meet the following criteria on the Date of Offer:-
  - (i) The Eligible Person shall have attained the age of 18 years on the Date of Offer;
  - (ii) The Eligible Person is employed on a full time basis (inclusive of employee with fixed term contract) and is on the payroll of any company within the Group (excluding dormant companies, if any) and his/her employment has been confirmed or such employee is serving in a specific designation under an employment contract for a fixed duration of not less than 1 year;
  - (iii) The Eligible Person is neither an undischarged bankrupt nor subject to any bankruptcy proceedings;
  - (iv) Such Eligible Person who is a director (including non-executive directors) has been appointed as a director of Flexidynamic or any company in the Group, which is not dormant; and
  - (v) The Eligible Person has fulfilled any other eligibility criteria and/or falls within such grade/category set by the Group (excluding dormant companies, if any) as may be determined by the ESOS Committee at its sole discretion from time to time.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

## 16. SHARE BASED PAYMENT RESERVE (CONT'D)

The salient features of the ESOS are as follows:- (cont'd)

- (d) The ESOS shall be in force for a period of 5 years and may be extended (as the case may be), at the sole and absolute discretion of the Board of Directors of the Company upon the recommendation by the ESOS Committee, provided always that the initial ESOS period stipulated above and such extension of the ESOS shall not in aggregate exceed a duration of 10 years from the effective date; and
- (e) An option price shall not be at a discount of more than 10% (or such discount as the relevant authorities shall permit) from the 5-day weighted average market price of the shares of the Company preceding the date of offer.

A summary of the movement in the number ESOS and the weighted average exercise prices ("WAEP") is as follow:-

	2023		2022	
	Number of share option	Weighted average exercise price RM	Number of share option	Weighted average exercise price RM
<b>Group</b>				
At 1 January	14,224,575	3,982,881	15,013,300	4,203,724
Share option exercise	-	-	(788,725)	(220,843)
Lapsed	(927,300)	-	-	-
At 31 December	13,297,275	3,982,881	14,224,575	3,982,881
Options exercisable at 31 December	13,297,275		14,224,575	

The options outstanding at 31 December 2023 have an exercise price of RM0.28 (2022: RM0.28) and a weighted average contractual live of 1 year (2022: 1 year).

The fair value of services received in return for share options granted is based on the fair value of share options granted, measured using a Black-Scholes Model, with the following inputs:-

	Group	
	2023 RM	2022 RM
Fair value at grant date		
- Key Senior Management		
Year 1	0.0880	0.0880
Year 2	0.1122	0.1122
Year 3	0.1272	0.1272
Year 4	0.1372	0.1372
Year 5	0.1439	0.1439

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

### 16. SHARE BASED PAYMENT RESERVE (CONT'D)

The fair value of services received in return for share options granted is based on the fair value of share options granted, measured using a Black-Scholes Model, with the following inputs (cont'd):-

	Group	
	2023	2022
	RM	RM
Fair value at grant date		
- Non-Senior Management		
Year 1	0.0382	0.0382
Year 2	0.0906	0.0906
Year 3	0.1137	0.1137
Year 4	0.1282	0.1282
Year 5	0.1379	0.1379
Weighted average share price	0.27	0.35
Share price at grant date	0.33	0.33
Weighted average volatility	68.38%	68.38%
Expected weighted average option life	1 year	1 year
Expected dividends	3.79%	3.79%
Risk-free interest rate	3.13%	3.13%

The value of employee services received for issue of share options is summarised as below:-

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
At 1 January	1,114,149	692,935	1,114,149	692,935
Addition	283,934	469,769	283,934	469,769
Share option exercise	-	(48,555)	-	(48,555)
At 31 December	1,398,083	1,114,149	1,398,083	1,114,149

  

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Total expenses recognised as share based payment in profit and loss	283,934	469,769	59,503	91,143

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

## 17. LEASE LIABILITIES

	Group	
	2023	2022
	RM	RM
<b>Current liabilities</b>		
- less than 1 year	411,723	518,017
<b>Non-current liabilities</b>		
- more than 1 year but less than 2 years	302,688	449,868
- more than 2 years but less than 5 years	337,942	556,799
	640,630	1,006,667
	1,052,353	1,524,684

Set out below is the movements of the lease liabilities during the financial year:-

	Group	
	2023	2022
	RM	RM
At 1 January	1,524,684	1,418,824
Additions	186,000	616,500
Accretion of interest	58,168	70,047
Payment of principal and interest	(716,499)	(580,687)
At 31 December	1,052,353	1,524,684

### Group

The effective interest rates of the lease liabilities are ranging from 3.62% to 6.38% (2022: 2.98% to 6.38%) per annum.

The following are the amounts relating to lease liabilities recognised in profit or loss:-

	Group	
	2023	2022
	RM	RM
Interest expense on lease liabilities	58,168	70,047
Expenses relating to short-term leases	145,800	200,550
Expenses relating to lease of low-value assets	74,661	569,102
	278,629	839,699

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

## 17. LEASE LIABILITIES (CONT'D)

The following are total cash outflow from lease:-

	Group	
	2023	2022
	RM	RM
<b>Included in net cash from operating activities</b>		
Expenses relating short-term leases	145,800	200,550
Expenses relating low-value assets	74,661	569,102
<b>Included in net cash from financing activities</b>		
Interest paid	58,168	70,047
Payment of lease liabilities	658,331	510,640
	936,960	1,350,339

### Material accounting policy information

#### (a) Lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components and will instead account for the lease and non-lease components as a single lease component.

#### (b) Recognition exemption

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

## 18. BANK BORROWINGS

	Group	
	2023	2022
	RM	RM
<b>Non-current liabilities</b>		
Secured:-		
- Term loan		
- later than 1 year but not later than 2 years	453,567	432,448
- later than 2 years but not later than 5 years	1,487,580	1,412,859
- later than 5 years	4,525,162	5,193,062
	6,466,309	7,038,369



# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

## 18. BANK BORROWINGS (CONT'D)

	Group	
	2023	2022
	RM	RM
<b>Current liabilities</b>		
Secured:-		
- Term loan	731,178	544,598
- Bankers' acceptances	-	2,379,000
	731,178	2,923,598
	7,197,487	9,961,967

The term loan of the Group is secured by a legal charge over the Group's freehold land and building and corporate guarantee by the Company.

The bankers' acceptances of the Group is corporate guarantee by the Company.

### Group

The effective interest rates of the term loan and bankers' acceptances are 4.32% to 4.52% (2022: 4.07% to 4.27%) and 4.11% (2022: 3.64% to 4.11%) per annum respectively.

## 19. EMPLOYEES' BENEFITS

Movements in the present value of the defined benefit obligations for the years ended 31 December 2023 and 2022 are as follows:-

	Group	
	2023	2022
	RM	RM
At 1 January	7,385	6,945
Recognised in profit or loss	-	973
Employee benefit paid	-	(672)
Exchange difference	413	139
At 31 December	7,798	7,385

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

### 19. EMPLOYEES' BENEFITS (CONT'D)

Significant assumptions based on actuarial techniques as at financial year end as follows:-

	Group	
	2023	2022
	RM	RM
Discount rate	3.72% per annum	3.75% per annum
Salary growth rate	0.00% per annum	3.90% per annum
Normal retirement age	60 years	60 years
Mortality rate	Thai Mortality Table 2017	Thai Mortality Table 2017

Thai Mortality Table 2017 refer to Thai basis mortality table of year 2017.

#### Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:-

	Group			
	2023		2022	
	Defined benefit obligation		Defined benefit obligation	
	Increase	Decrease	Increase	Decrease
	RM	RM	RM	RM
Discount rate (0.5% movement)	(1,048)	1,048	(895)	1,024
Future salary growth (0.5% movement)	39	(39)	1,060	(931)
Turnover rate (0.5% movement)	(1,300)	1,300	(958)	1,095

### 20. TRADE PAYABLES

#### Group

The normal credit terms granted by the trade payables ranging from 30 to 120 days (2022: 30 to 120 days).

### 21. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Non-trade payables	173,341	188,118	14,614	141,858
Accruals	1,020,238	1,202,869	54,100	54,300
Deposit received	139,400	71,000	-	-
Withholding tax	4,135	2,785	-	-
Sales tax	12,229	14,750	-	-
	1,349,343	1,479,522	68,714	196,158

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

## 22. CONTRACT LIABILITIES

	Group	
	2023	2022
	RM	RM
Customer deposits	11,575,233	18,574,822
Customer deposits - refundable	2,496,885	1,920,848
	14,072,118	20,495,670

### 22.1 Points transactions

	Group	
	2023	2022
	RM	RM
<u>Customer deposits</u>		
At 1 January	18,574,822	34,655,301
Deferred during the financial year	2,221,277	3,970,742
Reversal during the financial year	(4,694,976)	-
Recognised as revenue during the financial year	(4,525,890)	(20,051,221)
At 31 December	11,575,233	18,574,822
<u>Customer deposits - refundable</u>		
At 1 January	1,920,848	-
Addition	2,587,161	1,920,848
Reversal	(2,011,124)	-
At 31 December	2,496,885	1,920,848
Analysed as:-		
- Current	14,072,118	20,495,670

## 23. REVENUE

### 23.1 Disaggregated revenue information

	Group	
	2023	2022
	RM	RM
Glove chlorination system	12,717,096	54,009,631
Repair, refurbishment and maintenance	2,230,265	2,061,477
Trading of replacement parts	13,974,493	16,950,296
Storage and process tanks	4,196,528	8,813,127
Other products and services	5,142,349	6,450,520
	38,260,731	88,285,051
<b>Timing of revenue recognition</b>		
Goods and services transferred at a point in time	38,260,731	88,285,051

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

## 23. REVENUE (CONT'D)

### 23.2 Contract balances

	Group	
	2023	2022
	RM	RM
Contract liabilities (Note 22)	14,072,118	20,495,670

Contract liabilities include down payment made by the customers for the initiation of the projects. The contract liabilities were mainly due to the customer deposits received which is disclosed in Note 22 to the financial statements.

## 24. FINANCE COSTS AND FINANCE INCOME

	Group	
	2023	2022
	RM	RM
Finance costs		
-Term loan interest	171,301	86,642
-Bankers' acceptance interest	10,643	71,338
-Finance lease	58,168	70,047
	240,112	228,027

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Finance income				
-Fixed deposit with a licensed financial institution	36,466	67,594	11,179	7,936
-Current account	57,343	59,530	508	3,178
-Others	17	3,239	-	-
	93,826	130,363	11,687	11,114

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

## 25. PROFIT/(LOSS) BEFORE TAX

Profit/(Loss) before tax has been determined after charging/(crediting), amongst other items, the following:-

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Auditors' remuneration				
Statutory audit/Non-audit service:-				
-Grant Thornton Malaysia PLT	88,000	82,000	35,000	30,000
-Other auditor	25,948	48,943	-	-
Tax compliance service:-				
-Grant Thornton Taxation Sdn Bhd	15,100	15,100	3,600	3,600
Expenses relating to lease of low-value assets				
-Hire of cranes	64,011	431,735	-	-
-Hire of forklifts	9,650	135,600	-	-
-Hire of genset	-	1,767	-	-
Realised loss/(gain) on foreign exchange	274,391	(1,594,343)	-	-
Expenses relating to short-term leases	145,800	200,550	-	-

## 26. TAX EXPENSE

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
<b>Current tax:-</b>				
- Current financial year	30,642	16,027	30,642	16,027
- (Over)/Under provision in prior financial year	(16,945)	(24,536)	(16,312)	16,660
	13,697	(8,509)	14,330	32,687
<b>Deferred tax (Note 6):-</b>				
- Current financial year	1,587,610	3,022,339	-	-
- Under provision in prior financial year	(13,369)	(260,979)	-	-
	1,574,241	2,761,360	-	-
	1,587,938	2,752,851	14,330	32,687

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

### 26. TAX EXPENSE (CONT'D)

A numerical reconciliation of income tax expense on profit/(loss) before tax at statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company are as follows:-

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Profit/(Loss) before tax	1,964,753	(1,302,101)	(152,105)	(242,880)
Tax at statutory income tax rate of 24%	471,541	(312,504)	(36,505)	(58,291)
Tax effect in respect of:-				
Income not subject to tax	(20,941)	(41,364)	(9,826)	(13,576)
Tax at different rate	41,753	11,331	-	-
Non-allowable expenses	572,679	856,676	76,973	87,894
Movement of deferred tax assets not recognised	553,220	2,524,227	-	-
(Over)/Under provision of taxation in prior financial year	(16,945)	(24,536)	(16,312)	16,660
Under provision of deferred taxation in prior financial year	(13,369)	(260,979)	-	-
Tax expense	1,587,938	2,752,851	14,330	32,687

Deferred tax assets have not been recognised in respect of the following items due to uncertainty of its recoverability:-

	Group	
	2023	2022
	RM	RM
Unabsorbed tax losses	14,299,384	12,381,324
Unutilised capital allowances	1,413,827	1,026,805
	15,713,211	13,408,129

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset.

Effective Year of Assessment 2019 as announced in the Annual Budget 2022, the unabsorbed business losses of the Group as of 31 December 2023 and thereafter will be available for carry forward for a period of 10 consecutive years. Upon expiry of the 10 years, the unabsorbed tax losses will be disregarded.

The expiry of the unabsorbed tax losses is as follows:-

	Group	
	2023	2022
	RM	RM
Year of assessment 2032	12,381,324	12,381,324
Year of assessment 2033	1,918,060	-
	14,299,384	12,381,324

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

## 27. EARNINGS/(LOSS) PER SHARE

### Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing profit for the financial year attributable to owners of the Company over the weighted average number of ordinary shares in issue during the financial year as follows:-

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
		<b>Restated</b>
Profit/(Loss) for the financial year attributable to owners of the Company (RM)	909,167	(3,742,723)
Weighted average number of ordinary shares in issue (unit)	284,679,925	284,462,071
Basic earnings/(loss) per share (sen)	0.32	(1.32)

### Diluted earnings/(loss) per share

For the purpose of calculating diluted earnings/(loss) per share, the profit/(loss) for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares, i.e., share options granted to employees.

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
		<b>Restated</b>
Profit/(loss) for the financial year attributable to owners of the Company (RM)	909,167	(3,742,723)
Weighted average number of ordinary shares in issue (unit)	284,679,925	284,462,071
Effect of dilutive potential ordinary share - ESOS (unit)	-	2,844,915
Weighted average number of ordinary shares for diluted earnings per share (unit)	284,679,925	287,306,986
Diluted earnings/(loss) per share (sen)	0.32	(1.30)

Diluted earnings/(loss) per share of the Company for the financial year ended 31 December 2023 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 financial year.

## 28. DIVIDEND

During the financial year, the following dividend has been paid by the Company to the owners of the Company:-

	<b>Group and Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>In respect of financial year ended 31 December 2021:-</b>		
Final single tier dividend of 1.0 sen per ordinary share paid on 17 June 2022	-	2,844,031

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

## 29. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Salaries, bonuses and allowances	3,525,237	6,897,813	12,000	2,000
Fee	198,000	230,000	198,000	230,000
Defined contribution plan	418,832	594,743	-	-
Social security contribution	38,419	73,192	-	-
Employee insurance system	3,383	4,071	-	-
Share option granted under ESOS	283,934	469,769	59,503	91,143
Other benefits	86,616	154,254	-	-
	4,554,421	8,423,842	269,503	323,143

Included in employee benefits expense is the Directors' remuneration as below:-

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
<u>Executive Director</u>				
Salaries, bonuses and allowances	1,403,289	1,539,289	-	-
Fee	60,000	92,000	60,000	92,000
Defined contribution plan	164,354	241,151	-	-
Social security contribution	4,159	3,458	-	-
Employee insurance system	475	395	-	-
Share option granted under ESOS	52,751	80,801	52,751	80,801
	1,685,028	1,957,094	112,751	172,801
<u>Non Executive Director</u>				
Allowance	12,000	2,000	12,000	2,000
Fee	138,000	138,000	138,000	138,000
Share option granted under ESOS	6,752	10,342	6,752	10,342
	156,752	150,342	156,752	150,342
Total	1,841,780	2,107,436	269,503	323,143

The estimated value of benefits-in-kind of the Group provided to Directors during the financial year amounted to RM92,100 (2022: RM81,129).



# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

## 30. CAPITAL COMMITMENT

	Group	
	2023	2022
	RM	RM
Authorised and contracted for:-		
Property, plant and equipment	16,800	-

## 31. RELATED PARTY DISCLOSURES

The Group has related party relationship with its subsidiaries, related parties and persons connected to the Director.

- (a) Related party transactions have been entered into the normal course of business under normal trade terms. The related party transactions during the financial year are as follows:-

	Group	
	2023	2022
	RM	RM
Lease payment charged by Director's spouse	24,831	23,778
Rental charged by a related party(1)	66,000	66,000
Sales to a related party(2)	(3,990)	-
Purchases from a related party(2)	-	135,322

(1) Related party refers to an entity in which Director's brother and sister-in-law have interest.

(2) Related party refers to an entity in which Director's father and brothers have interest.

- (b) Key management personnel is defined as those person having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly and entity that provides key management personnel services to the Group.

The remuneration of key management personnel is same as the Directors' remuneration as disclosed in Note 29 to the financial statements. The Group have no other members of key management personnel apart from the Board of Directors.

## 32. SEGMENTAL REPORTING – GROUP

For management purposes, the Group is organised into business units based on its nature of business and has only one reportable segment, as follow:-

Engineering	- Design, engineering, installation and commissioning of glove chlorination systems, as well as design and for the installation of storage tanks and process tanks for the glove manufacturing industry
Trading and services	- Installation and maintenance of glove chlorination systems, storage tanks and process tanks for the glove manufacturing industry
Other	- Investment holding

The Managing Director monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

## 32. SEGMENTAL REPORTING – GROUP (CONT'D)

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation. Transfer prices between business segments are established on terms and conditions that are mutually agreed upon.

### Business segments

	Note	Engineering RM	Trading and services RM	Other RM	Elimination RM	Combined RM
<b>2023</b>						
<b>Revenue:-</b>						
External customers		38,057,363	395,207	-	(191,839)	38,260,731
Inter-segment		-	457,445	-	(457,445)	-
<b>Results:-</b>						
Finance income		81,499	640	11,687	-	93,826
Finance costs		(675,157)	(3,306)	-	438,351	(240,112)
Dividend income		33,950	-	40,943	-	74,893
Depreciation of property, plant and equipment		(1,154,292)	(151,144)	-	-	(1,305,436)
Depreciation of investment properties		(111,317)	-	-	-	(111,317)
Tax expense		(1,573,608)	-	(14,330)	-	(1,587,938)
Other non-cash expenses	(i)	(46,648)	-	(59,503)	-	(106,151)
Segment profit/(loss)		1,916,002	(1,043,827)	(166,435)	(328,925)	376,815
<b>Assets:-</b>						
Additions to non-current asset - property, plant and equipment		304,842	25,240	-	-	330,082
Segment assets	(ii)	60,342,775	322,084	36,717,077	(34,900,656)	62,481,280
<b>Liabilities:-</b>						
Segment liabilities	(iii)	34,302,322	699,554	68,714	(12,299,432)	22,771,158

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

## 32. SEGMENTAL REPORTING – GROUP (CONT'D)

### Business segments (cont'd)

	Note	Engineering RM	Trading and services RM	Other RM	Elimination RM	Combined RM
<b>2022</b>						
<b>Revenue:-</b>						
External customers		88,277,560	7,491	-	-	88,285,051
Inter-segment		-	5,458,099	363,243	(5,821,342)	-
<b>Results:-</b>						
Finance income		118,427	822	11,114	-	130,363
Finance costs		(584,738)	(6,532)	-	363,243	(228,027)
Dividend income		34,663	-	12,691	-	47,354
Depreciation of property, plant and equipment		(1,118,668)	(147,389)	-	-	(1,266,057)
Depreciation of investment properties		(46,110)	-	-	-	(46,110)
Tax expense		(2,720,164)	-	(32,687)	-	(2,752,851)
Other non-cash expenses	(i)	(5,811,126)	-	(91,143)	-	(5,902,269)
Segment loss		(3,496,097)	(283,288)	(275,567)	-	(4,054,952)
<b>Assets:-</b>						
Additions to non-current asset						
- property, plant and equipment		2,657,057	1,161	-	-	2,658,218
- investment properties		5,080,884	-	-	-	5,080,884
Segment assets	(ii)	70,193,199	1,258,009	36,737,608	(34,085,338)	74,103,478
<b>Liabilities:-</b>						
Segment liabilities	(iii)	44,240,791	131,004	196,158	(11,958,545)	32,609,408

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the combined financial information:-

(i) Other material non-cash income/(expenses) consist of the following items:-

	2023 RM	2022 RM
Gain on disposal of property, plant and equipment	166,966	93,306
Unrealised gain/(loss) on foreign exchange	60,347	(1,440,530)
Property, plant and equipment written off	(42,566)	(1,814)
Impairment of financial asset	-	(4,083,462)
Share-based payment expenses	(283,934)	(469,769)
Bad debt written off	(6,964)	-
	(106,151)	(5,902,269)

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

## 32. SEGMENTAL REPORTING – GROUP (CONT'D)

### Business segments (cont'd)

- (ii) The following items are added to segment assets to arrive at total assets reported in the statements of financial position:-

	2023 RM	2022 RM
Segment assets	62,481,280	74,103,478
Deferred tax assets	3,493,838	5,068,079
Tax recoverable	2,908,312	2,110,336
Total assets	68,883,430	81,281,893

- (iii) The following items are added to segment liabilities reported in the statements of financial position:-

	2023 RM	2022 RM
Segment liabilities	22,771,158	32,609,408
Lease liabilities	1,052,353	1,524,684
Borrowings	7,197,487	9,961,967
Tax payable	-	6,277
Total liabilities	31,020,998	44,102,336

### Geographical segments

The Group operates in Malaysia, Thailand, Vietnam, Indonesia, Sri Lanka, and United States of America. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers.

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

	2023 RM	2022 RM
<b>Revenue from external customers</b>		
Malaysia	14,614,511	46,422,943
Thailand	5,676,619	14,433,933
Vietnam	4,074,142	16,137,149
Indonesia	-	25,986
Sri Lanka	115,692	114,688
United States of America	13,779,767	11,150,352
	38,260,731	88,285,051

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

## 32. SEGMENTAL REPORTING – GROUP (CONT'D)

### Major customers

The following are major customers with revenue equal or more than 10 percent of the Group's revenue.

	2023 RM	2022 RM
Customer A	13,779,767	11,150,352
Customer B	5,871,444	12,258,993
Customer C	5,239,760	13,027,780
Customer D	4,065,340	15,927,377

## 33. FINANCIAL INSTRUMENTS

### 33.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:-

- Fair value through profit or loss classified as held for trading ("FVTPL"); and
- Financial assets and financial liabilities measured at amortised cost ("AC")

	Carrying amount RM	FVTPL RM	AC RM
<b>Group</b>			
<b>2023</b>			
<b>Financial assets</b>			
Trade receivables	17,238,235	-	17,238,235
Other receivables	153,136	-	153,136
Fixed deposit with a licensed financial institution	439,115	-	439,115
Cash and bank balances and short-term investments	7,709,051	3,336,676	4,372,375
	25,539,537	3,336,676	22,202,861
<b>Financial liabilities</b>			
Trade payables	7,341,899	-	7,341,899
Other payables and accruals	1,332,979	-	1,332,979
Bank borrowings	7,197,487	-	7,197,487
	15,872,365	-	15,872,365

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

## 33. FINANCIAL INSTRUMENTS (CONT'D)

### 33.1 Categories of financial instruments (cont'd)

The table below provides an analysis of financial instruments categorised as follows (cont'd):-

	Carrying amount RM	FVTPL RM	AC RM
<b>Group (cont'd)</b>			
<b>2022</b>			
<b>Financial assets</b>			
Trade receivables	20,727,003	-	20,727,003
Other receivables	274,182	-	274,182
Fixed deposit with a licensed financial institution	2,490,187	-	2,490,187
Cash and bank balances and short-term investments	8,990,037	3,210,778	5,779,259
	32,481,409	3,210,778	29,270,631
<b>Financial liabilities</b>			
Trade payables	10,626,831	-	10,626,831
Other payables and accruals	1,461,987	-	1,461,987
Bank borrowings	9,961,967	-	9,961,967
	22,050,785	-	22,050,785
<b>Company</b>			
<b>2023</b>			
<b>Financial assets</b>			
Other receivables	1,000	-	1,000
Amount due from a subsidiary	11,752,378	-	11,752,378
Fixed deposit with a licensed financial institution	439,115	-	439,115
Cash and bank balances and short-term investments	2,191,845	2,168,287	23,558
	14,384,338	2,168,287	12,216,051
<b>Financial liability</b>			
Other payables and accruals	68,714	-	68,714

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

## 33. FINANCIAL INSTRUMENTS (CONT'D)

### 33.1 Categories of financial instruments (cont'd)

The table below provides an analysis of financial instruments categorised as follows (cont'd):-

	Carrying amount RM	FVTPL RM	AC RM
<b>Company (cont'd)</b>			
<b>2022</b>			
<b>Financial assets</b>			
Other receivables	1,000	-	1,000
Amount due from a subsidiary	11,668,238	-	11,668,238
Fixed deposit with a licensed financial institution	427,936	-	427,936
Cash and bank balances and short-term investments	2,795,312	2,088,489	706,823
	14,892,486	2,088,489	12,803,997
<b>Financial liability</b>			
Other payables and accruals	196,158	-	196,158

### 33.2 Financial risk management objectives and policies

#### Financial risks

The Group and the Company are mainly exposed to financial risks arising from their operations and the use of financial instruments. Financial risk management policy is established to ensure that adequate resources are available for the development of the Group's and the Company's business whilst managing its credit risk, liquidity risk, foreign currency risk, interest rate risk and equity price risk. The Group and the Company operate within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activities are set out as follows:-

#### (a) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It is the Group's and the Company's policy to enter into financial instrument with a diversity of creditworthy counterparties. The Group and the Company do not expect to incur material credit losses of its financial assets or other financial instruments.

Concentration of credit risk exists when changes in economic, industry and geographical factors similarly affect the Group and the Company of counterparties whose aggregate credit exposure is significant in relation of the Group's and the Company's total credit exposure. The Group's and the Company's transactions are entered into with diverse creditworthy counterparties, thereby, mitigate any significant concentration of credit risk.

It is the Group's and the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedure. The Group and the Company do not offer credit terms without the approval of the management.

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

### 33. FINANCIAL INSTRUMENTS (CONT'D)

#### 33.2 Financial risk management objectives and policies (cont'd)

##### Financial risks (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activities are set out as follows (cont'd):-

##### (a) Credit risk (cont'd)

Following are the areas where the Group and the Company are exposed to credit risk:-

##### (i) Receivables

The Group's and the Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's and the Company's standard payment and delivery terms and conditions are offered. The Group's and the Company's review includes external rating, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed quarterly.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a wholesale or retail, their geographic location, industry, trading history with the Group and existence of previous financial difficulties.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Generally, the gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets as disclosed in Note 33.2(a) to the financial statements. The Group and the Company do not hold collateral as security. The Group and the Company evaluate the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.



# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

## 33. FINANCIAL INSTRUMENTS (CONT'D)

### 33.2 Financial risk management objectives and policies (cont'd)

#### Financial risks (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activities are set out as follows (cont'd):-

#### (a) Credit risk (cont'd)

Following are the areas where the Group and the Company are exposed to credit risk (cont'd):-

##### (i) Receivables (cont'd)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

#### Group

	31 December 2023			31 December 2022		
	Gross-carrying amount	Loss-allowance	Net balances	Gross-carrying amount	Loss-allowance	Net balances
	RM	RM	RM	RM	RM	RM
Current (Not past due)	1,747,265	-	1,747,265	4,283,054	-	4,283,054
1-30 days past due	3,791,903	-	3,791,903	2,001,870	-	2,001,870
31-60 days past due	486,548	-	486,548	1,148,103	-	1,148,103
61-90 days past due	182,680	-	182,680	1,094,283	-	1,094,283
	6,208,396	-	6,208,396	8,527,310	-	8,527,310
Credit impaired						
More than 90 days past due	15,113,301	-	15,113,301	16,283,155	-	16,283,155
Individually impaired	(4,083,462)	-	(4,083,462)	(4,083,462)	-	(4,083,462)
	17,238,235	-	17,238,235	20,727,003	-	20,727,003

##### (ii) Cash and cash equivalents

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

#### (b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as and when they fall due as a result of shortage of funds.

In managing its exposures to liquidity risk, the Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as and when they fall due.

The Group and the Company aim at maintaining a balance of sufficient cash and deposits and flexibility in funding by keeping diverse sources of committed and uncommitted credit facilities from various banks.

The liquidity risks are principally from its trade, other payables and accruals, lease liabilities and bank borrowings.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

## 33. FINANCIAL INSTRUMENTS (CONT'D)

### 33.2 Financial risk management objectives and policies (cont'd)

#### Financial risks (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activities are set out as follows (cont'd):-

#### (b) Liquidity risk (cont'd)

The summary of the maturity profile based on the contractual undiscounted repayment obligation are set out as follows:-

Group	Carrying amount	Contractual cash flow	On demand/ less than 1 year	Non-current		
				1 to 2 years	2 to 5 years	More than 5 years
	RM	RM	RM	RM	RM	RM
2023						
Non-derivative financial liabilities						
Trade payables	7,341,899	7,341,899	7,341,899	-	-	-
Other payables and accruals	1,332,979	1,332,979	1,332,979	-	-	-
Lease liabilities	1,052,353	1,125,039	449,526	323,619	351,894	-
Bank borrowings	7,197,487	9,593,991	1,031,637	729,012	2,187,036	5,646,306
Total undiscounted financial liabilities	16,924,718	19,393,908	10,156,041	1,052,631	2,538,930	5,646,306
2022						
Non-derivative financial liabilities						
Trade payables	10,626,831	10,626,831	10,626,831	-	-	-
Other payables and accruals	1,461,987	1,461,987	1,461,987	-	-	-
Lease liabilities	1,524,684	1,635,417	573,474	483,089	578,854	-
Bank borrowings	9,961,967	12,648,958	3,226,457	716,904	2,150,712	6,554,885
Total undiscounted financial liabilities	23,575,469	26,373,193	15,888,749	1,199,993	2,729,566	6,554,885

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

## 33. FINANCIAL INSTRUMENTS (CONT'D)

### 33.2 Financial risk management objectives and policies (cont'd)

#### Financial risks (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activities are set out as follows (cont'd):-

#### (b) Liquidity risk (cont'd)

The summary of the maturity profile based on the contractual undiscounted repayment obligation are set out as follows (cont'd):-

Company	Carrying amount RM	Contractual cash flow RM	On demand/ less than 1 year RM	Non-current		
				1 to 2 years RM	2 to 5 years RM	More than 5 years RM
2023						
Non-derivative financial liability						
Other payables and accruals	68,714	68,714	68,714	-	-	-
2022						
Non-derivative financial liability						
Other payables and accruals	196,158	196,158	196,158	-	-	-

The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying amounts of financial liabilities at the reporting date.

#### (c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

To mitigate the Group's exposure to foreign currency risk, the Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the functional currency of the Group. The currencies giving rise to this risk are primarily United States Dollar ("USD") and Thai Baht ("THB").

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

## 33. FINANCIAL INSTRUMENTS (CONT'D)

### 33.2 Financial risk management objectives and policies (cont'd)

#### Financial risks (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activities are set out as follows (cont'd):-

#### (c) Foreign currency risk (cont'd)

##### Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Group's profit/(loss) for the financial year/equity to a reasonably possible change in the USD and THB exchange rates against the functional currency of the Group, with all other variables held constant.

	USD RM	THB RM
<b>Group</b>		
<b>2023</b>		
Trade receivables	6,730,177	42,979
Other receivables	-	35,976
Cash and bank balances	923,900	65,332
Other payables	-	(160,172)
Net exposure	7,654,077	(15,885)
<b>2022</b>		
Trade receivables	8,526,064	40,977
Other receivables	-	15,127
Cash and bank balances	849,818	529,851
Other payables	-	(120,630)
Net exposure	9,375,882	465,325
		<b>Profit/(Loss) for the financial year/ Equity</b>
<b>Group</b>		<b>RM</b>
<b>2023</b>		
USD/RM		
- Strengthened 0.41%		31,382
- Weakened 0.41%		(31,382)
THB/RM		
- Strengthened 0.47%		(75)
- Weakened 0.47%		75

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

## 33. FINANCIAL INSTRUMENTS (CONT'D)

### 33.2 Financial risk management objectives and policies (cont'd)

#### Financial risks (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activities are set out as follows (cont'd):-

#### (c) Foreign currency risk (cont'd)

##### Foreign currency sensitivity analysis (cont'd)

Group (cont'd)	Profit/(Loss) for the financial year/ Equity RM
<b>2022</b>	
USD/RM	
- Strengthened 0.47%	44,067
- Weakened 0.47%	(44,067)
THB/RM	
- Strengthened 0.18%	838
- Weakened 0.18%	(838)

Exposures to foreign exchange rates vary during the financial year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to currency risk.

#### (d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's instruments will fluctuate because of changes in market interest rates.

Fixed rate borrowing is exposed to a risk of change in its fair value due to changes in interest rates. Variable rate borrowing is exposed to a risk of change in cash flows due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

The Group's interest rate management objective is to manage the interest expense consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order to achieve this objective, the Group targets a mix of fixed and floating debt based on assessment of its existing exposure and desired interest rate profile.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

## 33. FINANCIAL INSTRUMENTS (CONT'D)

### 33.2 Financial risk management objectives and policies (cont'd)

#### Financial risks (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activities are set out as follows (cont'd):-

#### (d) Interest rate risk (cont'd)

The interest rate profile of the Group's significant interest bearing financial instruments, based on carrying amounts as at the end of the reporting period is as follows:-

	Group	
	2023	2022
	RM	RM
<b>Fixed rate instruments</b>		
Lease liabilities	1,052,353	1,524,684
Bankers' acceptances	-	2,379,000
<b>Floating rate instrument</b>		
Term loan	7,197,487	7,582,967

#### Interest rate sensitivity analysis

At 31 December 2023, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. Other borrowings are at fixed interest rates. The exposure to interest rates for the Group's short-term placement is considered immaterial.

The following table illustrates the sensitivity of profit/(loss)/equity to a reasonably possible change in interest rates of +/- 100 basis points ("bp"). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

Group	Increase/(Decrease)			
	Profit/(Loss) for the financial year		Equity	
	+100bp RM	-100bp RM	+100bp RM	-100bp RM
2023	(71,975)	71,975	(71,975)	71,975
2022	(75,830)	75,830	(75,830)	75,830

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

## 33. FINANCIAL INSTRUMENTS (CONT'D)

### 33.3 Reconciliation of liabilities arising from financing activities

	Note	1 January RM	Cash flows RM	Others RM	31 December RM
<b>Group</b>					
<b>2023</b>					
Lease liabilities	17	1,524,684	(658,331)	186,000 <sup>^^</sup>	1,052,353
Bank borrowings	18	9,961,967	(2,764,480) <sup>^^^</sup>	-	7,197,487
<b>2022</b>					
Lease liabilities	17	1,418,824	(510,640)	616,500 <sup>^^</sup>	1,524,684
Bank borrowings	18	8,679,195	(3,145,028) <sup>^^^</sup>	4,427,800 <sup>**</sup>	9,961,967

<sup>\*\*</sup> Being bank borrowings used to acquire building under construction and investment properties.

<sup>^^</sup> Being additional of lease liabilities for purchase of motor vehicles during the financial year.

<sup>^^^</sup> Being amount net off between drawdown of bank borrowings and repayment of bank borrowings of the Group amounted to RM11,580,000 and RM14,344,480 (2022: RM4,912,000 and RM8,057,028) respectively.

### 33.4 Fair value of financial instruments

The carrying amounts of short-term receivables and payable, cash and cash equivalents and short-term borrowings, except for term loan and finance lease liabilities, approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments carried at fair value Level 1 RM	Fair value of financial instruments carried at fair value Level 2 RM	Fair value of financial instruments not carried at fair value Level 3 RM	Carrying amount RM
<b>Group</b>				
<b>2023</b>				
<b>Financial assets</b>				
Cash and bank balances and short-term investments	3,336,676	-	-	3,336,676
<b>Financial liabilities</b>				
Term loan	-	-	1,052,353	1,052,353
Lease liabilities	-	-	7,197,487	7,197,487

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

## 33. FINANCIAL INSTRUMENTS (CONT'D)

### 33.4 Fair value of financial instruments (cont'd)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their values and carrying amounts shown in the statement of financial position (cont'd).

	Fair value of financial instruments carried at fair value	Fair value of financial instruments carried at fair value	Fair value of financial instruments not carried at fair value	Carrying amount
	Level 1	Level 2	Level 3	
Group (cont'd)	RM	RM	RM	RM
<b>2022</b>				
<b>Financial assets</b>				
Cash and bank balances and short-term investments	3,210,778	-	-	3,210,778
Other receivables	-	-	59,402	59,402
<b>Financial liabilities</b>				
Term loan	-	-	1,524,684	1,524,684
Lease liabilities	-	-	9,961,967	9,961,967
<b>Company</b>				
<b>2023</b>				
<b>Financial assets</b>				
Cash and bank balances and short-term investments	2,168,287	-	-	2,168,287
<b>2022</b>				
<b>Financial assets</b>				
Cash and bank balances and short-term investments	2,088,489	-	-	2,088,489

#### Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

#### Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2022: no transfer in either direction).



# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

## 33. FINANCIAL INSTRUMENTS (CONT'D)

### 33.4 Fair value of financial instruments (cont'd)

#### Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

#### Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

#### Level 3 fair value

The carrying amount of floating rate term loan approximate its fair value as its effective interest rate changes according to movements in the market interest rates.

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models.

Type	Description of valuation technique and inputs used
Other receivables and finance lease liabilities	Discounted cash flows using a rate based on the current market rate of borrowing at the reporting date.

The estimated fair value would decrease if the interest rates were higher.

## 34. CAPITAL MANAGEMENT

Total capital managed at the Group level is the shareholders' funds as shown in the statements of financial position.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit and financially prudent capital ratios in order to support its current business as well as future expansion so as to maximise the shareholders' value.

The Group manages its capital structure and make adjustment to it, in light of changes in economic condition. To maintain and adjust capital structure, the Group adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

There were no changes in the Group's approach to capital management during the financial year ended 31 December 2023.

## 35. EVENTS AFTER THE REPORTING PERIOD

- (i) On 2 January 2024, the Company announced Proposed Private Placement of up to 28,467,900 new ordinary shares in the Company ("Flexidynamic Shares" or "Shares"), representing approximately 10% of the total number of issued Shares in the Company ("Proposed Private Placement").

On 11 March 2024, first tranche of 15,000,000 Placement Shares has been listed on the ACE Market.

- (ii) On 11 March 2024, the Company has received a letter of award worth RM12.4mil from Usaha Pammek Sdn Bhd for the supply and installation of mechanical and electrical works for the water treatment plant and intake at Loji Rawatan Air Bukit Chupak, Jajahan Gua Musang, Kelantan.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

(CONT'D)

## 36. COMPARATIVE FIGURES

The comparative figures have been restated to reflect the reversal of revenue from the initial billings on down payments received recognised in the previous financial year due to the subsequent cancellation of a few Thailand projects.

The effects of the restatements are as follows:-

	As previously stated RM	Adjustments RM	As restated RM
<b>Group</b>			
<b>31 December 2022</b>			
<b>Statement of Financial Position</b>			
Retained earnings	19,737,677	167,752	19,905,429
Non-controlling interest	513,365	(167,752)	345,613
<b>Statement of Profit or Loss and Other Comprehensive Income</b>			
Loss for the financial year attributable to:-			
Owners of the Company	(3,910,475)	167,752	(3,742,723)
Non-controlling interest	(144,477)	(167,752)	(312,229)
	(4,054,952)	-	(4,054,952)
Total comprehensive loss for the financial year attributable to:-			
Owners	(3,899,814)	167,752	(3,732,062)
Non-controlling interest	(133,381)	(167,752)	(301,133)
	(4,033,195)	-	(4,033,195)

## LIST OF PROPERTIES

No.	Title details/ Postal address	Description/ Existing use	Land area (sq. ft.)	Tenure	Approximate age of building (years)	Net carrying amount as at 31 December 2023 (RM'000)	Date acquired
1	Individual title held under GRN 124476, Lot 226, Seksyen 2, Pekan Bukit Changgang, Daerah Kuala Langat, Negeri Selangor  7, Jalan 1/1, Kawasan Perusahaan, Olak Lempit, 42700 Banting, Selangor Darul Ehsan.	Industrial land with single-storey detached factory annexed with 3-storey office building	45,746	Freehold	8	5,816	1 June 2016
2	Individual title held under H.S.(D) 48997, PT 51478, Mukim Tanjong Duabelas, Daerah Kuala Langat, Negeri Selangor  12, Jalan 1/3, Kawasan Perusahaan Olak Lempit, 42700 Banting, Selangor Darul Ehsan.	Industrial land with a semi-detached factory comprising of 2 storey office	19,742	Freehold	4	4,015	30 August 2019
3	Individual title held under H.S.(D) 48998, PT 51479, Mukim Tanjong Duabelas, Daerah Kuala Langat, Negeri Selangor  12A, Jalan 1/3, Kawasan Perusahaan Olak Lempit, 42700 Banting, Selangor Darul Ehsan.	Industrial land with a semi-detached factory comprising of 2 storey office	19,805	Freehold	4	4,022	30 August 2019
4	Individual title held under H.S.(D) 48996, PT 51477, Mukim Tanjong Duabelas, Daerah Kuala Langat, Negeri Selangor  10, Jalan 1/3, Kawasan Perusahaan Olak Lempit, 42700 Banting, Selangor Darul Ehsan.	Industrial land with a semi-detached factory comprising of 2 storey office	19,676	Freehold	1 1/2	5,026	5 July 2022

## ANALYSIS OF SHAREHOLDINGS

as at 27 March 2024

Total number of issued shares	:	299,679,925
Class of shares	:	Ordinary shares
Voting rights	:	1 vote per ordinary share

### SHAREHOLDINGS DISTRIBUTION

Size of Holdings	No. of Shareholders/ Depositors	% of Shareholders/ Depositors	No. of Shares Held	% of Issued Capital
Less than 100	2	0.14	100	0.00
100 to 1,000	241	17.35	116,510	0.04
1,001 to 10,000	579	41.69	3,449,100	1.15
10,001 to 100,000	437	31.46	16,580,600	5.53
100,001 to less than 5% of issued shares	128	9.22	119,232,415	39.79
5% and above of issued shares	2	0.14	160,301,200	53.49
<b>Total</b>	<b>1,389</b>	<b>100.00</b>	<b>299,679,925</b>	<b>100.00</b>

### SUBSTANTIAL SHAREHOLDERS

as per Register of Substantial Shareholders as at 27 March 2024

	Direct	No. of Shares Held		
		%	Indirect	%
Tan Kong Leong	117,892,900	39.34	9,198,100 *	3.07
Liew Heng Wei	53,208,300	17.76	130,000 **	0.04
Phitchaya Arsangku	6,259,800	2.09	120,831,200 ***	40.32
Lion Suk Chin	130,000	0.04	53,208,300 **	17.76

#### Notes:

\* Deemed interest via spouse's shareholding and his shareholding in TECS Properties Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

\*\* Deemed interest via spouse's shareholding in the Company.

\*\*\* Deemed interest via spouse's direct and indirect shareholding in the Company.

# ANALYSIS OF SHAREHOLDINGS

as at 27 March 2024

(CONT'D)

## DIRECTORS' INTEREST

as per Register of Directors' Shareholdings as at 27 March 2024

	No. of Shares Held			
	Direct	%	Indirect	%
Phang Sze Fui	-	-	-	-
Tan Kong Leong	117,892,900	39.34	9,198,100 *	3.07
Liew Heng Wei	53,208,300	17.76	130,000 **	0.04
Lion Suk Chin	130,000	0.04	53,208,300 **	17.76
Noor Zaliza Yati Binti Yahya	-	-	-	-
Chong Kai Feng	-	-	-	-
Poh Chee Fong	-	-	-	-
Sin Kuo Wei	8,346,400	2.79	-	-

Notes:

\* Deemed interest via spouse's shareholding and his shareholding in TECS Properties Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

\*\* Deemed interest via spouse's shareholding in the Company.

## TOP 30 SHAREHOLDERS/DEPOSITORS

No.	Name of Shareholder	No. of Shares Held	% of Issued Capital
1.	Tan Kong Leong	107,092,900	35.74
2.	Liew Heng Wei	53,208,300	17.76
3.	Sea Capital Holdings Sdn. Bhd.	8,900,000	2.97
4.	Sin Kuo Wei	8,346,400	2.79
5.	Loh Wei Keat	6,815,700	2.27
6.	Phitchaya Arsangku	6,259,800	2.09
7.	Public Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Tan Kong Leong</i>	5,800,000	1.94
8.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. <i>Pledged securities account for Tan Kong Leong</i>	5,000,000	1.67
9.	RHB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Wong Hoong Ton</i>	3,781,600	1.26
10.	Lim Khin Choong	3,473,000	1.16
11.	Yee Voon Hon	3,420,000	1.14
12.	Chong Chee Keong	3,067,800	1.02
13.	TECS Properties Sdn Bhd	2,938,300	0.98
14.	Yee Choon Kiat	2,749,400	0.92
15.	Tan Lui Ken	2,009,200	0.67
16.	Lim Hong Jun	2,000,000	0.67
17.	Wong Huey Kee	2,000,000	0.67
18.	Ting Kai Ming	1,839,100	0.61

## ANALYSIS OF SHAREHOLDINGS

as at 27 March 2024

(CONT'D)

### TOP 30 SHAREHOLDERS/DEPOSITORS (CONT'D)

No.	Name of Shareholder	No. of Shares Held	% of Issued Capital
19.	Kenanga Nominees (Tempatan) Sdn Bhd <i>Rakuten Trade Sdn Bhd for Lim Khin Choong</i>	1,785,000	0.60
20.	Kenanga Nominees (Tempatan) Sdn Bhd <i>Rakuten Trade Sdn Bhd for Loh Wei Keat</i>	1,722,400	0.57
21.	Kenanga Nominees (Tempatan) Sdn Bhd <i>Rakuten Trade Sdn Bhd for Wong Fook Loong</i>	1,670,500	0.56
22.	Pang Ko Yoek	1,615,600	0.54
23.	Maybank Nominees (Tempatan) Sdn Bhd <i>- Ong Teong Siang</i>	1,500,000	0.50
24.	Pua Siew Peng	1,500,000	0.50
25.	Wong Fook Loong	1,386,600	0.46
26.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. <i>Pledged securities account for Timothy Tai Lik Siang</i>	1,340,100	0.45
27.	Kenanga Nominees (Tempatan) Sdn Bhd <i>Rakuten Trade Sdn Bhd for Chong Chee Keong</i>	1,336,600	0.45
28.	Soh Swee See	1,100,000	0.37
29.	Public Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Kon Yeon Guen</i>	1,029,000	0.34
30.	Chan Yoke Chun	1,000,000	0.33

# NOTICE OF FIFTH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Fifth (“5<sup>th</sup>”) Annual General Meeting (“AGM”) of the Company will be conducted on a fully virtual basis through live streaming and online meeting platform of TIH Online provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its website at <https://tjih.online> or <https://tjih.com.my> (Domain Registration No. with MYNIC – D1A282781) on Wednesday, 26 June 2024 at 10.00 a.m. for the purpose of transacting the following businesses: -

## AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Directors’ and Auditors’ Reports thereon.
2. To approve the payment of Directors’ fees and allowances up to RM230,000.00 for the period from this 5<sup>th</sup> AGM until the next AGM of the Company. **(Resolution 1)**
3. To re-elect the following Directors retiring in accordance with Article 92 of the Company’s Constitution and being eligible, offer themselves for re-election: -
  - (i) Tan Kong Leong **(Resolution 2)**
  - (ii) Chong Kai Feng **(Resolution 3)**
4. To appoint Messrs TGS TW PLT as Auditors of the Company in place of the retiring auditors, Messrs Grant Thornton Malaysia PLT and to authorise the Board of Directors to fix their remuneration. **(Resolution 4)**

## AS SPECIAL BUSINESS

To consider, and if thought fit, to pass the following as ordinary resolutions: -

5. **AUTHORITY TO ISSUE SHARES** **(Resolution 5)**

“THAT pursuant to Section 75 and 76 of the Companies Act 2016 (“the Act”), and subject to the approvals from the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue shares in the Company from time to time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares of the Company at the time of submission to the authority AND THAT the Directors be and are also hereby empowered to obtain the approval from the Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company.

AND THAT pursuant to Section 85 of the Act to be read together with Article 55 of the Company’s Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new Company shares ranking equally to the existing issued Company shares arising from any issuance of the new Company shares pursuant to Sections 75 and 76 of the Act.”
6. **PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE”)** **(Resolution 6)**

“THAT subject always to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and/or its subsidiaries (“Flexidynamic Group”) to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.5 of the Circular to Shareholders dated 30 April 2024, which are necessary for the day-to-day operations of Flexidynamic Group provided that the transaction are in the ordinary course of business, and are carried out at arms’ length basis on normal commercial terms which are not more favourable to the related party than those generally available to the public as well as are not detrimental to the minority shareholders’ of the Company and such approval, shall continue to be in force until; -

## NOTICE OF FIFTH ANNUAL GENERAL MEETING

(CONT'D)

- (i) the conclusion of the next AGM of the Company following the 5<sup>th</sup> AGM at which the Proposed Renewal of Shareholders' Mandate is passed, at which time it will lapse, unless by a resolution passed at the meeting, the Proposed Renewal of Shareholders' Mandate authority is renewed;
- (ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2)(b) of the Companies Act, 2016 ("**the Act**") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is earlier.

AND THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, things and to execute all necessary documents as they may consider necessary or expedient in the best interest of the Company with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted under relevant authorities and to deal with all matters in relation thereto and to take such steps and do all acts and things in any manner as they may deem necessary of expedient to implement, finalise and give full effect to the transactions contemplated and/or authorised by this Ordinary Resolution"

- 7. To transact any other business which may properly be transacted at an AGM for which due notice shall have been given.

By Order of the Board

**LIM SECK WAH (MAICSA NO. 0799845) (SSM PC NO: 202008000054)**

**TANG CHI HOE (KEVIN) (MAICSA NO. 7045754) (SSM PC NO: 202008002054)**

Company Secretaries

Kuala Lumpur

Dated: 30 April 2024

### **Notes :-**

#### **Retirement of Director**

*Ms. Phang Sze Fui who is due for retirement in accordance with Article 92 of the Company's Constitution and being eligible for re-election, does not wish to seek for re-election.*

**Ordinary Resolution 4** – Appointment of Messrs TGS TW PLT as Auditors of the Company in place of Messrs Grant Thornton Malaysia PLT

*The retiring auditors, Messrs Grant Thornton Malaysia PLT do not wish to seek for re-appointment and will hold office until the conclusion of this 5<sup>th</sup> AGM of the Company. The Board of Directors and the Audit and Risk Management Committee of the Company after having considered the profile, adequacy of the experience and resources of Messrs TGS TW PLT, are of the opinion that Messrs TGS TW PLT will be able to meet the audit obligations of the Company in compliance with the Listing Requirements and provision of the Companies Act, 2016, be appointed as the Auditors of the Company to replace the retiring auditors.*



# NOTICE OF FIFTH ANNUAL GENERAL MEETING

(CONT'D)

## Explanatory Notes to Special Business

### Ordinary Resolution 5– Authority to issue shares

The effect of the Ordinary Resolution if passed, will give the Directors of the Company, from the date of the 5<sup>th</sup> AGM, authority to allot and issue shares up to 10% of the total number of issued shares of the Company for such purposes as the Directors may deem fit and in the interest of the Company. The authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next AGM of the Company.

The Board of Directors is of the view that the 10% General Mandate is in the best interest of the Company and its shareholders as the authority will facilitate any possible fundraising activities, including but not limited to placing of shares, for purpose of funding future investment project(s), working capital, repayment of bank borrowings and/or acquisitions.

The waiver of pre-emptive rights pursuant to Section 85 of the Act will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer new shares to all the existing shareholders of the Company prior to issuance of new shares in the Company under the mandate.

Up to the date of this Notice, the first tranche of 15,000,000 ordinary shares equivalent to 5.27% of the total number of issued shares was issued by way of private placement ("**Private Placement**") during the year. Total proceeds of RM2,175,000 were raised from the Private Placement and has been fully utilised for working capital in accordance with the mandate of this exercise. The details of Private Placement as follows: -

Allotment Date	Number of ordinary shares	Issue price per share (RM)	Amount (RM)
7 March 2024	15,000,000	0.1450	2,175,000

### Ordinary Resolution 6 – Proposed Renewal of Shareholders' Mandate

The explanatory note on Ordinary Resolution 6 is set out in the Circular to Shareholders dated 30 April 2024.

#### Notes: -

1. An online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Companies Act 2016 if the online meeting platform in Malaysia and all meeting participants including Chairperson of the meeting, board members, key management and shareholders are to participate in the meeting online.

Shareholders are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the 5<sup>th</sup> AGM via the Remote Participation and Voting facilities ("**RPV**") provided by Tricor Investor & Issuing House Services Sdn Bhd via its TIH Online website at <https://tih.online>.

For further information, kindly refer to the Administrative Guide for the 5<sup>th</sup> AGM.

2. For the purpose of determining a member who shall be entitled to attend, speak and vote at the 5<sup>th</sup> AGM, the Company shall be requesting the Record of Depositors as at 19 June 2024. Only a depositor whose name appears on the Record of Depositors as at 19 June 2024 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.
3. A proxy may but need not be a member of the Company. A member may appoint up to 2 proxies to attend and vote at the same meeting. Where a member appoints 2 proxies, the appointment of 2 proxies shall be invalid unless the proportion of the shareholding to be represented by each proxy is specified.
4. Where a member is an authorised nominee as defined under the Central Depositories Act 1991, it may appoint at least 1 proxy but not more than 2 proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

## NOTICE OF FIFTH ANNUAL GENERAL MEETING

(CONT'D)

6. *The instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or by his attorney duly authorised in writing, and in the case of a corporation, shall be executed under its Common Seal or under the hand of an officer or attorney of the corporation duly authorised.*
7. *The Form of Proxy shall be deposited at the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or by electronic lodgement via TIIH Online website at <https://tiih.online> not less than 48 hours before the time set for holding the meeting or any adjournment thereof. For further information on the electronic submission of Form of Proxy, kindly refer to the Administrative Guide for the 5<sup>th</sup> AGM.*
8. *By submitting the duly executed Form of Proxy, a member and his/her proxy consent to the Company (and/or its agents/ service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for this meeting and any adjournment thereof.*
9. *A member who has appointed a proxy or attorney or authorised representative to participate at the 5<sup>th</sup> AGM must request his/ her proxy/attorney/authorised representative to register himself/herself via TIIH Online website at <https://tiih.online>.*

## ADMINISTRATIVE GUIDE FOR THE FIFTH ANNUAL GENERAL MEETING (“5<sup>TH</sup> AGM”)

<b>Day &amp; Date</b>	: Wednesday, 26 June 2024
<b>Time</b>	: 10.00 a.m.
<b>Online Meeting Platform</b>	: TIIH Online website at <a href="https://tiih.online">https://tiih.online</a>

### MODE OF MEETING

The 5<sup>th</sup> AGM of the Company will be conducted fully virtual through live streaming and online voting via Remote Participation and Voting (“RPV”) facilities via TIIH Online website at <https://tiih.online>. An online meeting platform used to conduct the meeting can be recognised as the meeting venue as required under Section 327(2) of the Companies Act 2016, provided that the online platform located in Malaysia and all meeting participants including the Chairperson of the meeting, board members, senior management and shareholders are to participate in the meeting online.

### REMOTE PARTICIPATION AND VOTING FACILITIES

Shareholders are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, “participate”) remotely at the 5<sup>th</sup> AGM using RPV facilities from Tricor.

A shareholder who has appointed a proxy(ies) or attorney(s) or authorised representative(s) to attend, participate, speak and vote at this 5<sup>th</sup> AGM via RPV must request his/her proxy(ies) or attorney(s) or authorised representative(s) to register himself/herself for RPV at TIIH Online website at <https://tiih.online>.

### PROCEDURES TO RPV FACILITIES

Please read and follow the procedures below to participate at the 5<sup>th</sup> AGM using the RPV facilities:

Before the 5th AGM day		
	Procedure	Action
i	Register as a user with TIIH Online	<ul style="list-style-type: none"> <li>Using your computer, access the website at <a href="https://tiih.online">https://tiih.online</a>. Register as a user under the “e-Services”, select the “Sign Up” button and followed by <b>“Create Account by Individual Holder”</b>. Refer to the tutorial guide posted on the homepage for assistance.</li> <li>Registration as a user will be approved within one (1) working day and you will be notified via e-mail.</li> <li>If you are already a user with TIIH Online, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at TIIH Online.</li> </ul>
ii	Submit your registration for RPV	<ul style="list-style-type: none"> <li>Registration is open from Tuesday, 30 April 2024 until the day of 5<sup>th</sup> AGM on Wednesday, 26 June 2024. Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the 5<sup>th</sup> AGM to ascertain their eligibility to participate at the 5<sup>th</sup> AGM using the RPV.</li> <li>Login with your user ID (i.e. email address) and password and select the corporate event: <b>“(REGISTRATION) FLEXIDYNAMIC HOLDINGS BERHAD 5<sup>TH</sup> AGM”</b>.</li> <li>Read and agree to the Terms &amp; Conditions and confirm the Declaration.</li> <li>Select “Register for Remote Participation and Voting”.</li> <li>Review your registration and proceed to register.</li> <li>System will send an <b>e-mail to notify</b> that your registration for remote participation is received and will be verified.</li> <li>After verification of your registration against the General Meeting Record of Depositors as at 19 June 2024, the system will send you an <b>e-mail on 24 June 2024 to approve or reject</b> your registration for remote participation.</li> </ul> <p><i>(Note: Please allow sufficient time for the approval of new user of TIIH Online as well as registration for the RPV).</i></p>

# ADMINISTRATIVE GUIDE FOR THE FIFTH ANNUAL GENERAL MEETING (“5<sup>TH</sup> AGM”)

(CONT'D)

## PROCEDURES TO RPV FACILITIES (CONT'D)

Please read and follow the procedures below to participate at the 5<sup>th</sup> AGM using the RPV facilities (cont'd):

On the 5 <sup>th</sup> AGM Day		
(c)	Login to TIIH Online	<ul style="list-style-type: none"> <li>Login with your user ID and password for remote participation at the 5<sup>th</sup> AGM at any time from <b>9.00 a.m.</b> i.e. 1 hour before the commencement of the 5<sup>th</sup> AGM on <b>Wednesday, 26 June 2024 at 10.00 a.m.</b></li> </ul>
(d)	Participate through Live Streaming	<ul style="list-style-type: none"> <li>Select the corporate event: “<b>(LIVE STREAM MEETING) FLEXIDYNAMIC HOLDINGS BERHAD 5<sup>TH</sup> AGM</b>” to engage in the proceedings of the 5<sup>th</sup> AGM remotely.</li> <li>If you have any question for the Chairperson/ Board, you may use the query box to transmit your question. The Chairperson/ Board will endeavor to respond to questions submitted by remote participants during the 5<sup>th</sup> AGM. If there is time constraint, the responses will be e-mailed to you or posted at the Company’s website at the earliest possible, after the meeting.</li> </ul>
(e)	Online Remote Voting	<ul style="list-style-type: none"> <li>Voting session commences from 10.00 a.m. on Wednesday, 26 June 2024 until a time when the Chairperson announces the end of the session.</li> <li>Select the corporate event: “<b>(REMOTE VOTING) FLEXIDYNAMIC HOLDINGS BERHAD 5<sup>TH</sup> AGM</b>” or if you are on the live stream meeting page, you can select “<b>GO TO REMOTE VOTING PAGE</b>” button below the Query Box.</li> <li>Read and agree to the Terms &amp; Conditions and confirm the Declaration.</li> <li>Select the CDS account that represents your shareholdings.</li> <li>Indicate your votes for the resolutions that are tabled for voting.</li> <li>Confirm and submit your votes.</li> </ul>
(f)	End of remote participation	<ul style="list-style-type: none"> <li>Upon the announcement by the Chairperson on the closure of the 5<sup>th</sup> AGM, the Live Streaming will end.</li> </ul>

### Note to users of the RPV facilities:

- Should your registration for the RPV facilities be approved, we will make available to you the rights to join the live stream meeting and to vote remotely. Your login to TIIH Online on the day of meeting will indicate your presence at the virtual meeting.
- The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.
- In the event you encounter any issues with logging-in, connection to the live stream meeting or online voting, kindly call Tricor Help Line at 011-40805616 / 011-40803168 / 011-40803169 / 011-40803170 or e-mail to [tiih.online@my.tricorglobal.com](mailto:tiih.online@my.tricorglobal.com) for assistance.

### Entitlement to Participate and Appointment of Proxy

- Only members whose names appear on the Record of Depositors as at 19 June 2024 shall be eligible to attend, speak and vote at the 5<sup>th</sup> AGM or appoint a proxy(ies) and/or the Chairperson of the meeting to attend and vote on his/her behalf.
- If a member is unable to participate in 5<sup>th</sup> AGM, he/she may appoint the Chairperson of the meeting as his/her proxy and indicate the voting instruction in the Form of Proxy.
- If you wish to participate in the 5<sup>th</sup> AGM yourself, please do not submit any Proxy Form for the 5<sup>th</sup> AGM. You will not be allowed to participate in the 5<sup>th</sup> AGM together with a proxy appointed by you.
- Accordingly, Proxy Forms and/or documents relating to the appointment of proxy/corporate representative/attorney for the 5<sup>th</sup> AGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner not later than **Monday, 24 June 2024 at 10.00 a.m.**:

# ADMINISTRATIVE GUIDE FOR THE FIFTH ANNUAL GENERAL MEETING (“5<sup>TH</sup> AGM”)

(CONT'D)

## PROCEDURES TO RPV FACILITIES (CONT'D)

(i) In Hard copy:

By hand or post to the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur

(ii) By Electronic form:

All shareholders can have the option to submit Proxy Form electronically via TIIH Online and the steps to submit are summarised below:

## PROCEDURES FOR ELECTRONIC SUBMISSION OF PROXY FORM

Procedure	Action
<b>i. Steps for Individual Shareholders</b>	
Register as a User with TIIH Online	<ul style="list-style-type: none"> <li>Using your computer, please access the website at <a href="https://tiih.online">https://tiih.online</a>. Register as a user under the “e-Services”. Please refer to the tutorial guide posted on the homepage for assistance.</li> <li>If you are already a user with TIIH Online, you are not required to register again.</li> </ul>
Proceed with submission of Proxy Form	<ul style="list-style-type: none"> <li>After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password.</li> <li>Select the corporate event: <b>“FLEXIDYNAMIC HOLDINGS BERHAD 5<sup>TH</sup> AGM - Submission of Proxy Form”</b>.</li> <li>Read and agree to the Terms and Conditions and confirm the Declaration.</li> <li>Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf.</li> <li>Appoint your proxy/proxies and insert the required details of your proxy/proxies or appoint the Chairperson as your proxy.</li> <li>Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes.</li> <li>Review and confirm your proxy(s) appointment.</li> <li>Print the form of proxy for your record.</li> </ul>
<b>ii. Steps for corporate or institutional shareholders</b>	
Register as a User with TIIH Online	<ul style="list-style-type: none"> <li>Access TIIH Online at <a href="https://tiih.online">https://tiih.online</a></li> <li>Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects <b>“Create Account by Representative of Corporate Holder”</b>.</li> <li>Complete the registration form and upload the required documents.</li> <li>Registration will be verified, and you will be notified by email within one (1) to two (2) working days.</li> <li>Proceed to activate your account with the temporary password given in the email and re-set your own password.</li> </ul> <p>Note: The representative of a corporate or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.</p>
Proceed with submission of Proxy Form	<ul style="list-style-type: none"> <li>Login to TIIH Online at <a href="https://tiih.online">https://tiih.online</a></li> <li>Select the corporate event: <b>“FLEXIDYNAMIC HOLDINGS BERHAD 5<sup>TH</sup> AGM - SUBMISSION OF PROXY FORM”</b></li> <li>Agree to the Terms &amp; Conditions and Declaration.</li> <li>Proceed to download the file format for “Submission of Proxy Form” in accordance with the Guidance Note set therein.</li> <li>Prepare the file for the appointment of proxies by inserting the required data.</li> <li>Login to TIIH Online, select corporate event: <b>“FLEXIDYNAMIC HOLDINGS BERHAD 5<sup>TH</sup> AGM - SUBMISSION OF PROXY FORM”</b>.</li> <li>Proceed to upload the duly completed proxy appointment file.</li> <li>Select “Submit” to complete your submission.</li> <li>Print the confirmation report of your submission for your record.</li> </ul>

# ADMINISTRATIVE GUIDE FOR THE FIFTH ANNUAL GENERAL MEETING (“5<sup>TH</sup> AGM”)

(CONT'D)

## POLL VOTING

The voting at the 5<sup>th</sup> AGM will be conducted by poll in accordance with Rule 8.31A(1) of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor Investor & Issuing House Services Sdn Bhd as Poll Administrator to conduct the poll voting electronically.

Shareholders or proxy(es) or corporate representative(s) or attorney(s) can proceed to vote on the resolutions at any time from **10.00 a.m. on Wednesday, 26 June 2024** but before the end of the voting session which will be announced by the Chairperson of the meeting. Please refer to the Procedures for Remote Participation and Voting via RPV Facilities provided above for guidance on how to vote remotely via TIIH Online.

Upon completion of the voting session for the 5<sup>th</sup> AGM, the Scrutineers will verify the poll results followed by the Chairperson's declaration whether the resolutions are duly passed.

## PRE-MEETING SUBMISSION OF QUESTION TO THE BOARD OF DIRECTORS

Shareholders may submit questions for the Board in advance of the 5<sup>th</sup> AGM via Tricor's TIIH Online website at <https://tiih.online> by selecting “e-Services” to login, pose questions and submit electronically no later than **Monday, 24 June 2024 at 10.00 a.m.** The Board will endeavor to answer the questions received at the 5<sup>th</sup> AGM.

## NO RECORDING OR PHOTOGRAPHY

Strictly no recording or photography of the 5<sup>th</sup> AGM proceedings is allowed.

## NO DOOR GIFT/VOUCHER

There will be no distribution of door gift or voucher for the 5<sup>th</sup> AGM.

We thank you for your continuous support to the Company.

## ENQUIRY

If you have any enquiry prior to the meeting, you may contact the Share Registrar at:

<b>Tricor Investor &amp; Issuing House Services Sdn Bhd</b> 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, Malaysia		<b>Telephone Number</b>
	General Line	603-2783 9299
	Mr Ashvinder Singh	603-2783 7962 ashvinder.singh@my.tricorglobal.com
	Mr Muhammad Asyran	603-2783 9249 muhammad.asyran@my.tricorglobal.com
	Fax Number	603-2783 9222
	Email	is.enquiry@my.tricorglobal.com



**FLEXIDYNAMIC HOLDINGS BERHAD**  
Registration No. 201901010656 (1319984-V)  
(Incorporated in Malaysia)

## PROXY FORM

(Before completing this form please refer to the notes below)

No. of shares held	
CDS Account No.	

I/We \_\_\_\_\_

of \_\_\_\_\_

with email: \_\_\_\_\_ and mobile phone no. \_\_\_\_\_

being a member / members of **Flexidynamic Holdings Berhad**, hereby appoint(s):-

Full Name (in Block) [Proxy 1]	NRIC/Passport No.	Percentage of Shareholdings
		%
Address		
Email Address		
Mobile Phone No.		

and (if more than one (1) proxy)

Full Name (in Block) [Proxy 2]	NRIC/Passport No.	Proportion of Shareholding
		%
Address		
Email Address		
Mobile Phone No.		

or failing him/her, THE CHAIRMAN OF THE MEETING as \*my/our proxy to vote for \*me/us on \*my/our behalf at the Fifth ("5<sup>th</sup>") Annual General Meeting ("AGM") of the Company to be conducted on a fully virtual basis through live streaming and online remote meeting platform of TIIH Online provided by Tricor Investor & Issuing House Services Sdn Bhd via its website at <https://tiih.online> or <https://tiih.com.my> (Domain Registration No. with MYNIC – D1A282781) on Wednesday, 26 June 2024 at 10.00 a.m. and at any adjournment thereof (as the case may be) and to vote as indicated below:

RESOLUTIONS		FOR	AGAINST
Ordinary Resolution 1	Approval of Director's fees and allowances up to RM230,000.00 from this 5 <sup>th</sup> AGM until the next AGM		
Ordinary Resolution 2	Re-election of Tan Kong Leong as Director		
Ordinary Resolution 3	Re-election of Chong Kai Feng as Director		
Ordinary Resolution 4	Appointment of Messrs TGS TW PLT as Auditors of the Company in place of the retiring auditors, Messrs Grant Thornton Malaysia PLT		
Ordinary Resolution 5	Authority to Issue Shares		
Ordinary Resolution 6	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

Please indicate with an "X" in the above columns how you wish your vote to be casted. In the absence of specific direction, your proxy(ies) may vote or abstain at his/her discretion.

\* Delete if not applicable

Dated this ..... day of ..... 2024

.....  
Signature/Common Seal of member

Fold this flap for sealing

**NOTES:**

1. An online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Companies Act 2016 if the online meeting platform in Malaysia and all meeting participants including Chairperson of the meeting, board members, key management and shareholders are to participate in the meeting online.  
  
Shareholders are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the 5<sup>th</sup> AGM via the Remote Participation and Voting ("RPV") facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn Bhd via its TIH Online website at <https://tjih.online>. For further information, kindly refer to the Administrative Guide for the 5<sup>th</sup> AGM.
2. For the purpose of determining a member who shall be entitled to attend, speak and vote at the 5<sup>th</sup> AGM, the Company shall be requesting the Record of Depositors as at 19 June 2024. Only a depositor whose name appears on the Record of Depositors as at 19 June 2024 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.
3. A proxy may but need not be a member of the Company. A member may appoint up to 2 proxies to attend and vote at the same meeting. Where a member appoints 2 proxies, the appointment of 2 proxies shall be invalid unless the proportion of the shareholding to be represented by each proxy is specified.
4. Where a member is an authorised nominee as defined under the Central Depositories Act 1991, it may appoint at least 1 proxy but not more than 2 proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

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Affix  
Stamp

The Share Registrar  
**FLEXIDYNAMIC HOLDINGS BERHAD**  
Registration No. 201901010656 (1319984-V)  
c/o 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,  
Malaysia.

1st fold here

5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or by his attorney duly authorised in writing, and in the case of a corporation, shall be executed under its Common Seal or under the hand of an officer or attorney of the corporation duly authorised.
7. The Form of Proxy shall be deposited at the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or by electronic lodgement via TIH Online website at <https://tjih.online> not less than 48 hours before the time set for holding the meeting or any adjournment thereof. For further information on the electronic submission of Form of Proxy, kindly refer to the Administrative Guide for the 5<sup>th</sup> AGM.
8. By submitting the duly executed Form of Proxy, a member and his/her proxy consent to the Company (and/or its agents/ service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for this meeting and any adjournment thereof.
9. A member who has appointed a proxy or attorney or authorised representative to participate at the 5<sup>th</sup> AGM must request his/her proxy/ attorney/authorised representative to register himself/herself via TIH Online website at <https://tjih.online>.



[www.flexidynamic.com](http://www.flexidynamic.com)

**FLEXIDYNAMIC HOLDINGS BERHAD**

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

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