



PLYTEC HOLDING BERHAD

Registration No: 201801020016 (1282035 - P)

**Interim Financial Report
For the Third Quarter Ended
30 September 2023**

PLYTEC HOLDING BERHAD

Registration No: 201801020016 (1282035 - P)
(Incorporated in Malaysia under the Companies Act 2016)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023⁽¹⁾

	Note	INDIVIDUAL QUARTER 3-MONTH ENDED		CUMULATIVE QUARTER 9-MONTH ENDED	
		Current Year Quarter 30.9.2023 Unaudited RM	Preceding Year Quarter ⁽²⁾ 30.9.2022 Unaudited RM	Current Year-To-Date 30.9.2023 Unaudited RM	Preceding Year-To-Date ⁽²⁾ 30.9.2022 Unaudited RM
REVENUE	A9	45,638,504	N/A	123,075,193	N/A
COST OF SALES		(32,339,004)	N/A	(91,097,788)	N/A
GROSS PROFIT		13,299,500	N/A	31,977,405	N/A
OTHER INCOME		165,227	N/A	711,893	N/A
		13,464,727	N/A	32,689,298	N/A
SELLING AND DISTRIBUTION EXPENSES		(473,344)	N/A	(1,072,096)	N/A
ADMINISTRATIVE EXPENSES		(5,134,895)	N/A	(13,995,945)	N/A
OTHER EXPENSES		(471,486)	N/A	(1,473,649)	N/A
FINANCE COSTS		(1,169,880)	N/A	(3,304,306)	N/A
REVERSAL OF IMPAIRMENT LOSSES ON FINANCIAL ASSETS		-	N/A	37,449	N/A
PROFIT BEFORE TAXATION	B5	6,215,122	N/A	12,880,751	N/A
INCOME TAX EXPENSE	B6	(1,822,316)	N/A	(3,255,533)	N/A
PROFIT AFTER TAXATION/ TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		4,392,806	N/A	9,625,218	N/A
PROFIT AFTER TAXATION/ TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD:-					
Owners of the Company		4,355,210	N/A	9,526,516	N/A
Non-controlling interest		37,596	N/A	98,702	N/A
		4,392,806	N/A	9,625,218	N/A
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY:-					
- Basic ⁽³⁾ (sen)	B12	0.87	N/A	1.91	N/A
- Diluted ⁽⁴⁾ (sen)	B12	0.87	N/A	1.91	N/A

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023⁽¹⁾ (CONT'D)**Notes:**

N/A - Not applicable

- (1) The unaudited condensed consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the Accountants' Report as set out in the prospectus of PLYTEC Holding Berhad ("**PLYTEC**") dated 24 October 2023 in relation to its initial public offering ("**IPO**") ("**Prospectus**") as well as the accompanying explanatory notes attached to this interim financial report.
- (2) No comparative figures for the preceding year's corresponding quarter are presented as this is the first interim financial report announced by PLYTEC Holding Berhad in compliance with the ACE Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**").
- (3) Basic EPS computed based on profit attributable to owners of the Company divided by the number of ordinary shares outstanding (after the completion of Pre-IPO Exercise as disclosed in the Prospectus) of 500,000,000.
- (4) Diluted EPS is equivalent to the basic EPS as the Company does not have convertible securities at the end of the current quarter.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023⁽¹⁾

	Unaudited 30.9.2023 RM	Audited 31.12.2022 RM
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	100,924,305	72,535,075
Investment properties	2,911,249	1,842,162
Right-of-use assets	3,047,653	3,130,286
Other investments	607,721	607,721
Goodwill	1,955,898	1,955,898
	109,446,826	80,071,142
CURRENT ASSETS		
Inventories	5,553,503	5,856,507
Trade receivables	77,023,822	58,930,862
Other receivables, deposits and prepayments	8,588,414	9,988,159
Current tax assets	210,000	40,000
Fixed deposits with licensed banks	20,591,236	19,839,913
Cash and bank balances	690,912	3,482,723
	112,657,887	98,138,164
TOTAL ASSETS	222,104,713	178,209,306

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023⁽¹⁾ (CONT'D)

	Unaudited 30.9.2023 RM	Audited 31.12.2022 RM
EQUITY AND LIABILITIES		
EQUITY		
Share capital	50,000,000	50,000,000
Merger deficit	(38,490,399)	(38,490,399)
Retained profits	81,507,857	71,981,341
	<hr/>	<hr/>
Equity attributable to owners of the Company	93,017,458	83,490,942
Non-controlling interest	468,183	369,481
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TOTAL EQUITY	93,485,641	83,860,423
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NON-CURRENT LIABILITIES		
Lease liabilities	271,122	323,777
Hire purchase payables	13,220,810	4,090,615
Term loans	9,779,779	11,783,533
Deferred tax liabilities	1,865,209	1,865,209
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	25,136,920	18,063,134
	<hr/>	<hr/>
CURRENT LIABILITIES		
Trade payables	16,650,882	15,874,324
Other payables and accruals	18,730,473	13,161,211
Lease liabilities	69,808	67,450
Hire purchase payables	9,744,484	5,550,207
Short-term borrowings	45,799,745	34,893,858
Term loans	2,897,339	2,875,404
Bank overdrafts	8,848,607	3,108,535
Current tax liabilities	740,814	754,760
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	103,482,152	76,285,749
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TOTAL LIABILITIES	128,619,072	94,348,883
	<hr/>	<hr/>
TOTAL EQUITY AND LIABILITIES	222,104,713	178,209,306
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Net assets per share ⁽²⁾	0.19	0.17
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023⁽¹⁾ (CONT'D)**Notes:**

- (1) The unaudited condensed consolidated statements of financial position should be read in conjunction with the Accountants' Report as set out in the Prospectus of the Company as well as the accompanying explanatory notes attached to this interim financial report.
- (2) Computed based on the equity attributable to the owners of the Company divided by the number of ordinary shares outstanding (after the completion of Pre-IPO Exercise as disclosed in the Prospectus) of 500,000,000.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

	Share Capital RM	Non- Distributable Merger Deficit RM	Distributable Retained Profits RM	Attributable to the Owners of the Company RM	Non- controlling Interest RM	Total Equity RM
<u>Unaudited</u>						
Balance at 1 January 2023	50,000,000	(38,490,399)	71,981,341	83,490,942	369,481	83,860,423
Profit after taxation/Total comprehensive income for the financial period	-	-	9,526,516	9,526,516	98,702	9,625,218
Balance at 30 September 2023	50,000,000	(38,490,399)	81,507,857	93,017,458	468,183	93,485,641

Note:

- (1) The unaudited condensed consolidated statements of changes in equity should be read in conjunction with the Accountants' Report as set out in the Prospectus of the Company as well as the accompanying explanatory notes attached to this interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

	Unaudited 30.9.2023	Unaudited (²)30.9.2022
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	12,880,751	N/A
Adjustments for:-		
Bad debts written off	1,438	N/A
Depreciation of investment properties	18,320	N/A
Depreciation of property, plant and equipment	7,731,676	N/A
Depreciation of right-of-use assets	82,633	N/A
Interest expense on lease liabilities	12,703	N/A
Other interest expense	3,273,303	N/A
Property, plant and equipment written off	55,577	N/A
Gain on disposal of property, plant and equipment	(73,833)	N/A
Interest income	(251,323)	N/A
Operating profit before working capital changes	23,731,245	N/A
Decrease in inventories	1,685,634	N/A
Increase in trade and other receivables	(16,694,653)	N/A
Increase in trade and other payables	6,345,820	N/A
CASH FROM OPERATIONS	15,068,046	N/A
Interest paid	(305,043)	N/A
Income tax paid	(3,439,479)	N/A
NET CASH FROM OPERATING ACTIVITIES	11,323,524	N/A
CASH FLOWS FOR INVESTING ACTIVITIES		
Increase in pledged fixed deposits with licensed banks	(500,000)	N/A
Proceeds from disposal of property, plant and equipment	95,500	N/A
Purchase of investment properties	(1,087,407)	N/A
Purchase of property, plant and equipment	(18,096,819)	N/A
NET CASH FOR INVESTING ACTIVITIES	(19,588,726)	N/A

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONT'D)

	Unaudited 30.9.2023	Audited (2)30.9.2022
	RM	RM
CASH FLOWS FOR FINANCING ACTIVITIES		
Drawdown of bankers' acceptances	85,768,012	N/A
Drawdown of hire purchases	370,454	N/A
Drawdown of revolving credits	34,162,469	N/A
Drawdown of term loans	164,215	N/A
Interests paid	(2,980,963)	N/A
Repayment of bankers' acceptances	(81,943,012)	N/A
Repayment of lease liabilities	(50,297)	N/A
Repayment of hire purchase	(6,529,943)	N/A
Repayment of revolving credits	(27,081,582)	N/A
Repayment of term loans	(2,146,034)	N/A
NET CASH FOR FINANCING ACTIVITIES	(266,681)	N/A
NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,531,883)	N/A
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	374,188	N/A
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	(8,157,695)	N/A
Cash and cash equivalents at the end of the financial period comprises the following:-		
Cash and bank balances	690,912	N/A
Fixed deposits with licensed banks	20,591,236	N/A
Bank overdrafts	(8,848,607)	N/A
	12,433,541	N/A
Less: Fixed deposits pledged to licensed banks	(20,591,236)	N/A
	(8,157,695)	N/A

Notes:

- (1) The unaudited condensed consolidated statements of cash flows should be read in conjunction with the Accountants' Report as set out in the Prospectus of the Company as well as the accompanying explanatory notes attached to this interim financial report.
- (2) No comparative figures for the preceding year's corresponding quarter are presented as this is the first interim financial report announced by PLYTEC in compliance with the Listing Requirements of Bursa Securities.

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A. NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

A1 Basis of Preparation

The interim financial report of PLYTEC and its subsidiaries is unaudited and has been prepared in accordance with the requirements of MFRS 134 - Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Appendix 9B of the Listing Requirements of Bursa Securities.

This interim financial report does not include all the information required for a full annual financial statement and should be read in conjunction with the Accountants' Report as set out in the Prospectus as well as the accompanying notes attached to this interim financial report.

A2 Significant Accounting Policies

During the current financial period, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 3: Reference to the Conceptual Framework

Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use

Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract

Annual Improvements to MFRS Standards 2018 - 2020

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the MASB but are not yet effective for the current financial period:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

A3 Auditors' Report on Preceding Annual Financial Statements

The audited consolidated financial statements of the Group for the financial year ended 31 December 2022 was not subject to any qualification.

A4 Seasonal or Cyclical Factors

The business operations of the Group were not materially affected by seasonal or cyclical factors.

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**A. NOTES TO THE INTERIM FINANCIAL REPORT
 FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

A5 Material Unusual Items

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter and financial period to date.

A6 Material Changes in Estimates

There were no significant changes in estimates that have a material effect on the current financial quarter under review.

A7 Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale or repayments of debt and equity securities in the current financial quarter under review.

A8 Dividends

There were no dividend declared or paid during the current financial quarter under review.

A9 Segmental Reporting

(a) *Business segments*

The Group is originated into four (4) main reportable segments as follows:-

No	Business segments	Principal activities
1.	Construction method engineering solutions (“ CME ”)	Provision of new and refurbished temporary works equipment for sale and rental together with the provision of solutions that support the forming of safe erection of concrete structures.
2.	Trading and distribution of building materials (“ BMD ”)	Trade and distribute building materials for construction projects.
3.	Digital design and engineering solutions (“ DDE ”)	Provision of digital designs and engineering solutions.
4.	Prefabricated construction solutions (“ PCS ”)	Planning, designing, production planning and coordination throughout the manufacturing process of prefabricated components, trading of lifting and connection accessories for precast concrete construction.

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**A. NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**
A9 Segmental Reporting (Cont'd)
(a) Business segments (Cont'd)

The segmental information based on four (4) business segments for individual quarter ended 30 September 2023 ("Q3 FYE2023") is as follows:-

	INDIVIDUAL QUARTER ENDED 30 SEPTEMBER 2023				
	CME RM	BMD RM	DDE RM	PCS RM	Total RM
30.9.2023					
Revenue					
External revenue	19,580,724	24,029,526	1,269,866	758,388	45,638,504
Results					
Profit from operations					7,385,002
Finance costs					(1,169,880)
Profit before taxation					6,215,122
Income tax expense					(1,822,316)
Profit after taxation for the financial period					4,392,806

The segmental information based on four (4) business segments for cumulative quarter ended 30 September 2023 ("YTD FYE2023") is as follows:-

	CUMULATIVE QUARTER ENDED 30 SEPTEMBER 2023				
	CME RM	BMD RM	DDE RM	PCS RM	Total RM
30.9.2023					
Revenue					
External revenue	47,357,670	69,011,232	4,645,476	2,060,815	123,075,193
Results					
Profit from operations					16,185,057
Finance costs					(3,304,306)
Profit before taxation					12,880,751
Income tax expense					(3,255,533)
Profit after taxation for the financial period					9,625,218

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A. NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

A9 Segmental Reporting (Cont'd)

(b) Geographical information

The segmental information based on two (2) geographical locations for the financial period ended 30 September 2023 is as follows:-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited Current Year Quarter 30.9.2023 RM	Unaudited Preceding Year Quarter 30.9.2022 RM	Unaudited Current Year-To-Date 30.9.2023 RM	Unaudited Preceding Year-To-Date 30.9.2022 RM
Domestic	44,280,000	N/A	119,883,143	N/A
Overseas ⁽¹⁾	1,358,504	N/A	3,192,050	N/A
Total	45,638,504	N/A	123,075,193	N/A

Note:

(1) Overseas comprise Singapore and Thailand.

A10 Valuation of Property, Plant and Equipment

There was no valuation of the property, plant and equipment performed in the current financial quarter under review.

A11 Material Events Subsequent to the End of the Current Financial Quarter

Save as disclosed below, there were no other material events subsequent to the end of the current financial quarter that have not been reflected in this interim financial report.

- (i) Public issue of 106,060,600 new ordinary shares in the Company at an issue price of RM0.35 per share ("IPO Price") allocated in the following manner:-
 - 30,303,100 new shares available for application by the Malaysian Public; and
 - 75,757,500 new shares by way of private placement to identified Bumiputera investors approved by Ministry of Investment, Trade and Industry.
- (ii) Offer for sale of 51,515,100 existing ordinary shares in the Company at the IPO Price in the following manner:-
 - 21,212,100 offer shares available for application by our eligible directors, employees and persons who have contributed to the success of our Group; and
 - 30,303,000 offer shares by way of private placement to selected investors.

Upon completion of the IPO, the Company is expected to be admitted to the Official List of Bursa Securities and the Company's entire enlarged issued share capital comprising 606,060,600 shares shall be listed and quoted on the ACE Market of Bursa Securities on 15 November 2023.

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**A. NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

A12 Changes in Composition of the Group

There were no other significant changes in the composition of the Group during the current quarter.

A13 Contingent Assets and Contingent Liabilities

There were no contingent assets and contingent liabilities as at the date of this interim financial report.

A14 Capital Commitments

The capital commitments as at the end of the current financial quarter as follows:-

	Unaudited As at 30.9.2023 RM	Audited As at 31.12.2022 RM
Purchase of investment properties	168,439	716,531
Purchase of property, plant and equipment	7,804,840	12,787,457
Construction of factories and labour quarters	21,337,840	21,346,280
	<u>29,311,119</u>	<u>34,850,268</u>

A15 Related Party Transactions

The Group's transactions with companies in which our directors or substantial shareholders have an interest in for the current financial quarter ended 30 September 2023 were as follows:-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited Current Year Quarter 30.9.2023 RM	Unaudited Preceding Year Quarter 30.9.2022 RM	Unaudited Current Year-To-Date 30.9.2023 RM	Unaudited Preceding Year-To-Date 30.9.2022 RM
<u>Related Parties</u>				
Purchases from	108,608	N/A	260,104	N/A
Short-term lease expenses paid or payables to	9,600	N/A	28,800	N/A

Notes:

N/A - Not applicable

- (1) The transactions have been entered into in the normal course of business and have been established under negotiated terms agreed by both parties.
- (2) No comparative figures for the preceding year's corresponding quarter are presented as this is the first interim financial report announced by PLYTEC in compliance with the Listing Requirements of Bursa Securities.

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**A. NOTES TO THE INTERIM FINANCIAL REPORT
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A16 Fair Value of Financial Liabilities

There were no gains or losses arising from fair value changes of the Group's financial liabilities for the current quarter.

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B. EXPLANATORY NOTES PURSUANT TO PART A, APPENDIX 9B OF THE LISTING REQUIREMENTS
B1 Review of Performance
(a) Review of performance

The Group's performance for current quarter and year-to-date period ended 30 September 2023 are tabled below:-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited Current Year Quarter 30.9.2023 RM	Unaudited Preceding Year Quarter 30.9.2022 RM	Unaudited Current Year-To-Date 30.9.2023 RM	Unaudited Preceding Year-To-Date 30.9.2022 RM
Revenue	45,638,504	N/A	123,075,193	N/A
Segments				
- CME	19,580,724	N/A	47,357,670	N/A
- BMD	24,029,526	N/A	69,011,232	N/A
- DDE	1,269,866	N/A	4,645,476	N/A
- PCS	758,388	N/A	2,060,815	N/A
Gross Profit ("GP")	13,299,500	N/A	31,977,405	N/A
Profit before taxation ("PBT")	6,215,122	N/A	12,880,751	N/A
Profit after taxation ("PAT")	4,392,806	N/A	9,625,218	N/A

Note:

N/A - Not applicable

- (1) No comparative figures for the preceding year's corresponding quarter are presented as this is the first interim financial report announced by PLYTEC in compliance with the Listing Requirements of Bursa Securities.

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B. EXPLANATORY NOTES PURSUANT TO PART A, APPENDIX 9B OF THE LISTING REQUIREMENTS

B1 Review of Performance (Cont'd)**(a) Review of performance (Cont'd)**

In Q3 FYE2023, the Group recorded total revenue of RM45.64 million, mainly derived from CME segment of RM19.58 million or 42.90%, followed by BMD segment which contributed RM24.03 million or 52.65%, DDE segment of RM1.27 million or 2.78% and PCS segment of RM0.76 million or 1.67% of total revenue whilst more than 97.00% of total revenue generated in Malaysia.

CME Segment

In Q3 FYE2023, the revenue generated by CME segment mainly derived from the rental of temporary works equipment, which amounting to RM11.51 million or 58.78% of the segment's total revenue. The remaining RM8.07 million or 41.22% of the segment's total revenue, was derived from the sales revenue of temporary works equipment.

The rental revenue in Q3 FYE 2023 mainly derived from modular shoring systems, deck formwork, and aluminium formwork, which amounting to RM10.18 million or 88.45% of total rental income collectively. The sales revenue in Q3 FYE2023 mainly derived from the sales of self-climbing platform, deck formwork and modular shoring systems, totalling RM7.49 million or 92.74% of total sales revenue collectively.

As compared to FYE 2022, there was a shift in customers' preferences, with more customers opted to rent instead of outright purchases. This change resulted in higher rental income, primarily from the rental of modular shoring system, aluminium formwork and deck formwork, which were delivered to various projects, namely Vista Danau Kota, Altimas, Infineon and Nest 2.

BMD Segment

In Q3 FYE2023, the revenue generated from BMD segment was mainly attributed to sales of core products, which amounted to RM11.72 million, representing 48.77% of the segment's revenue. These core products include engineering wire mesh, plywood, perimeter fencing and K21 Mobile house. The remaining RM12.31 million or 51.23% of the segment's revenue was generated from the sales of general products, such as steel bars, sanitary wares, ceramic tiles, cement, pecaform and other general products.

DDE Segment

In Q3 FYE2023, DDE segment has generated RM1.27 million or 2.78% of the Group's revenue by providing Building Information Modelling ("BIM") services, which creates digital representation of structures, buildings and services using a 3D model. There were also a few BIM services projects secured in the first half of 2023 with tenure more than 12 months.

PCS Segment

In Q3 FYE2023, the revenue for PCS segment mainly contributed from the sales of lifting and connection accessories, amounting to RM0.65 million, which represents 85.53% of the segment's revenue. The remaining RM0.11 million or 14.47% of the segment's revenue, was generated from the provision of engineering services.

Our Group registered GP of RM13.30 million with GP margin of 29.14%, PBT of RM6.22 million and PAT of RM4.39 million with a PAT margin of 9.63%.

B2 Review of Current Quarter Performance against Immediate Preceding Quarter

There was no comparative figures for the immediate preceding quarter as this is the first interim financial report announced by PLYTEC in compliance with the Listing Requirements of Bursa Securities.

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B. EXPLANATORY NOTES PURSUANT TO PART A, APPENDIX 9B OF THE LISTING REQUIREMENTS

B3 Prospects

In CME segment, the industry landscape has shifted towards the rental of temporary works equipment instead of outright purchases. With the CIDB order imposing stricter standards and requirements for the safe use of scaffolding and falsework on construction sites, we anticipate that the demand for our temporary works equipment will remain robust. This is supported by a growing trend of customers opting to rent from specialised solutions providers to save costs and efforts associated with meeting stringent certification and compliance requirements.

For the first 9 months of 2023, we have made significant capital expenditure to expand our rental assets portfolio in response to the surge demand for rental of temporary works equipment. Moreover, we have successfully secured more than 20 projects that encompass the rental of temporary works equipment. These projects are scheduled to commence in the second half of 2023 and are expected to reach completion by 2024.

The BMD segment is maintaining a stable performance with potential growth anticipated to be boost by upcoming government infrastructure projects. The nation is expected to see a recovery in exports, coupled with a renewed emphasis towards infrastructure and utilities projects, as well as sustained domestic demand in 2024 partly through government support measures. The construction sector is forecast to increase by 6.8% in 2024 as compared to 6.3% in 2023, driven by continuation of large scale projects and affordable housing.

In DDE segment, a significant portion of the revenue is derived from the northern market, where we serve international engineering, construction firms and reputable multi-national company specialise in technology and semiconductor sector. Our Group aims to further extend its services to existing building owners to create accurate digital twin of their facilities to streamline operation and facility management using digital technology.

Recently, our Group has secured a contract to set up a digital ecosystem in Sarawak, in facilitating the digital transformation of the state into a smart city. The services to be provided include standardisation of information management system, consultancy support, handhold training and capacity building to develop processes rooted in the concept of digital twin of built asset.

In addition, our Group has successfully secured BIM project in Hungary, Europe consecutively. We implement virtual design and construction (“VDC”) to help our client to build virtually first, rehearse construction process to ensure everything fits prior to physical construction. Doing so, we are able to collaborate with project stakeholders to optimise design intent, identify conflict and mitigate risk at early design stage to deliver top quality built asset productively, safely and sustainably.

PCS segment generates relatively small revenue for our Group, it is primarily serving the southern of Malaysia market. The precast concrete market continues to witness robust growth globally. Factors such as urbanisation, population growth, and infrastructure development are driving the demand for precast concrete products. The market is expanding to accommodate various applications, including residential, commercial, industrial, and infrastructure projects.

The Group will continue to maintain its operational efficiency, making prudent capital investments, remain competitive, and actively pursuing growth opportunities.

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B. EXPLANATORY NOTES PURSUANT TO PART A, APPENDIX 9B OF THE LISTING REQUIREMENTS
B4 Profit Forecast or Profit Guarantee

The Group did not issue any revenue or profit estimate, forecast, projection or internal targets in any public announcement or public documents during the current financial quarter under review.

B5 Profit Before Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited Current Year Quarter 30.9.2023 RM	Unaudited Preceding Year Quarter 30.9.2022 RM	Unaudited Current Year-To-Date 30.9.2023 RM	Unaudited Preceding Year-To-Date 30.9.2022 RM
Profit before taxation is arrived at after charging/ (crediting):-				
Depreciation of investment properties	9,159	N/A	18,320	N/A
Depreciation of property, plant and equipment	2,927,663	N/A	7,731,676	N/A
Depreciation of right-of-use assets	27,544	N/A	82,633	N/A
Interest expense on lease liabilities	3,542	N/A	12,703	N/A
Other interest expense	1,161,859	N/A	3,273,303	N/A
Property, plant and equipment written off	-	N/A	55,577	N/A
Gain on disposal of property, plant and equipment	-	N/A	(73,833)	N/A
Interest income	(56,054)	N/A	(251,323)	N/A
Realised gain on foreign exchange	(98,287)	N/A	(104,435)	N/A

Note:

N/A - Not applicable

- (1) No comparative figures for the preceding year's corresponding quarter are presented as this is the first interim financial report announced by PLYTEC in compliance with the Listing Requirements of Bursa Securities.

Save as disclosed above, the other disclosure items pursuant to Paragraph 16 of Appendix 9B of the Listing Requirements are not applicable.

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B. EXPLANATORY NOTES PURSUANT TO PART A, APPENDIX 9B OF THE LISTING REQUIREMENTS
B6 Income Tax Expense

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited Current Year Quarter 30.9.2023 RM	Unaudited Preceding Year Quarter 30.9.2022 RM	Unaudited Current Year-To-Date 30.9.2023 RM	Unaudited Preceding Year-To-Date 30.9.2022 RM
Current tax:				
- current financial period	1,794,500	N/A	3,592,800	N/A
- overprovision in the previous financial year	27,816	N/A	(337,267)	N/A
	<u>1,822,316</u>	<u>N/A</u>	<u>3,255,533</u>	<u>N/A</u>
Effective tax rate (%)	29.32	N/A	25.27	N/A
Statutory tax rate (%)	24.00	N/A	24.00	N/A

Notes:

N/A - Not applicable

- (1) No comparative figures for the preceding year's corresponding quarter are presented as this is the first interim financial report announced by PLYTEC in compliance with the Listing Requirements of Bursa Securities.
- (2) Income tax expense in the form of provision is recognised based on the management's best estimate.

The Group's effective tax rates of 29.32% for individual quarter ended 30 September 2023 were higher than the statutory rate of 24% mainly due to non-deductible expenses incurred mainly for the depreciation of property, plant and equipment.

B7 Status of Corporate Proposals

Save as disclosed below, there were no other corporate proposals announced by the Group but not completed as at the date of this interim financial report.

On 24 October 2023, PLYTEC issued its Prospectus in relation to the IPO comprising the public issue of 106,060,600 new ordinary shares in the Company and an offer for sale of up to 51,515,100 ordinary shares in the Company at an issue price of RM0.35 per ordinary share in conjunction with the listing and quotation of the entire enlarged issued share capital of the company on the ACE Market of Bursa Securities ("**Listing**").

The Listing is still pending completion as PLYTEC is expected to be listed on 15 November 2023.

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B. EXPLANATORY NOTES PURSUANT TO PART A, APPENDIX 9B OF THE LISTING REQUIREMENTS
B8 Utilisation of Proceeds from the Public Issue

The expected gross proceeds from the Public Issue amounting to RM37.12 million is expected to be utilised in the following manner:-

Purpose	RM	%	Estimated timeframe for utilisation from the listing date
Capital expenditure	8,000,000	21.55	Within 24 months
Repayment of borrowings	9,000,000	24.24	Within 12 months
Construction of factories and centralised labour quarters on the Olak Lempit Land	7,800,000	21.01	Within 24 months
Purchase of software systems and hardware	2,000,000	5.39	Within 24 months
Working capital	6,321,210	17.03	Within 12 months
Estimated listing expenses	4,000,000	10.78	Immediate
Total	37,121,210	100.00	

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company. As at the date of this unaudited interim financial report, the IPO is pending completion and therefore, the said proceeds have yet to be raised and utilised.

B9 Borrowings

The Group's borrowings are as follows:-

	Unaudited Current Year-To-Date 30.9.2023 RM	Audited Current Year-To-Date 31.12.2022 RM
Current:-		
<i>Secured and guaranteed</i>		
Hire purchase payables	9,744,484	5,550,207
Term loans	2,897,339	2,875,404
Bankers' acceptances	29,542,000	25,717,000
Revolving credits	16,257,745	9,176,858
Bank overdrafts	8,848,607	3,108,535
<i>Unsecured and unguaranteed</i>		
Lease liabilities	69,808	67,450
	67,359,983	46,495,454
Non-Current:-		
<i>Secured and guaranteed</i>		
Hire purchase payables	13,220,810	4,090,615
Term loans	9,779,779	11,783,533
<i>Unsecured and unguaranteed</i>		
Lease liabilities	271,122	323,777
	23,271,711	16,197,925
	90,631,694	62,693,379

All the borrowings are secured and denominated in Ringgit Malaysia.

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B. EXPLANATORY NOTES PURSUANT TO PART A, APPENDIX 9B OF THE LISTING REQUIREMENTS

B10 Material litigation

There is no litigation or arbitration which has a material effect on the financial position of the Group and the Board of Directors is not aware of any proceedings pending, or of any fact likely to give rise to any proceedings as at the date of this report.

B11 Proposed Dividends

No dividend has been proposed or declared by the Board of Directors of the Company in the current quarter under review.

B12 Basic and Diluted Earnings per Share ("EPS")

The basic and diluted EPS for the current quarter are computed as follows:-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited Current Year Quarter 30.9.2023 RM	Unaudited Preceding Year Quarter 30.9.2022 RM	Unaudited Current Year-To-Date 30.9.2023 RM	Unaudited Preceding Year-To-Date 30.9.2022 RM
Profit attributable to owners of the Company	4,355,210	N/A	9,526,516	N/A
Number of ordinary shares	500,000,000	N/A	500,000,000	N/A
Basic EPS ⁽²⁾ (sen)	0.87	N/A	1.91	N/A
Diluted EPS ⁽³⁾ (sen)	0.87	N/A	1.91	N/A

Notes:

N/A - Not applicable

- (1) No comparative figures for the preceding year's corresponding quarter are presented as this is the first interim financial report announced by PLYTEC in compliance with the Listing Requirements.
- (2) Basic EPS for current quarter and year-to-date period ended 30 September 2023 are computed based on profit attributable to owners of the Company divided by the number of ordinary shares outstanding (after the completion of the Pre-IPO Exercise as disclosed in the Prospectus of the Company) of 500,000,000.
- (3) Diluted EPS is equivalent to the basic EPS as the Company does not have convertible securities at the end of the current quarter.

B13 Approval of Interim Financial Report

The interim financial report as set out above was approved by the Board of Directors of PLYTEC Holding Berhad in accordance with a resolution dated 9 November 2023.

BY ORDER OF THE BOARD
PLYTEC HOLDING BERHAD
9th November 2023