



PLYTEC HOLDING BERHAD

Registration No: 201801020016 (1282035 - P)

**Interim Financial Report
For the First Quarter Ended
31 March 2024**

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 FIRST QUARTER ENDED 31 MARCH 2024⁽¹⁾

| | Note | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|------|---|--|---|---|
| | | Unaudited Current Year Quarter 31.3.2024 RM | Unaudited Preceding Year Quarter ⁽²⁾ 31.3.2023 RM | Unaudited Current Year-To-Date 31.3.2024 RM | Unaudited Preceding Year-To-Date 31.3.2023 RM |
| REVENUE | A9 | 45,491,452 | N/A | 45,491,452 | N/A |
| COST OF SALES | | (33,428,807) | N/A | (33,428,807) | N/A |
| GROSS PROFIT | | 12,062,645 | N/A | 12,062,645 | N/A |
| OTHER INCOME | | 324,342 | N/A | 324,342 | N/A |
| | | 12,386,987 | N/A | 12,386,987 | N/A |
| SELLING AND DISTRIBUTION EXPENSES | | (576,188) | N/A | (576,188) | N/A |
| ADMINISTRATIVE EXPENSES | | (4,894,455) | N/A | (4,894,455) | N/A |
| OTHER EXPENSES | | (523,722) | N/A | (523,722) | N/A |
| FINANCE COSTS | | (1,020,327) | N/A | (1,020,327) | N/A |
| NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS | | (160,446) | N/A | (160,446) | N/A |
| PROFIT BEFORE TAXATION | B5 | 5,211,849 | N/A | 5,211,849 | N/A |
| INCOME TAX EXPENSE | B6 | (1,878,500) | N/A | (1,878,500) | N/A |
| PROFIT AFTER TAXATION/ TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD | | 3,333,349 | N/A | 3,333,349 | N/A |
| PROFIT AFTER TAXATION/TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD:- | | | | | |
| Owners of the Company | | 3,314,925 | N/A | 3,314,925 | N/A |
| Non-controlling interest | | 18,424 | N/A | 18,424 | N/A |
| | | 3,333,349 | N/A | 3,333,349 | N/A |
| EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY:- | | | | | |
| - Basic (sen) | B12 | 0.55 | N/A | 0.55 | N/A |
| - Diluted (sen) | B12 | 0.55 | N/A | 0.55 | N/A |

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CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2024⁽¹⁾ (CONT'D)**Notes:**

N/A - Not applicable

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income is disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for financial year ended 31 December 2023 and 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 third 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**").

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PLYTEC HOLDING BERHAD

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

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2024⁽¹⁾

| | Unaudited 31.3.2024 RM | Audited 31.12.2023 RM |
|---|--|---|
| ASSETS | | |
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 101,568,651 | 103,086,085 |
| Investment properties | 2,578,250 | 2,419,564 |
| Right-of-use assets | 2,992,565 | 3,020,108 |
| Other investments | 573,245 | 573,245 |
| Goodwill | 1,955,898 | 1,955,898 |
| | 109,668,609 | 111,054,900 |
| CURRENT ASSETS | | |
| Inventories | 8,630,696 | 6,266,239 |
| Trade receivables | 78,192,075 | 74,326,297 |
| Other receivables, deposits and prepayments | 10,263,951 | 5,748,771 |
| Current tax assets | 143,000 | 647,746 |
| Fixed deposits with licensed banks | 20,968,268 | 20,761,922 |
| Cash and bank balances | 9,433,728 | 14,018,191 |
| | 127,631,718 | 121,769,166 |
| Asset classified as held for sale | - | 479,498 |
| | 127,631,718 | 122,248,664 |
| TOTAL ASSETS | 237,300,327 | 233,303,564 |

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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2024⁽¹⁾
(CONT'D)**

| | Unaudited 31.3.2024 RM | Audited 31.12.2023 RM |
|--|---------------------------------------|--------------------------------------|
| EQUITY AND LIABILITIES | | |
| EQUITY | | |
| Share capital | 85,565,822 | 85,565,822 |
| Merger deficit | (38,490,399) | (38,490,399) |
| Retained profits | 81,756,994 | 78,442,069 |
| Equity attributable to owners of the Company | 128,832,417 | 125,517,492 |
| Non-controlling interest | 515,528 | 497,104 |
| TOTAL EQUITY | 129,347,945 | 126,014,596 |
| NON-CURRENT LIABILITIES | | |
| Lease liabilities | 235,001 | 253,165 |
| Hire purchase payables | 12,359,838 | 14,975,387 |
| Term loans | 4,758,093 | 5,053,236 |
| Deferred tax liabilities | 2,358,209 | 2,358,209 |
| | 19,711,141 | 22,639,997 |
| CURRENT LIABILITIES | | |
| Trade payables | 17,599,186 | 15,742,997 |
| Other payables and accruals | 15,145,138 | 15,700,539 |
| Lease liabilities | 71,425 | 70,612 |
| Hire purchase payables | 11,722,851 | 11,699,100 |
| Short-term borrowings | 37,388,742 | 40,112,001 |
| Term loans | 1,159,889 | 1,147,662 |
| Bank overdrafts | 4,414,196 | - |
| Current tax liabilities | 739,814 | 176,060 |
| | 88,241,241 | 84,648,971 |
| TOTAL LIABILITIES | 107,952,382 | 107,288,968 |
| TOTAL EQUITY AND LIABILITIES | 237,300,327 | 233,303,564 |
| Net assets per share | 0.21 | 0.21 |

Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Financial Position is disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024⁽¹⁾

| | 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 2024 | 85,565,822 | (38,490,399) | 78,442,069 | 125,517,492 | 497,104 | 126,014,596 |
| Profit after taxation/Total comprehensive income for the financial period | - | - | 3,314,925 | 3,314,925 | 18,424 | 3,333,349 |
| Balance as at 31 March 2024 | 85,565,822 | (38,490,399) | 81,756,994 | 128,832,417 | 515,528 | 129,347,945 |

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Changes in Equity is disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2023 and 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 third interim financial report announced by PLYTEC Holding Berhad in compliance with the Listing Requirements of Bursa Securities.

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PLYTEC HOLDING BERHAD

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024⁽¹⁾

| | Unaudited 31.3.2024 RM | Unaudited ⁽²⁾31.3.2023 RM |
|---|---------------------------------------|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 5,211,849 | N/A |
| Adjustments for:- | | |
| Depreciation of investment properties | 9,754 | N/A |
| Depreciation of property, plant and equipment | 3,289,427 | N/A |
| Depreciation of right-of-use assets | 27,543 | N/A |
| Interest expense on lease liabilities | 3,649 | N/A |
| Other interest expense | 1,016,678 | N/A |
| Impairment losses on trade receivable | 160,446 | N/A |
| Gain on disposal of an investment property | (20,502) | N/A |
| Interest income | (241,267) | N/A |
| Operating profit before working capital changes | 9,457,577 | N/A |
| Increase in inventories | (1,136,271) | N/A |
| Increase in trade and other receivables | (8,091,404) | N/A |
| Increase in trade and other payables | 1,300,788 | N/A |
| CASH FROM OPERATIONS | 1,530,690 | N/A |
| Interest paid | (135,181) | N/A |
| Interest received | 94,904 | N/A |
| Income tax paid | (810,000) | N/A |
| NET CASH FROM OPERATING ACTIVITIES | 680,413 | N/A |
| CASH FLOWS FOR INVESTING ACTIVITIES | | |
| Increase in pledged fixed deposits with licensed banks | (59,983) | N/A |
| Proceeds from disposal of property, plant and equipment | 1,914 | N/A |
| Proceeds from disposal of an investment property | 50,000 | N/A |
| Purchase of investment properties | (168,440) | N/A |
| Purchase of property, plant and equipment | (3,002,093) | N/A |
| NET CASH FOR INVESTING ACTIVITIES | (3,178,602) | N/A |

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024⁽¹⁾ (CONT'D)

| | Unaudited 31.3.2024 RM | Unaudited ⁽²⁾31.3.2023 RM |
|--|---------------------------------------|---|
| CASH FLOWS FOR FINANCING ACTIVITIES | | |
| Drawdown of bankers' acceptances | 24,336,000 | N/A |
| Drawdown of hire purchases | 1,530,962 | N/A |
| Drawdown of revolving credits | 4,454,555 | N/A |
| Interests paid | (885,146) | N/A |
| Repayment of bankers' acceptances | (21,275,000) | N/A |
| Repayment of lease liabilities | (17,351) | N/A |
| Repayment of hire purchase | (4,122,760) | N/A |
| Repayment of revolving credits | (10,238,814) | N/A |
| Repayment of term loans | (282,916) | N/A |
| NET CASH FOR FINANCING ACTIVITIES | (6,500,470) | N/A |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (8,998,659) | N/A |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD | 14,018,191 | N/A |
| CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD | 5,019,532 | N/A |
| | | |
| Cash and cash equivalents at the end of the financial period comprises the following:- | | |
| Cash and bank balances | 9,433,728 | N/A |
| Fixed deposits with licensed banks | 20,968,268 | N/A |
| Bank overdrafts | (4,414,196) | N/A |
| | 25,987,800 | N/A |
| Less: Fixed deposits pledged to licensed banks | (20,968,268) | N/A |
| | 5,019,532 | N/A |

Notes:

N/A - Not applicable

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows is disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2023 and 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 third 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 FIRST QUARTER ENDED 31 MARCH 2024**

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 third 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 should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.

A2 Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in preparation of the annual audited financial statements for the financial year ended 31 December 2023, except for the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group.

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.

A3 Auditors' Report on Preceding Annual Financial Statements

The audited consolidated financial statements of the Group for the financial year ended 31 December 2023 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 FIRST QUARTER ENDED 31 MARCH 2024**

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

There were no issuance, cancellation, repurchase, resale or repayments of debt and equity securities during 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 construction designs and engineering solutions. |
| 4. | Prefabricated construction solutions ("PC") | 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 FIRST QUARTER ENDED 31 MARCH 2024**
A9 Segmental Reporting (Cont'd)
(a) Business segments (Cont'd)

The segmental information based on four (4) business segments for individual quarter ended 31 March 2024 ("Q1 FYE2024") are as follows:-

| | INDIVIDUAL QUARTER ENDED 31 MARCH 2024 | | | | |
|---|--|------------|-----------|----------|-------------|
| | CME RM | BMD RM | DDE RM | PC RM | Total RM |
| Revenue | | | | | |
| External revenue | 19,441,110 | 23,822,710 | 1,579,150 | 648,482 | 45,491,452 |
| Results | | | | | |
| Profit from operations | | | | | 6,232,176 |
| Finance costs | | | | | (1,020,327) |
| Profit before taxation | | | | | 5,211,849 |
| Income tax expense | | | | | (1,878,500) |
| Profit after taxation for the financial period | | | | | 3,333,349 |

This is the third 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.

(b) Geographical information

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

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|-------------------------|------------------------------|---------------------------------|------------------------------|---------------------------------|
| | Unaudited 31.3.2024 RM | Unaudited (2)31.3.2023 RM | Unaudited 31.3.2024 RM | Unaudited (2)31.3.2023 RM |
| Domestic | 45,261,622 | N/A | 45,261,622 | N/A |
| Overseas ⁽¹⁾ | 229,830 | N/A | 229,830 | N/A |
| Total | 45,491,452 | N/A | 45,491,452 | N/A |

Notes:

N/A - Not applicable

- (1) Overseas comprise Singapore and Thailand.
- (2) This is the third 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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**A. NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

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.

A14 Capital Commitments

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

| | Unaudited 31.3.2024 RM | Audited 31.12.2023 RM |
|---|---------------------------------------|--------------------------------------|
| Purchase of investment properties | - | 168,440 |
| Purchase of property, plant and equipment | 3,555,489 | 6,652,497 |
| Construction of factories and labour quarters | 17,848,385 | 19,609,833 |
| | <u>21,403,874</u> | <u>26,430,770</u> |

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**A. NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

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 March 2024 were as follows:-

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|------------------------------|--|------------------------------|--|
| | Unaudited 31.3.2024 RM | Unaudited (²)31.3.2023 RM | Unaudited 31.3.2024 RM | Unaudited (²)31.3.2023 RM |
| <u>Related Parties</u> | | | | |
| Purchases from | 10,152 | N/A | 10,152 | N/A |
| Short-term lease expenses paid or payables to | 9,600 | N/A | 9,600 | 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) This is the third 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 March 2024 are tabled below:-

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---------------------------------------|------------------------------|---------------------------------|------------------------------|---------------------------------|
| | Unaudited 31.3.2024 RM | Unaudited (1)31.3.2023 RM | Unaudited 31.3.2024 RM | Unaudited (1)31.3.2023 RM |
| Revenue | 45,491,452 | N/A | 45,491,452 | N/A |
| Segments | | | | |
| - CME | 19,441,110 | N/A | 19,441,110 | N/A |
| - BMD | 23,822,710 | N/A | 23,822,710 | N/A |
| - DDE | 1,579,150 | N/A | 1,579,150 | N/A |
| - PC | 648,482 | N/A | 648,482 | N/A |
| Gross Profit (“GP”) | 12,062,645 | N/A | 12,062,645 | N/A |
| Profit before taxation (“PBT”) | 5,211,849 | N/A | 5,211,849 | N/A |

Note:

N/A - Not applicable

- (1) This is the third 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 Q1 FYE2024, the Group recorded total revenue of RM45.49 million, mainly derived from BMD segment of RM23.82 million or 52.36%, followed by CME segment which contributed RM19.44 million or 42.74%, DDE segment of RM1.58 million or 3.47% and PC segment of RM0.65 million or 1.43% of total revenue whilst more than 99.00% of total revenue generated in Malaysia.

CME Segment

In Q1 FYE2024, the revenue generated by CME segment mainly derived from the rental of temporary works equipment, which amounting to RM11.83 million or 60.85% of the segment's total revenue. The rental revenue in Q1 FYE2024 mainly derived from rental of self-climbing platform, deck formwork, aluminium formwork and modular shoring systems, which amounting to RM10.57 million or 89.35% of total rental income collectively.

The remaining revenue generated by CME segment derived from the sales of temporary works equipment of RM7.61 million or 39.15% of the segment's total revenue. The sales revenue in Q1 FYE2024 mainly derived from the sales of deck formwork and modular shoring system of RM5.74 million or 75.43% of total sales revenue collectively. Included in sales revenue was sales of refurbishment of temporary works equipment, which amounting to RM1.53 million or 20.11% of total segment's sales revenue.

BMD Segment

In Q1 FYE2024, the revenue generated from BMD segment was derived from sales of core products and general products, which amounted to RM11.32 million or 47.52% and RM12.50 million or 52.48% of total segment's 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 Q1 FYE2024, DDE segment has generated RM1.58 million or 3.47% 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. The revenue generated mainly derived from the on-going projects secured in the previous financial year.

PC Segment

In Q1 FYE2024, the revenue for PC segment mainly contributed from the sales of lifting and connection accessories, amounting to RM0.62 million, which represents 95.38% of the segment's revenue. The remaining RM0.03 million or 4.62% of the segment's revenue, was generated from the provision of engineering services.

Our Group registered GP of RM12.06 million with GP margin of 26.51% and PBT of RM5.21 million in Q1 FYE2024.

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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 March 2024 compared to the preceding financial quarter ended 31 December 2023 are tabled below:-

| | INDIVIDUAL QUARTER | | | |
|--|---------------------------------------|--|--------------------------------|----------|
| | Unaudited 31.3.2024 RM | Unaudited 31.12.2023 RM | Variance + / (-) RM | % |
| Revenue | 45,491,452 | 41,698,461 | 3,792,991 | 9.10 |
| Segments | | | | |
| - CME | 19,441,110 | 16,648,545 | 2,792,565 | 16.77 |
| - BMD | 23,822,710 | 23,437,084 | 385,626 | 1.65 |
| - DDE | 1,579,150 | 966,804 | 612,346 | 63.34 |
| - PC | 648,482 | 646,028 | 2,454 | 0.38 |
| Gross Profit (“GP”) | 12,062,645 | 7,543,520 | 4,519,125 | 59.91 |
| Profit/(Loss) before taxation (“PBT”/“LBT”) | 5,211,849 | (2,766,367) | 7,978,216 | 288.40 |

The Group recorded the revenue of RM45.49 million for the current financial quarter representing an increase of RM3.79 million or 9.10% as compared to RM41.70 million in the preceding financial quarter. The Group has recorded RM5.21 million in PBT, representing an increase of RM7.98 million or 288.40% as compared to RM2.77 million in LBT in the preceding financial quarter.

The increase in revenue was mainly attributable to higher revenue generated from CME segment, of RM2.79 million or 16.77% as compared to preceding financial quarter. DDE segment’s revenue has also increased by RM0.61 million or 63.34% as compared to the preceding financial quarter.

The GP has increased by RM4.52 million or 59.91% mainly contributed by higher sales revenue and GP margin of CME segment, particularly sales of deck formwork and modular shoring systems from various projects during the financial quarter under review.

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

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

B3 Prospects

The Department of Statistics reported that Malaysia's advance GDP estimates showed an improvement in the first quarter of 2024, registering a growth rate of 3.9%, compared to 3.0% in the previous quarter. Despite positive growth across all sectors, led by the Services sector, Malaysia's economy experienced a quarter-on-quarter decline, falling by 3.4% from a growth of 3.1% in the fourth quarter of 2023. The construction sector experienced significant growth, recording a 9.8% increase in the first quarter of 2024, compared to a 3.6% increase in the previous quarter. This robust expansion was driven by advancements in civil engineering, specialised construction activities, and residential building projects.

In CME segment, with the stricter standards and requirements for the safe use of scaffolding and falsework on construction sites imposed by CIDB, we anticipate that the demand for our temporary works equipment will remain robust. This is supported by a secured order book for modular shoring systems to fulfill stringent certification and compliance requirements.

The BMD segment is maintaining a stable performance with potential growth anticipated to be boosted by upcoming government infrastructure projects. Looking ahead, we anticipate sustained strong demand for our building materials, driven by the construction industry's expectations for significant project rollouts under Budget 2024. Prices for key building materials such as steel and cement are expected to stabilise, reflecting a positive shift in market sentiment. This stability is further influenced by continued market softness in China, which is tempering any potential price increases. Additionally, Bank Negara Malaysia's decision to maintain the Overnight Policy Rate at 3.00% in the near term is likely to provide a favourable operational climate for the sector.

In DDE segment, the Group also anticipates opportunities in other areas, such as infrastructure projects in East Malaysia, which have been allocated RM12.4 billion in development funds under Budget 2024. 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.

PC 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 Profit Before Taxation

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|------------------------------|---------------------------------|------------------------------|---------------------------------|
| | Unaudited 31.3.2024 RM | Unaudited (1)31.3.2023 RM | Unaudited 31.3.2024 RM | Unaudited (1)31.3.2023 RM |
| Profit before taxation is arrived at after charging/ (crediting):- | | | | |
| Depreciation of investment properties | 9,754 | N/A | 9,754 | N/A |
| Depreciation of property, plant and equipment | 3,289,427 | N/A | 3,289,427 | N/A |
| Depreciation of right-of-use assets | 27,543 | N/A | 27,543 | N/A |
| Impairment losses on trade receivables | 160,446 | N/A | 160,446 | N/A |
| Interest expense on lease liabilities | 3,649 | N/A | 3,649 | N/A |
| Other interest expense | 1,016,678 | N/A | 1,016,678 | N/A |
| Gain on disposal of an investment property | (20,502) | N/A | (20,502) | N/A |
| Interest income | (241,267) | N/A | (241,267) | N/A |

Note:

N/A - Not applicable

- (1) This is the third 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 31.3.2024 RM | Unaudited (1)31.3.2023 RM | Unaudited 31.3.2024 RM | Unaudited (1)31.3.2023 RM |
| Current tax: - current financial period | 1,878,500 | N/A | 1,878,500 | N/A |
| Effective tax rate (%) | 36.04 | N/A | 36.04 | N/A |
| Statutory tax rate (%) | 24.00 | N/A | 24.00 | N/A |

Notes:

N/A - Not applicable

- (1) This is the third 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.

The Group's effective tax rate of 36.04% for individual quarter ended 31 March 2024 were higher than the statutory tax rate of 24% mainly due to certain expenses which are not deductible for tax purposes.

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 March 2024 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 | 2,441,546 | 5,558,454 | Within 24 months |
| Repayment of borrowings | 9,000,000 | 6,882,971 | 2,117,029 | 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 | 210,298 | 1,789,702 | Within 24 months |
| Working capital | 6,321,210 | 5,809,364 | 511,846 | Within 12 months |
| Estimated listing expenses | 4,000,000 | 4,000,000 | - | Immediate |
| Total | 37,121,210 | 20,845,722 | 16,275,488 | |

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 31.3.2024 RM | Audited 31.12.2023 RM |
|-------------------------------|---------------------------------------|--------------------------------------|
| Current:- | | |
| <i>Secured and guaranteed</i> | | |
| Hire purchase payables | 11,722,851 | 11,699,100 |
| Term loans | 1,159,889 | 1,147,662 |
| Bankers' acceptances | 30,698,000 | 27,637,000 |
| Revolving credits | 6,690,742 | 12,475,001 |
| Bank overdrafts | 4,414,196 | - |
| | 54,685,678 | 52,958,763 |
| Non-Current:- | | |
| <i>Secured and guaranteed</i> | | |
| Hire purchase payables | 12,359,838 | 14,975,387 |
| Term loans | 4,758,093 | 5,053,236 |
| | 17,117,931 | 20,028,623 |
| | 71,803,609 | 72,987,386 |

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 Earnings per Share ("EPS")

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

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|------------------------------|---------------------------------|------------------------------|---------------------------------|
| | Unaudited 31.3.2024 RM | Unaudited (1)31.3.2023 RM | Unaudited 31.3.2024 RM | Unaudited (1)31.3.2023 RM |
| Profit attributable to owners of the Company | 3,314,925 | N/A | 3,314,925 | N/A |
| Number of ordinary shares in issue | 606,060,600 | N/A | 606,060,600 | N/A |
| Basic EPS (sen) | 0.55 | N/A | 0.55 | N/A |
| Diluted EPS ⁽²⁾ (sen) | 0.55 | N/A | 0.55 | N/A |

Notes:

N/A - Not applicable

- (1) This is the third 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) Diluted EPS is equivalent to the basic EPS as the Company does not have convertible securities at the end of the current financial 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 21 May 2024.

BY ORDER OF THE BOARD
PLYTEC HOLDING BERHAD
21 May 2024