



PLYTEC HOLDING BERHAD

Registration No: 201801020016 (1282035 - P)

**Interim Financial Report
For the Fourth Quarter Ended
31 December 2023**

PLYTEC HOLDING BERHAD

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

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023⁽¹⁾

| | Note | INDIVIDUAL QUARTER 3-MONTHS ENDED | | CUMULATIVE QUARTER 12-MONTHS ENDED | |
|---|------|--------------------------------------|--|---------------------------------------|-----------------------------|
| | | Unaudited 31.12.2023 RM | Unaudited ⁽²⁾ 31.12.2022 RM | Unaudited 31.12.2023 RM | Audited 31.12.2022 RM |
| REVENUE | A9 | 41,698,461 | N/A | 164,773,654 | 158,090,724 |
| COST OF SALES | | (34,554,941) | N/A | (125,652,729) | (115,796,869) |
| GROSS PROFIT | | 7,143,520 | N/A | 39,120,925 | 42,293,855 |
| OTHER INCOME | | 383,952 | N/A | 1,095,845 | 1,567,055 |
| | | 7,527,472 | N/A | 40,216,770 | 43,860,910 |
| SELLING AND DISTRIBUTION EXPENSES | | (411,174) | N/A | (1,483,270) | (1,433,540) |
| ADMINISTRATIVE EXPENSES | | (7,822,864) | N/A | (21,818,809) | (18,074,279) |
| OTHER EXPENSES | | (669,698) | N/A | (2,143,347) | (1,997,776) |
| FINANCE COSTS | | (1,197,485) | N/A | (4,501,791) | (3,200,548) |
| NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS | | (192,618) | N/A | (155,169) | (407,605) |
| (LOSS)/PROFIT BEFORE TAXATION | B5 | (2,766,367) | N/A | 10,114,384 | 18,747,162 |
| INCOME TAX EXPENSE | B6 | (270,500) | N/A | (3,526,033) | (5,009,654) |
| (LOSS)/PROFIT AFTER TAXATION/ TOTAL COMPREHENSIVE (EXPENSES)/INCOME FOR THE FINANCIAL PERIOD/YEAR | | (3,036,867) | N/A | 6,588,351 | 13,737,508 |
| (LOSS)/PROFIT AFTER TAXATION/TOTAL COMPREHENSIVE (EXPENSES)/INCOME FOR THE FINANCIAL PERIOD/YEAR:- | | | | | |
| Owners of the Company | | (3,065,788) | N/A | 6,460,728 | 13,688,316 |
| Non-controlling interest | | 28,921 | N/A | 127,623 | 49,192 |
| | | (3,036,867) | N/A | 6,588,351 | 13,737,508 |
| (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY:- | | | | | |
| - Basic ⁽⁴⁾ (sen) | B12 | (0.51) | N/A | 1.07 | 13.69 |
| - Diluted ⁽⁵⁾ (sen) | B12 | (0.51) | N/A | 1.07 | 13.69 |

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CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 ("**Prospectus**") of PLYTEC Holding Berhad ("**PLYTEC**") dated 24 October 2023 in relation to its initial public offering ("**IPO**") as well as the accompanying explanatory notes attached to this interim financial report.
- (2) This is the second interim financial report announced in compliance with the ACE Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"). There are no comparative figures for the preceding quarter available as no interim financial report was prepared for the comparative financial period concerned.
- (3) Administrative expenses included non-recurring listing expenses of RM2,707,940 for the current financial quarter under review. For illustration purposes only, the Group's financial performance after adjusting for the non-recurring listing related expenses is as follows:-

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|-------------------------------|--|-------------------------------|-----------------------------|
| | Unaudited 31.12.2023 RM | Unaudited ⁽²⁾ 31.12.2022 RM | Unaudited 31.12.2023 RM | Audited 31.12.2022 RM |
| (Loss)/Profit before taxation | (2,766,367) | N/A | 10,114,384 | 18,747,162 |
| Add: Listing expenses | 2,707,940 | N/A | 2,707,940 | - |
| Adjusted (loss)/profit before taxation | (58,427) | N/A | 12,822,324 | 18,747,162 |

- (4) Basic EPS for current financial quarter and year-to-date period ended 31 December 2023 are computed based on profit attributable to owners of the Company divided by the enlarged share capital of 606,060,600 and 100,000,000 as at 31 December 2022 respectively.
- (5) Diluted EPS is equivalent to the basic EPS as the Company does not have convertible securities at the end of the current financial quarter and financial year-to-date.

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

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023⁽¹⁾

| | Unaudited 31.12.2023 RM | Audited 31.12.2022 RM |
|---|--|--------------------------------------|
| ASSETS | | |
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 103,086,085 | 72,535,075 |
| Investment properties | 2,899,062 | 1,842,162 |
| Right-of-use assets | 3,020,108 | 3,130,286 |
| Other investments | 573,245 | 607,721 |
| Goodwill | 1,955,898 | 1,955,898 |
| | 111,534,398 | 80,071,142 |
| CURRENT ASSETS | | |
| Inventories | 6,266,239 | 5,856,507 |
| Trade receivables | 74,726,297 | 58,930,862 |
| Other receivables, deposits and prepayments | 5,748,771 | 9,988,159 |
| Current tax assets | 647,746 | 40,000 |
| Fixed deposits with licensed banks | 20,761,922 | 19,839,913 |
| Cash and bank balances | 14,018,191 | 3,482,723 |
| | 122,169,166 | 98,138,164 |
| TOTAL ASSETS | 233,703,564 | 178,209,306 |

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023⁽¹⁾ (CONT'D)

| | Unaudited 31.12.2023 | Audited 31.12.2022 |
|--|---------------------------------|-------------------------------|
| | RM | RM |
| EQUITY AND LIABILITIES | | |
| EQUITY | | |
| Share capital | 85,565,822 | 50,000,000 |
| Merger deficit | (38,490,399) | (38,490,399) |
| Retained profits | 78,442,069 | 71,981,341 |
| | <hr/> | <hr/> |
| Equity attributable to owners of the Company | 125,517,492 | 83,490,942 |
| Non-controlling interest | 497,104 | 369,481 |
| | <hr/> | <hr/> |
| TOTAL EQUITY | 126,014,596 | 83,860,423 |
| | <hr/> | <hr/> |
| NON-CURRENT LIABILITIES | | |
| Lease liabilities | 253,165 | 323,777 |
| Hire purchase payables | 14,975,387 | 4,090,615 |
| Term loans | 5,053,236 | 11,783,533 |
| Deferred tax liabilities | 2,358,209 | 1,865,209 |
| | <hr/> | <hr/> |
| | 22,639,997 | 18,063,134 |
| | <hr/> | <hr/> |
| CURRENT LIABILITIES | | |
| Trade payables | 15,742,997 | 15,874,324 |
| Other payables and accruals | 16,100,539 | 13,161,211 |
| Lease liabilities | 70,612 | 67,450 |
| Hire purchase payables | 11,699,100 | 5,550,207 |
| Short-term borrowings | 40,112,001 | 34,893,858 |
| Term loans | 1,147,662 | 2,875,404 |
| Bank overdrafts | - | 3,108,535 |
| Current tax liabilities | 176,060 | 754,760 |
| | <hr/> | <hr/> |
| | 85,048,971 | 76,285,749 |
| | <hr/> | <hr/> |
| TOTAL LIABILITIES | 107,688,968 | 94,348,883 |
| | <hr/> | <hr/> |
| TOTAL EQUITY AND LIABILITIES | 233,703,564 | 178,209,306 |
| | <hr/> | <hr/> |
| Net assets per share ⁽²⁾ | 0.21 | 0.84 |
| | <hr/> | <hr/> |

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 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 enlarged share capital of 606,060,600 as at 31 December 2023 and 100,000,000 as at 31 December 2022 respectively.

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023⁽¹⁾

| | Note | 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 as at 1 January 2023 | | 50,000,000 | (38,490,399) | 71,981,341 | 83,490,942 | 369,481 | 83,860,423 |
| Contributions by and distributions to owners of the Company:- | | | | | | | |
| - Issuance of ordinary shares pursuant to IPO | A7 | 37,121,210 | - | - | 37,121,210 | - | 37,121,210 |
| - Share issuance expenses | A7 | (1,555,388) | - | - | (1,555,388) | - | (1,555,388) |
| | | 35,565,822 | - | - | 35,565,822 | - | 35,565,822 |
| Profit after taxation/Total comprehensive income for the financial year | | - | - | 6,460,728 | 6,460,728 | 127,623 | 6,588,351 |
| Balance as at 31 December 2023 | | 85,565,822 | (38,490,399) | 78,442,069 | 125,517,492 | 497,104 | 126,014,596 |

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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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023⁽¹⁾

| | Unaudited 31.12.2023 RM | Audited 31.12.2022 RM |
|--|--|--------------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 10,114,384 | 18,747,162 |
| Adjustments for:- | | |
| Bad debts written off | 1,438 | - |
| Depreciation of investment properties | 30,506 | 13,141 |
| Depreciation of property, plant and equipment | 10,921,915 | 7,569,694 |
| Depreciation of right-of-use assets | 110,178 | 91,597 |
| Interest expense on lease liabilities | 16,550 | 14,403 |
| Other interest expense | 4,457,777 | 3,147,843 |
| Property, plant and equipment written off | 132,576 | 28,398 |
| Fair value loss on other investments | 33,976 | 323,471 |
| Impairment losses on: | | |
| - other investments | 500 | 8,000 |
| - trade receivable | 192,618 | 407,605 |
| Gain on disposal of property, plant and equipment | (103,833) | (395) |
| Dividend income | (1,456) | (9,467) |
| Interest income | (612,873) | (311,044) |
| Operating profit before working capital changes | 25,294,256 | 30,030,408 |
| Decrease in inventories | 1,066,123 | 8,384,278 |
| Increase in trade and other receivables | (11,750,103) | (14,121,782) |
| Increase in trade and other payables | 2,808,001 | 8,760,879 |
| Decrease in amount owing to a director | - | (3,000) |
| CASH FROM OPERATIONS | 17,418,277 | 33,050,783 |
| Interest paid | (406,273) | (260,775) |
| Interest received | 154,804 | - |
| Income tax paid | (4,219,479) | (3,911,233) |
| Income tax refunded | - | 9,190 |
| NET CASH FROM OPERATING ACTIVITIES | 12,947,329 | 28,887,965 |
| CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES | | |
| Addition to right-of-use assets | - | (220,874) |
| Increase in pledged fixed deposits with licensed banks | (463,940) | (708,809) |
| Proceeds from disposal of property, plant and equipment | 125,500 | 12,000 |
| Proceeds from issuance of ordinary shares | 37,121,210 | - |
| Proceeds from issuance of shares to non-controlling interest | - | 247,500 |
| Share issuance expenses | (1,555,388) | - |
| Purchase of investment properties | (1,087,406) | (518,988) |
| Purchase of other investments | - | (150,000) |
| Purchase of property, plant and equipment | (16,896,489) | (9,719,605) |
| Dividend income from other investments | 1,456 | 9,467 |
| NET CASH FROM/(FOR) INVESTING ACTIVITIES | 17,244,943 | (11,049,309) |

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023⁽¹⁾ (CONT'D)

| | Unaudited 31.12.2023 RM | Audited 31.12.2022 RM |
|--|-------------------------------|-----------------------------|
| CASH FLOWS FOR FINANCING ACTIVITIES | | |
| Drawdown of bankers' acceptances | 108,317,012 | 81,534,000 |
| Drawdown of hire purchases | 370,454 | - |
| Drawdown of revolving credits | 41,746,681 | 26,503,419 |
| Drawdown of term loans | 164,215 | 164,215 |
| Dividend paid | - | (2,500,000) |
| Interests paid | (4,068,054) | (2,901,471) |
| Repayment of bankers' acceptances | (106,397,012) | (86,094,000) |
| Repayment of lease liabilities | (67,450) | (48,597) |
| Repayment of hire purchase | (9,543,323) | (6,389,595) |
| Repayment of revolving credits | (38,448,538) | (24,867,153) |
| Repayment of term loans | (8,622,254) | (2,757,347) |
| NET CASH FOR FINANCING ACTIVITIES | (16,548,269) | (17,356,529) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 13,644,003 | 482,127 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR | 374,188 | (107,939) |
| CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR | 14,018,191 | 374,188 |
| Cash and cash equivalents at the end of the financial year comprises the following:- | | |
| Cash and bank balances | 14,018,191 | 3,482,723 |
| Fixed deposits with licensed banks | 20,761,922 | 19,839,913 |
| Bank overdraft | - | (3,108,535) |
| | 34,780,113 | 20,214,101 |
| Less: Fixed deposits pledged to licensed banks | (20,761,922) | (19,839,913) |
| | 14,018,191 | 374,188 |

Note:

- (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.

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A. NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding quarter available as no interim financial report was prepared for the comparative financial period concerned.

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 explanatory 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)

MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts

Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 112: International Tax Reform - Pillar Two Model Rules

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 |
| Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements | 1 January 2024 |
| Amendments to MFRS 121: Lack of Exchangeability | 1 January 2025 |

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.

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A. NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

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.

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 year-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

| | Number of Ordinary Shares | Amount RM |
|---------------------------------|---------------------------------|--------------|
| As at 1 January 2023 | 100,000,000 | 50,000,000 |
| Share Split | 400,000,000 | - |
| Initial Public Offering ("IPO") | 106,060,600 | 37,121,210 |
| Share issuance expense | - | (1,555,388) |
| As at 31 December 2023 | 606,060,600 | 85,565,822 |

On 1 August 2023, the Company undertook a subdivision of one (1) existing share into five (5) shares to enhance the liquidity of our Shares at the time of Listing. Following the completion of the Share Split, our total issued share capital increased to 500,000,000 shares.

On 15 November 2023, PLYTEC was listed on the ACE Market of Bursa Securities pursuant to the IPO of 106,060,600 new ordinary shares at IPO Price of RM0.35 per share.

Other than the above, there were no other issuance and repayment of debt and equity securities, share buy-backs, share cancellation, share held as treasury shares and resale of treasury shares during the current financial quarter and financial year-to-date.

A8 Dividends

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

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**A. NOTES TO THE INTERIM FINANCIAL REPORT
 FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023**

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 FOURTH QUARTER ENDED 31 DECEMBER 2023**
A9 Segmental Reporting (Cont'd)
(a) Business segments (Cont'd)

The segmental information based on four (4) business segments for individual quarter ended 31 December 2023 ("Q4 FYE2023") are as follows:-

| | INDIVIDUAL QUARTER ENDED 31 DECEMBER 2023 | | | | Total RM |
|---|---|------------|-----------|-----------|-------------|
| | CME RM | BMD RM | DDE RM | PCS RM | |
| Revenue | | | | | |
| External revenue | 16,648,545 | 23,437,084 | 966,804 | 646,028 | 41,698,461 |
| Results | | | | | |
| Loss from operations | | | | | (1,568,882) |
| Finance costs | | | | | (1,197,485) |
| Loss before taxation | | | | | (2,766,367) |
| Income tax expense | | | | | (270,500) |
| Loss after taxation for the financial period | | | | | (3,036,867) |

The segmental information based on four (4) business segments for cumulative quarter ended 31 December 2023 ("YTD FYE2023") are as follows:-

| | CUMULATIVE QUARTER ENDED 31 DECEMBER 2023 | | | | Total RM |
|---|---|------------|-----------|-----------|-------------|
| | CME RM | BMD RM | DDE RM | PCS RM | |
| Revenue | | | | | |
| External revenue | 64,006,215 | 92,448,316 | 5,612,280 | 2,706,843 | 164,773,654 |
| Results | | | | | |
| Profit from operations | | | | | 14,616,175 |
| Finance costs | | | | | (4,501,791) |
| Profit before taxation | | | | | 10,114,384 |
| Income tax expense | | | | | (3,526,033) |
| Profit after taxation for the financial year | | | | | 6,588,351 |

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**A. NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023**

A9 Segmental Reporting (Cont'd)

(b) *Geographical information*

The segmental information based on two (2) geographical locations are as follows:-

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|-------------------------|-------------------------------|----------------------------------|-------------------------------|-----------------------------|
| | Unaudited 31.12.2023 RM | Unaudited (2)31.12.2022 RM | Unaudited 31.12.2023 RM | Audited 31.12.2022 RM |
| Domestic | 38,587,629 | N/A | 158,464,896 | 156,438,913 |
| Overseas ⁽¹⁾ | 3,110,832 | N/A | 6,308,758 | 1,651,811 |
| Total | 41,698,461 | N/A | 164,773,654 | 158,090,724 |

Note:

N/A - Not applicable

- (1) Overseas comprise Hungary, Singapore and Thailand.
- (2) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding quarter available as no interim financial report was prepared for the comparative financial period concerned.

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

There were no material events subsequent to the end of the current financial quarter that have not been reflected in this interim financial report.

A12 Changes in Composition of the Group

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

A13 Contingent Assets and Contingent Liabilities

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

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**A. NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023**
A14 Capital Commitments

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

| | Unaudited 31.12.2023 RM | Audited 31.12.2022 RM |
|---|--|--------------------------------------|
| Purchase of investment properties | 168,440 | 716,531 |
| Purchase of property, plant and equipment | 6,652,497 | 12,787,457 |
| Construction of factories and labour quarters | 20,651,772 | 21,346,280 |
| | <u>27,472,709</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 individual and cumulative financial quarter ended 31 December 2023 were as follows:-

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|--|--|--|--------------------------------------|
| | Unaudited 31.12.2023 RM | Unaudited (²)31.12.2022 RM | Unaudited 31.12.2023 RM | Audited 31.12.2022 RM |
| <u>Related Parties</u> | | | | |
| Purchases from | 42,888 | N/A | 302,992 | 325,254 |
| Short-term lease expenses paid or payables to | 9,600 | N/A | 38,400 | 62,800 |
| | <u>9,600</u> | <u>N/A</u> | <u>38,400</u> | <u>62,800</u> |

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) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding quarter available as no interim financial report was prepared for the comparative financial period concerned.

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 financial 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 financial quarter and year-to-date period ended 31 December 2023 are tabled below:-

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|-------------------------------|----------------------------------|-------------------------------|-----------------------------|
| | Unaudited 31.12.2023 RM | Unaudited (1)31.12.2022 RM | Unaudited 31.12.2023 RM | Audited 31.12.2022 RM |
| Revenue | 41,698,461 | N/A | 164,773,654 | 158,090,724 |
| Segments | | | | |
| - CME | 16,648,545 | N/A | 64,006,215 | 67,724,853 |
| - BMD | 23,437,084 | N/A | 92,448,316 | 81,655,045 |
| - DDE | 966,804 | N/A | 5,612,280 | 6,816,156 |
| - PCS | 646,028 | N/A | 2,706,843 | 1,894,170 |
| - Others | - | N/A | - | 500 |
| Gross Profit ("GP") | 7,143,520 | N/A | 39,120,925 | 42,293,855 |
| (Loss)/Profit before taxation ("LBT")/("PBT") | (2,766,367) | N/A | 10,114,384 | 18,747,162 |

Note:

N/A - Not applicable

- (1) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding quarter available as no interim financial report was prepared for the comparative financial period concerned.

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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 Q4 FYE2023, the Group recorded total revenue of RM41.70 million, mainly derived from BMD segment of RM23.44 million or 56.20%, followed by CME segment which contributed RM16.65 million or 39.93%, DDE segment of RM0.97 million or 2.32% and PCS segment of RM0.64 million or 1.55% of total revenue whilst more than 92.00% of total revenue generated in Malaysia.

CME Segment

In Q4 FYE2023, the revenue generated by CME segment mainly derived from the rental of temporary works equipment, which amounting to RM10.29 million or 61.80% of the segment's total revenue. The rental revenue in Q4 FYE 2023 mainly derived from deck formwork, aluminium formwork, and heavy-duty modular shoring systems, which amounting to RM7.80 million or 75.80% of total rental income collectively.

The remaining revenue generated by CME segment derived from the sales of temporary works equipment of RM6.36 million or 38.20% of the segment's total revenue. The sales revenue in Q4 FYE2023 mainly derived from the sales of deck formwork of RM3.02 million or 47.48% of total sales revenue collectively. Included in sales revenue was sales of refurbishment of temporary works equipment, which amounting to RM2.83 million or 44.50% of total segment's sales revenue.

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 deck formwork, aluminium formwork, and heavy-duty modular shoring systems.

BMD Segment

In Q4 FYE2023, the revenue generated from BMD segment was derived from sales of core products and general products, which amounted to RM10.63 million or 45.35% and RM12.81 million or 54.65% of total revenue respectively. These core products include engineering wire mesh, plywood, perimeter fencing and K21 Mobile house. While the sales of general products, cover steel bars, sanitary wares, ceramic tiles, cement, pecaform and other building materials.

DDE Segment

In Q4 FYE2023, DDE segment has generated RM0.97 million or 2.32% 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 second half of 2023 with tenure more than 12 months.

PCS Segment

In Q4 FYE2023, the revenue for PCS segment mainly contributed from the sales of lifting and connection accessories, amounting to RM0.63 million, which represents 99.60% of the segment's revenue. The remaining RM0.01 million or 0.40% of the segment's revenue, was generated from the provision of engineering services.

Our Group registered GP of RM7.14 million with GP margin of 17.13%, LBT of RM2.77 million.

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B. EXPLANATORY NOTES PURSUANT TO PART A, APPENDIX 9B OF THE LISTING REQUIREMENTS
B2 Review of Current Financial Quarter Performance against Immediate Preceding Financial Quarter

The Group's performance for current financial quarter ended 31 December 2023 compared to the preceding financial quarter ended 30 September 2023 are tabled below:-

| | INDIVIDUAL QUARTER | | | |
|--|--|---------------------------------------|--------------------------------|----------|
| | Unaudited 31.12.2023 RM | Unaudited 30.9.2023 RM | Variance + / (-) RM | % |
| Revenue | 41,698,461 | 45,638,504 | (3,940,043) | (8.63) |
| Segments | | | | |
| - CME | 16,648,545 | 19,580,724 | (2,932,179) | (14.97) |
| - BMD | 23,437,084 | 24,029,526 | (592,442) | (2.47) |
| - DDE | 966,804 | 1,269,866 | (303,062) | (23.87) |
| - PCS | 646,028 | 758,388 | (112,360) | (14.82) |
| Gross Profit ("GP") | 7,143,520 | 13,299,500 | (6,155,980) | (46.29) |
| (Loss)/Profit before taxation ("LBT"/"PBT") | (2,766,367) | 6,215,122 | (8,981,489) | (144.51) |

The group's revenue for current financial quarter recorded RM41.70 million representing a decrease of RM3.94 million or 8.63% as compared to RM45.64 million in the preceding financial quarter. On geographical basis, more than 92.00% of our Group revenue was derived in Malaysia for both financial quarters. The Group has recorded RM2.77 million in LBT, representing a decrease of RM8.98 million or 144.51% as compared to RM6.22 million in the preceding financial quarter.

The decrease in revenue was mainly attributable to lower revenue generated from CME segment, of RM2.93 million or 14.97% as compared to preceding financial quarter.

The GP has decreased by RM6.16 million or 46.29% mainly contributed by lower sales revenue and GP margin of CME segment, particularly self-climbing platform, deck formwork, and shoring systems from various projects. Higher depreciation charges arising from additional rental temporary works equipment acquired in FYE 2023 as well as higher leasing expenses of temporary works equipment during the current financial quarter compared to the preceding financial quarter have also subsequently reduced the GP.

Decrease in PBT mainly arise from decrease in revenue from CME segment, for both rental revenue and sales revenue of temporary works equipment. The higher LBT recorded in comparison to the preceding financial quarter was mainly due to the decrease in revenue, increase in finance costs and one-off listing expenses.

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

B3 Prospects

In its seventh consecutive quarter of growth, the construction sector demonstrated continued upward momentum, with a 6.8% increase in the value of completed works, totalling RM34.1 billion in the fourth quarter of 2023. This represents a slight deceleration from the 9.6% growth and RM33.4 billion recorded in the preceding quarter. 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 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. As such, the shift towards renting from specialised solutions providers is not merely a temporary adjustment but a strategic realignment within the industry, reflecting a broader recognition of the value these providers bring in enabling construction projects to meet stringent regulatory standards without compromising on cost or efficiency.

In FYE 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 also successfully secured more projects that encompass the rental of temporary works equipment.

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.

In DDE segment, 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.

PCS segment 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.

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.

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B. EXPLANATORY NOTES PURSUANT TO PART A, APPENDIX 9B OF THE LISTING REQUIREMENTS
B5 (Loss)/Profit Before Taxation

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|-------------------------------|----------------------------------|-------------------------------|-----------------------------|
| | Unaudited 31.12.2023 RM | Unaudited (1)31.12.2022 RM | Unaudited 31.12.2023 RM | Audited 31.12.2022 RM |
| (Loss)/Profit before taxation is arrived at after charging/ (crediting):- | | | | |
| Bad debts written off | 1,438 | N/A | 1,438 | - |
| Depreciation of investment properties | 12,186 | N/A | 30,506 | 13,141 |
| Depreciation of property, plant and equipment | 3,207,911 | N/A | 10,921,915 | 7,569,694 |
| Depreciation of right-of-use assets | 9,872 | N/A | 110,178 | 91,597 |
| Fair value loss on other investments | 33,976 | N/A | 33,976 | 323,471 |
| Impairment losses on other investments | 500 | N/A | 500 | 8,000 |
| Impairment losses on trade receivables | 192,618 | N/A | 192,618 | 407,605 |
| Interest expense on lease liabilities | 3,847 | N/A | 16,550 | 14,403 |
| Other interest expense | 1,184,474 | N/A | 4,457,777 | 3,147,843 |
| Property, plant and equipment written off | 76,999 | N/A | 132,576 | 28,398 |
| Dividend income | (1,456) | N/A | (1,456) | (9,467) |
| Gain on disposal of property, plant and equipment | (30,000) | N/A | (103,833) | (395) |
| Interest income | (361,551) | N/A | (612,873) | (311,044) |
| Realised (gain)/loss on foreign exchange | (27,373) | N/A | 53,098 | (272,065) |
| Reversal of impairment losses on trade receivables | - | N/A | (37,449) | - |

Note:

N/A - Not applicable

- (1) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding quarter available as no interim financial report was prepared for the comparative financial period concerned.

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 31.12.2023 RM | Unaudited (¹)31.12.2022 RM | Unaudited 31.12.2023 RM | Audited 31.12.2022 RM |
| Current tax: | | | | |
| - current financial period/year | (222,500) | N/A | 3,370,300 | 4,358,000 |
| - overprovision in the previous financial year | - | N/A | (337,267) | (205,267) |
| | <u>(222,500)</u> | <u>N/A</u> | <u>3,033,033</u> | <u>4,152,733</u> |
| Deferred tax expense: | | | | |
| - current financial period/year | 493,000 | N/A | 493,000 | 856,921 |
| | <u>270,500</u> | <u>N/A</u> | <u>3,526,033</u> | <u>5,009,654</u> |
| Effective tax rate (%) | N/A | N/A | 34.86 | 26.72 |
| Statutory tax rate (%) | 24.00 | N/A | 24.00 | 24.00 |

Notes:

N/A - Not applicable

- (1) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding quarter available as no interim financial report was prepared for the comparative financial period concerned.
- (2) Income tax expense in the form of provision is recognised based on the management's best estimate.

B7 Status of Corporate Proposals

There were no other corporate proposals announced by the Group but not completed as at the date of this interim financial report.

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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 status of the utilisation of proceeds from the Initial Public Offering as at 31 December 2023 is as follows:-

| Purpose | Proposed Utilisation RM | Actual Utilisation RM | Balance Unutilised RM | Estimated timeframe for utilisation from the listing date |
|---|------------------------------------|----------------------------------|----------------------------------|--|
| Capital expenditure | 8,000,000 | 822,000 | 7,178,000 | Within 24 months |
| Repayment of borrowings | 9,000,000 | 5,930,143 | 3,069,857 | Within 12 months |
| Construction of factories and centralised labour quarters on the Olak Lempit Land | 7,800,000 | 1,501,543 | 6,298,457 | Within 24 months |
| Purchase of software systems and hardware | 2,000,000 | 126,363 | 1,873,637 | Within 24 months |
| Working capital | 6,321,210 | 4,171,374 | 2,149,836 | Within 12 months |
| Estimated listing expenses | 4,000,000 | 4,000,000 | - | Immediate |
| Total | 37,121,210 | 16,551,423 | 20,569,787 | |

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company.

B9 Borrowings

The details of the Group's borrowings are as follows:-

| | Unaudited 31.12.2023 RM | Audited 31.12.2022 RM |
|-------------------------------|--|--------------------------------------|
| Current:- | | |
| <i>Secured and guaranteed</i> | | |
| Hire purchase payables | 11,699,100 | 5,550,207 |
| Term loans | 1,147,662 | 2,875,404 |
| Bankers' acceptances | 27,637,000 | 25,717,000 |
| Revolving credits | 12,475,001 | 9,176,858 |
| Bank overdrafts | - | 3,108,535 |
| | 52,958,763 | 46,428,004 |
| Non-Current:- | | |
| <i>Secured and guaranteed</i> | | |
| Hire purchase payables | 14,975,387 | 4,090,615 |
| Term loans | 5,053,236 | 11,783,533 |
| | 20,028,623 | 15,874,148 |
| | 72,987,386 | 62,302,152 |

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 financial quarter under review.

B12 Basic and Diluted Loss/Earnings per Share (“LPS”)/ (“EPS”)

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

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|-------------------------------|----------------------------------|-------------------------------|-----------------------------|
| | Unaudited 31.12.2023 RM | Unaudited (1)31.12.2022 RM | Unaudited 31.12.2023 RM | Audited 31.12.2022 RM |
| (Loss)/Profit attributable to owners of the Company | (3,065,788) | N/A | 6,460,728 | 13,688,316 |
| Number of ordinary shares in issue | 606,060,600 | N/A | 606,060,600 | 100,000,000 |
| Basic LPS/EPS ⁽²⁾ (sen) | (0.51) | N/A | 1.07 | 13.69 |
| Diluted LPS/EPS ⁽³⁾ (sen) | (0.51) | N/A | 1.07 | 13.69 |

Notes:

N/A - Not applicable

- (1) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding quarter available as no interim financial report was prepared for the comparative financial period concerned.
- (2) Basic LPS for current financial quarter ended 31 December 2023 are computed based on loss attributable to owners of the Company divided by the enlarged share capital of 606,060,600. For 31 December 2022, EPS year-to-date ended 31 December 2022 was computed based on profit attributable to owners of the Company divided by the Company’s share capital in issue of 100,000,000.
- (3) Diluted LPS/EPS is equivalent to the basic LPS/EPS as the Company does not have convertible securities at the end of the current financial quarter.

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

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 22 February 2024.

**BY ORDER OF THE BOARD
PLYTEC HOLDING BERHAD
22 February 2024**