

FLEXIDYNAMIC HOLDINGS BERHAD ("FLEXIDYNAMIC" OR THE "COMPANY")

MEMORANDUM OF UNDERSTANDING BETWEEN FLEXIDYNAMIC AND HARPS INVESTMENT ASIA PTE. LTD.

1. Introduction

The Board of Directors of Flexidynamic wishes to announce that the Company had on 27 March 2025 entered into a Memorandum of Understanding ("**MOU**") with HARPS Investment Asia Pte. Ltd. ("**HIA**") in relation to the proposed acquisition of up to 8,300,000 ordinary shares, or the entirety of equity interest in Formtech Engineering (M) Sdn. Bhd. ("**Formtech**") ("**Proposed Acquisition**")

2. Information on Formtech

Formtech was incorporated in Malaysia on 1 March 2010 and having its registered address at Lot 135, Jalan Permata ¼, Arab Malaysian Industrial Park, Nilai, Negeri Sembilan, Malaysia with an issued share capital of RM 8,300,000 comprising of 8,300,000 ordinary shares. Formtech is principally involved in the manufacturing of glove formers, an upstream supplier in the wider glove industry.

3. Salient terms of the MOU

(i) Proposed Acquisition

As soon as practicable after the signing of the MOU and within three (3) months of the date of signing, both parties shall work on the due diligence review to be conducted at the cost and expense of the Purchaser as set out in Section 3 (ii) of this announcement and to negotiate in good faith the terms of the share sale agreement ("**Share Sale Agreement**") in respect of the Proposed Acquisition. For the avoidance of doubt, the execution of the Share Sale Agreement is subject to a satisfactory outcome on the due diligence performed by Flexidynamic.

(ii) Due Diligence Review

Flexidynamic shall have the rights to undertake audit, due diligence review, and any other inquiries and investigations into the business, matters and affairs of Formtech, the particulars and/or parameters of which are to be mutually agreed by the parties, or any other matter which the parties mutually consider necessary during the due diligence review process.

(iii) Duration

The MOU shall become effective from the date of signing of the MOU and shall remain in effect until the execution of the Share Sale Agreement, or three (3) months from the date of signing of the MOU, whichever comes first.

(iv) Confidentiality

Except as referred to in the MOU, all parties must treat as confidential all information and documents received or obtained during the preparation of the MOU, due diligence review, and negotiation on the terms and condition of the Share Sale Agreement.

Any party may disclose information which would otherwise be confidential if and to the extent:

- (a) it is required to do so by law or any securities exchange or regulatory or governmental body to which it is subject wherever situated;
- (b) it considers necessary to disclose the information to its professional advisor, accountant, auditor, lawyer, tax agent, banker, company secretary, or other professionals for the purpose of the Proposed Acquisition; or
- (c) the information has come into the public domain through no fault of the party.

4. Rationale of the MOU

The MOU allows Flexidynamic and HIA to negotiate for a period of three (3) months and sets out the understanding and intention of both parties in respect of the Proposed Acquisition.

The Proposed Acquisition is part of the Company's strategic plan to seek alternative revenue source by expanding its business activities within the glove manufacturing sector. The entry into this market segment is aimed at expanding Flexidynamic's value chain in the glove manufacturing ecosystem

and strengthen Flexidynamic's market position through vertical integration and cross-selling opportunities.

Further, upon the execution of the Share Sales Agreement, Flexidynamic will seek its shareholders' approval for the diversification of its business operations should the Proposed Acquisition trigger Paragraph 10.13 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

5. Financial Effects

The MOU is not expected to have any material effects on the issued share capital and substantial shareholders' shareholdings of Flexidynamic, as well as net assets, gearings, and earnings per share of Flexidynamic. The financial effects of the Proposed Acquisition can only be determined upon the execution of the Share Sales Agreement.

6. Interest of Directors, Major Shareholders and/or Persons Connected with Them

None of the directors, major shareholders of Flexidynamic and/or persons connected with them have any interest, whether direct or indirect, in the MOU.

7. Directors' Statement

The Board, after taking into consideration all aspects of the MOU, is of the opinion that the MOU is in the best interest of the Company.

8. Approvals Required

The execution of the MOU does not require the approval of shareholders of the Company or any relevant authorities.

9. Documents Available for Inspection

The MOU is available for inspection at the registered office of Flexidynamic at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, during normal office hours on Mondays to Fridays (except public holidays) for a period of 3 months from the date of this announcement.

This announcement is dated 27 March 2025.