



FEYTECH HOLDINGS BERHAD

*(Registration No. 202301013791 (1507713-V))
(Incorporated in Malaysia under the Companies Act 2016)*

UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024

FEYTECH HOLDINGS BERHAD

(Registration No: 202301013791 (1507713-V))
(Incorporated in Malaysia)

UNAUDITED CONDENSED COMBINED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ⁽¹⁾

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 30.06.2024 Unaudited RM'000	PRECEDING CORRESPONDING QUARTER 30.06.2023 ⁽²⁾ Unaudited RM'000	CURRENT YEAR-TO- DATE 30.06.2024 Unaudited RM'000	PRECEDING YEAR-TO- DATE 30.06.2023 ⁽²⁾ Unaudited RM'000
Revenue	68,195	N/A	138,840	N/A
Cost of sales	(41,447)	N/A	(83,938)	N/A
Gross profit	26,748	N/A	54,902	N/A
Other income	1,024	N/A	3,253	N/A
Administrative expenses ⁽³⁾	(5,235)	N/A	(12,137)	N/A
Profit from operations	22,537	N/A	46,018	N/A
Finance costs	(306)	N/A	(617)	N/A
Profit before tax ("PBT")	22,231	N/A	45,401	N/A
Income tax expense	(5,709)	N/A	(11,997)	N/A
Profit after tax ("PAT")	16,522	N/A	33,404	N/A
Other comprehensive income:				
- Exchange differences on translation of foreign operations	(2)	N/A	2	N/A
Total comprehensive income for the financial period	16,520	N/A	33,406	N/A
Basic and diluted earnings per share (sen) ^{(4) (5)}	3.94	N/A	7.97	N/A

FEYTECH HOLDINGS BERHAD

(Registration No: 202301013791 (1507713-V))

(Incorporated in Malaysia)

UNAUDITED CONDENSED COMBINED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ⁽¹⁾

Notes:

- (1) The basis of preparation of the Unaudited Condensed Combined Statement of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of Feytech Holdings Berhad ("**Company**") dated 2 May 2024 and the accompanying explanatory notes attached in the interim financial report.
- (2) This is the second interim financial report for the second quarter ended 30 June 2024 being announced in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**"). There are no comparative figures for the preceding corresponding quarter and period as there is no interim financial report prepared for the comparative period concerned.
- (3) Administrative expenses included one-off listing expenses of approximately RM1.05 million and RM2.02 million charged out to profit or loss during the current quarter and current financial year, respectively. For illustrative purposes only, the combined financial performance after adjusting for the one-off listing expenses is as follows:

	CURRENT QUARTER 30.06.2024 Unaudited RM'000	CURRENT YEAR-TO- DATE 30.06.2024 Unaudited RM'000
PBT	22,231	45,401
Add: Listing expenses	1,052	2,016
Adjusted PBT	<u>23,283</u>	<u>47,417</u>

- (4) Computed based on profit after tax attributable to owners of the Company divided by the weighted average number of ordinary shares in the Company ("**Shares**") of 419,022,897 after the completion of the Initial Public Offering of the Company ("**IPO**") and the listing of the Company on the Main Market of Bursa Securities on 21 May 2024 ("**Listing**").
 - (5) The diluted earnings per Share of the Company is equivalent to the basic earnings per Share as the Company does not have convertible options at the end of the reporting period.
- N/A Not applicable.

(The rest of this page is intentionally left blank.)

FEYTECH HOLDINGS BERHAD

(Registration No: 202301013791 (1507713-V))

(Incorporated in Malaysia)

UNAUDITED CONDENSED COMBINED STATEMENT OF FINANCIAL POSITION ⁽¹⁾

	30.06.2024	31.12.2023
	Unaudited	Audited
	RM'000	RM'000
ASSETS		
Non-current Assets		
Property, plant, and equipment	40,254	42,634
Investment properties	7,821	7,945
Deferred tax assets	35	35
	48,110	50,614
Current Assets		
Inventories	44,978	45,082
Trade and other receivables	59,515	42,372
Contract assets	-	57
Current tax assets	167	309
Cash and short-term deposits	162,175	62,743
	266,835	150,563
TOTAL ASSETS	314,945	201,177
EQUITY AND LIABILITIES		
EQUITY		
Share capital/Invested equity	199,263	1,741
Reorganisation reserve	(85,743)	-
Translation reserves	202	200
Retained earnings	139,196	126,015
TOTAL EQUITY	252,918	127,956
LIABILITIES		
Non-current liabilities		
Loans and borrowings	23,430	25,142
Deferred tax liabilities	1,047	1,047
	24,477	26,189
Current Liabilities		
Loans and borrowings	2,861	3,249
Trade and other payables	32,252	42,994
Current tax liabilities	2,437	789
	37,550	47,032
TOTAL LIABILITIES	62,027	73,221
TOTAL EQUITY AND LIABILITIES	314,945	201,177
Net assets per share (RM)	0.30 ⁽²⁾	N/A ⁽³⁾

FEYTECH HOLDINGS BERHAD

(Registration No: 202301013791 (1507713-V))

(Incorporated in Malaysia)

UNAUDITED CONDENSED COMBINED STATEMENT OF FINANCIAL POSITION ⁽¹⁾

Notes:

- (1) The basis of preparation of the Unaudited Condensed Combined Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 2 May 2024 and the accompanying explanatory notes attached in the interim financial report.
- (2) Computed based on net assets attributable to owners of the Company divided by the number of Shares of 843,200,000 after the completion of the IPO and Listing.
- (3) Not applicable in view that the Pre-IPO Restructuring Exercise as defined in the Prospectus of the Company dated 2 May 2024 was only completed subsequent to 31 December 2023.

(The rest of this page is intentionally left blank.)

FEYTECH HOLDINGS BERHAD

(Registration No: 202301013791 (1507713-V))

(Incorporated in Malaysia)

UNAUDITED CONDENSED COMBINED STATEMENT OF CHANGES IN EQUITY ^{(1) (2)}

	SHARE CAPITAL / INVESTED EQUITY RM'000	REORGANISATION RESERVE RM'000	TRANSLATION RESERVES RM'000	RETAINED EARNINGS RM'000	TOTAL RM'000
Balance as at 1 January 2024	1,741	-	200	126,015	127,956
Profit for the financial period	-	-	-	33,404	33,404
Other comprehensive income for the financial period	-	-	2	-	2
Total comprehensive income for the financial period	-	-	2	33,404	33,406
Transactions with owners:					
- Issuance of shares for acquisition of subsidiaries	87,484	(87,484)	-	-	-
- Reorganisation reserve	(1,741)	1,741	-	-	-
- Dividends paid	-	-	-	(20,223)	(20,223)
- Issuance of Shares pursuant to IPO	114,660	-	-	-	114,660
- Shares issuance expenses	(2,881)	-	-	-	(2,881)
Balance as at 30 June 2024 (Unaudited)	199,263	(85,743)	202	139,196	252,918

Notes:

- (1) The basis of preparation of the Unaudited Condensed Combined Statement of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 2 May 2024 and the accompanying explanatory notes attached in the interim financial report.
- (2) This is the second interim financial report for the second quarter ended 30 June 2024 being announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and period as there is no interim financial report prepared for the comparative period concerned.

FEYTECH HOLDINGS BERHAD

(Registration No: 202301013791 (1507713-V))

(Incorporated in Malaysia)

UNAUDITED CONDENSED COMBINED STATEMENT OF CASH FLOWS ⁽¹⁾

	CURRENT YEAR- TO-DATE 30.06.2024 Unaudited RM'000	PRECEDING YEAR- TO-DATE 30.06.2023 ⁽²⁾ Unaudited RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	45,401	N/A
Adjustments for:		
Depreciation on property, plant and equipment	2,273	N/A
Depreciation on investment properties	125	N/A
Gain on disposal of property, plant and equipment	(133)	N/A
Loss on lease modification	58	N/A
Property, plant and equipment written off	4	N/A
Provision for inventories written off	501	N/A
Reversal of inventories written off	(259)	
Reversal of impairment loss on trade receivables	(36)	N/A
Finance costs	616	N/A
Net unrealised loss on foreign exchange	(79)	N/A
Interest income	(525)	N/A
Operating profit before changes in working capital	47,946	N/A
Changes in working capital:		
Inventories	(139)	N/A
Contract assets	57	
Trade and other receivables	(17,104)	N/A
Trade and other payables	(10,798)	N/A
Net cash generated from operations	19,962	N/A
Income tax paid	(10,207)	N/A
Interest received	522	N/A
Net cash from operating activities	10,277	N/A
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(988)	N/A
Proceeds from disposal of property, plant and equipment	133	N/A
Change in pledged deposits	(111,001)	N/A
Net cash used in investing activities	(111,856)	N/A

FEYTECH HOLDINGS BERHAD

(Registration No: 202301013791 (1507713-V))

(Incorporated in Malaysia)

UNAUDITED CONDENSED COMBINED STATEMENT OF CASH FLOWS ⁽¹⁾

	CURRENT YEAR- TO-DATE 30.06.2024 Unaudited RM'000	PRECEDING YEAR- TO-DATE 30.06.2023 ⁽²⁾ Unaudited RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	114,660	
Drawdown of term loans	500	N/A
Repayment of term loans	(777)	N/A
Payment of lease liabilities	(790)	N/A
Net change in amount owing by related parties	(1)	N/A
Interest paid	(616)	N/A
Dividend paid	(20,223)	
Payment of share issuance expenses	(2,881)	N/A
Net cash used in financing activities	89,872	N/A
NET DECREASE IN CASH AND CASH EQUIVALENTS	(11,707)	N/A
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	62,511	N/A
Effect of exchange rate changes on cash and bank balances	136	N/A
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	50,940	N/A
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD COMPRISES:		
Short-term deposits	111,235	N/A
Less: Pledged deposits	(111,235)	N/A
	-	N/A
Cash and bank balances	50,940	N/A
	50,940	N/A

Notes:

- (1) The basis of preparation of the Unaudited Condensed Combined Statement of Cash Flows are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 2 May 2024 and the accompanying explanatory notes attached in the interim financial report.
- (2) This is the second interim financial report for the second quarter ended 30 June 2024 being announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and period as there is no interim financial report prepared for the comparative period concerned.

FEYTECH HOLDINGS BERHAD

(Registration No: 202301013791 (1507713-V))

(Incorporated in Malaysia)

A EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134 INTERIM FINANCIAL REPORTING

A1 Basis of preparation

The interim financial statements of Feytech Holdings Berhad and its subsidiaries (“**Group**”) are unaudited and have been prepared in accordance with the requirements of the MFRS 134 *Interim Financial Reporting* and Appendix 9B of the Listing Requirements.

This is the second interim financial report on the Group’s unaudited condensed combined interim financial statements for the second quarter ended 30 June 2024 being announced by the Group in compliance with the Listing Requirements. As such, there are no comparative figures for the preceding corresponding quarter and period.

This interim financial report should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus of the Company dated 2 May 2024 and the accompanying explanatory notes attached to this interim financial report.

A2 Significant Accounting Policies

The accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the preparation of the Accountants’ Report as disclosed in the Prospectus dated 2 May 2024, save for the following:

MFRS and Amendments to MFRSs in issue but not yet effective

The Group has not adopted the following Standards and Amendments to MFRS effective for annual periods beginning on or after 1 January 2024:

- Amendments to MFRS 16 *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101 *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 101 *Presentation of Financial Statements – Non-current Liabilities with Covenants*
- Amendments to MFRS 107 *Statement of Cash Flows* and MFRS 7 *Financial Instruments: Disclosure - Supplier Finance Arrangements*

The Group has not adopted the following Standards and Amendments to MFRS effective for annual periods beginning on or after 1 January 2025:

- Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability*

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any material effect on the financial statements of the Group upon their initial application.

A3 Auditors’ report on preceding annual financial statements

The Company was incorporated on 11 April 2023 as a private company limited by shares and was subsequently converted into a public company on 24 August 2023. The audited financial statements of the Group for the financial year ended 31 December 2023 were not subject to any qualification.

FEYTECH HOLDINGS BERHAD

(Registration No: 202301013791 (1507713-V))

(Incorporated in Malaysia)

A EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING (CONT'D)

A4 Seasonal or cyclical factor

The Group's business divisions are correlated with the manufacturing and sales of automotive vehicles. Automotive vehicle sales and manufacturing are cyclical and dependent on the general economic conditions and other factors, including closure of automotive vehicle manufacturing plants, consumer spending and preferences as well as changes in interest rate levels and consumer confidence. Automotive vehicle sales and manufacturing in Malaysia are also impacted by government policies, regulations, initiatives and incentives.

A5 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no items or events that arose, which affected the assets, liabilities, equity, net income or cash flows of the Group, that are unusual by reason of their nature, size or incidence for the financial quarter under review.

A6 Material changes in estimates

There were no material changes in estimates which have a material effect on the results for the financial quarter under review.

A7 Debt and equity securities

Save as disclosed below, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter under review and year-to-date:

In conjunction with the Company's Listing, the Company issued its Prospectus on 2 May 2024 for its IPO which entails:

- (i) Public issue of 143,324,800 new shares ("**Public Issue Shares**") at an IPO price of RM0.80 per share in the following manner:
 - (a) 42,160,000 Public Issue Shares for application by the Malaysian public;
 - (b) 25,296,000 Public Issue Shares for application by eligible Directors and employees as well as persons who have contributed to the success of the Group; and
 - (c) 75,868,000 Public Issue Shares by way of private placement to selected investors; and
- (ii) Offer for sales of 109,616,000 existing Shares in the following manner:
 - (a) 105,400,000 existing Shares by way of private placement to Bumiputera investors approved by the Ministry of Investment, Trade and Industry; and
 - (b) 4,216,000 existing Shares by way of private placement to selected investors.

A8 Dividend paid

The Group had on 9 January 2024 and 8 March 2024 declared dividends for the financial year ended 31 December 2023 of RM10.0 million and RM10.2 million which were paid on 10 January 2024 and 13 March 2024, respectively.

Save for the above, there were no other dividends paid during the current quarter and financial period to date.

FEYTECH HOLDINGS BERHAD

(Registration No: 202301013791 (1507713-V))

(Incorporated in Malaysia)

A EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING (CONT'D)

A9 Segment information

The segmental reporting of the Group's result is as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 30.06.2024 Unaudited RM'000	PRECEDING CORRESPONDING QUARTER 30.06.2023 Unaudited RM'000	CURRENT YEAR-TO- DATE 30.06.2024 Unaudited RM'000	PRECEDING YEAR-TO- DATE 30.06.2023 Unaudited RM'000
Revenue				
Revenue from external customers				
- Manufacturing of automotive covers	31,248	N/A	65,661	N/A
- Manufacturing of automotive seats	36,947	N/A	73,179	N/A
	68,195	N/A	138,840	N/A
Segment profit				
- Manufacturing of automotive covers	12,923	N/A	27,935	N/A
- Manufacturing of automotive seats	13,825	N/A	26,967	N/A
	26,748	N/A	54,902	N/A
Other income	1,024	N/A	3,253	N/A
Administrative expenses	(5,235)	N/A	(12,137)	N/A
Finance costs	(306)	N/A	(617)	N/A
Income tax expenses	(5,709)	N/A	(11,997)	N/A
Profit for the financial period	16,522	N/A	33,404	N/A
Assets				
Additional to non-current assets				
- Manufacturing of automotive covers	(477)	N/A	28,803	N/A
- Manufacturing of automotive seats	(337)	N/A	19,306	N/A
Segment Assets				
- Manufacturing of automotive covers	97,148	N/A	209,067	N/A
- Manufacturing of automotive seats	26,290	N/A	105,878	N/A

This is the second interim financial report for the second quarter ended 30 June 2024 being announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and period as there is no interim financial report prepared for the comparative period concerned.

FEYTECH HOLDINGS BERHAD

(Registration No: 202301013791 (1507713-V))

(Incorporated in Malaysia)

A EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING (CONT'D)

A10 Valuation of property, plant and equipment, and investment properties

There was no valuation of property, plant and equipment, and investment properties undertaken during the current financial quarter under review.

A11 Significant events subsequent to the end of the interim financial period

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

A12 Changes in the composition of the Group

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

A13 Fair value of financial instruments

There were no gain or loss arising from fair value changes of financial assets and liabilities for the current financial quarter under review.

A14 Capital commitments

Save as the following, the Group has no capital commitments for the capital expenditures of property, plant and equipment.

- (i) Proposed acquisition of a portion of the freehold industrial land

	As at 30 June 2024 (RM'000)
Balance purchase consideration ⁽¹⁾	17,984

Feytech Sdn Bhd, a wholly owned subsidiary of the Company had on 31 May 2024 entered into a sale and purchase agreement with Proton City Development Corporation Sdn Bhd for the acquisition of a portion of the freehold industrial land known as Plot 1 held under master title Hakmilik Sementara Daftar 5 (Hakmilik Pejabat Pendaftar) (formerly known as H.S.(D) 20427), PT 16880, Mukim Hulu Bernam Timor, District of Muallim, Perak measuring approximately 9.76 acres at a consideration of RM19,98 million.

Note:

- (1) The purchase consideration will be funded by a combination of internally generated funds and bank borrowings as follows:

	RM'000
Internally generated funds	7,993
Bank borrowings	11,989
Total	<u>19,982</u>

A15 Contingent assets and contingent liabilities

There were no contingent assets or contingent liabilities as at the end of the financial quarter under review.

FEYTECH HOLDINGS BERHAD

(Registration No: 202301013791 (1507713-V))
(Incorporated in Malaysia)

A EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING (CONT'D)

A16 Significant related party transactions

The significant related party transactions of the Group during the current financial quarter under review are as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 30.06.2024 Unaudited RM'000	PRECEDING CORRESPONDING QUARTER 30.06.2023 Unaudited RM'000	CURRENT YEAR-TO- DATE 30.06.2024 Unaudited RM'000	PRECEDING YEAR-TO- DATE 30.06.2023 Unaudited RM'000
Transactions with companies in which certain Directors have substantial financial interest				
Rental	127	N/A	253	N/A

This is the second interim financial report for the second quarter ended 30 June 2024 being announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and period as there is no interim financial report prepared for the comparative period concerned.

(The rest of this page is intentionally left blank.)

FEYTECH HOLDINGS BERHAD

(Registration No: 202301013791 (1507713-V))

(Incorporated in Malaysia)

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS

B1 Review of performance

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 30.06.2024 Unaudited RM'000	PRECEDING CORRESPONDING QUARTER 30.06.2023 Unaudited RM'000	CURRENT YEAR-TO-DATE 30.06.2024 Unaudited RM'000	PRECEDING YEAR-TO-DATE 30.06.2023 Unaudited RM'000
Revenue	68,195	N/A	138,840	N/A
Gross profit	26,748	N/A	54,902	N/A
PBT	22,231	N/A	45,401	N/A
PAT	16,522	N/A	33,404	N/A

This is the second interim financial report for the second quarter ended 30 June 2024 being announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and period as there is no interim financial report prepared for the comparative period concerned.

The Group recorded revenue of RM68.20 million for the current financial quarter ended 30 June 2024 derived from its automotive seat and automotive cover segments which generated sales of approximately RM36.95 million or 54.18% and RM31.25 million or 45.82% of the total revenue, respectively.

The Group registered a PBT and PBT margin of RM22.23 million and 32.60% respectively in current financial quarter. The PBT included a one-off listing expenses of approximately RM1.05 million and RM2.02 million under the current quarter and current financial year. For illustrative purposes only, the Group's PBT and PBT margin after adjusting for the one-off listing expenses is as follows:

	CURRENT QUARTER 30.06.2024 Unaudited RM'000	CURRENT YEAR-TO-DATE 30.06.2024 Unaudited RM'000
PBT	22,231	45,401
Add: Listing expenses	1,052	2,016
Adjusted PBT	<u>23,283</u>	<u>47,417</u>
Adjusted PBT margin	34.14	34.15

The Group registered a PAT and PAT margin of RM16.52 million and 24.23% respectively in current financial quarter.

FEYTECH HOLDINGS BERHAD

(Registration No: 202301013791 (1507713-V))

(Incorporated in Malaysia)

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B2 Variation of results against immediate preceding quarter

	3 months ended		+ / (-) %
	30.06.2024 Unaudited RM'000	31.03.2024 Unaudited RM'000	
Revenue	68,195	70,645	(3)
Gross profit	26,748	28,154	(5)
PBT	22,231	23,170	(4)
PAT	16,522	16,882	(2)

For the quarter ended 30 June 2024, the Group's revenue decreased marginally by RM2.45 million or 3% as compared to the immediate preceding quarter mainly due to the decrease in the customers' demand for the Group's automotive covers.

The Group's gross profit decreased by RM1.41 million in tandem with the decrease in revenue.

The Group's PBT decreased by RM0.94 million as compared to the immediate preceding quarter mainly due to the recognition of compensations of approximately RM1.18 million from customers in other income in the 1st quarter of 2024.

(The rest of this page is intentionally left blank.)

FEYTECH HOLDINGS BERHAD

(Registration No: 202301013791 (1507713-V))
(Incorporated in Malaysia)

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B3 Prospects

The Group believes that their prospects in the automotive seat and cover industries in Malaysia are favourable, taking into account its competitive position and business strategies as detailed below:

(i) Expansion of the Group's automotive seat manufacturing operations

The Group had obtained the certificate of completion for Kulim Plant 3 in June 2024 and relocated the Group's operations at Kulim Plant 1 to Kulim Plant 3 subsequently. The floor area space in Kulim Plant 3 of approximately 125,895 square feet will be able to cater to the Group's current need for additional manufacturing space and storage space for its manufacturing of automotive seats.

In addition, the Group has acquired a piece of land in Padang Serai, Kulim, Kedah, in October 2023, on which it will set up the Kulim Plant 2 which will comprise a manufacturing plant, warehouse and annex office building with a total estimated built-up area of 84,000 sq ft for its automotive seat division.

The Group had on 31 May 2024 entered into a sale and purchase agreement with Proton City Development Corporation Sdn Bhd for the acquisition of a land measuring approximately 9.76 acres in the Automotive High-Tech Valley in Tanjong Malim to set up an additional manufacturing plant to expand its customer base for the automotive seat division to include automotive vehicle OEMs based in or accessible from the Automotive High-Tech Valley. The above acquisition is expected to be completed in second half of 2025.

(ii) Expansion of the Group's automotive covers division operations

The Group intends to set up a new corporate office with manufacturing plant and warehouse in Klang Valley (i.e. Kuala Lumpur and Selangor) and relocate all its operations at the PJ Hub to this new corporate office with manufacturing plant and warehouse. This will enable the Group to better serve its customers in the central region of Malaysia and provide larger space for its installation of automotive covers operations.

Premised on the above, the Board of Directors ("**Board**") is optimistic in respect to the Group's future prospects and expects the Group's expansion plans to contribute positively to its financial performance.

B4 Profit forecast

The Group did not issue any profit forecast or guarantee during current financial quarter under review.

FEYTECH HOLDINGS BERHAD

(Registration No: 202301013791 (1507713-V))

(Incorporated in Malaysia)

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B5 Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 30.06.2024 Unaudited RM'000	PRECEDING CORRESPONDING QUARTER 30.06.2023 Unaudited RM'000	CURRENT YEAR- TO-DATE 30.06.2024 Unaudited RM'000	PRECEDING YEAR- TO-DATE 30.06.2023 Audited RM'000
In respect of the current period: Income tax expense	5,709	N/A	11,997	N/A
Total	5,709	N/A	11,997	N/A
Effective tax rate (%)	25.7%	N/A	26.4%	N/A

This is the second interim financial report for the second quarter ended 30 June 2024 being announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and period as there is no interim financial report prepared for the comparative period concerned. There are no comparative figures for the preceding corresponding quarter and period as there is no interim financial report prepared for the comparative period concerned.

FEYTECH HOLDINGS BERHAD

(Registration No: 202301013791 (1507713-V))
(Incorporated in Malaysia)

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B6 Status of corporate proposals

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

- (i) Feytech Sdn Bhd, a wholly owned subsidiary of the Company had on 31 May 2024 entered into a sale and purchase agreement with Proton City Development Corporation Sdn Bhd for the acquisition of a portion of the freehold industrial land known as Plot 1 held under master title Hakmilik Sementara Daftar 5 (Hakmilik Pejabat Pendaftar) (formerly known as H.S.(D) 20427), PT 16880, Mukim Hulu Bernam Timor, District of Muallim, State of Perak measuring approximately 9.76 acres in area (425,145.60 square feet) for a purchase price of RM19,98 million.

The above proposed acquisition is expected to be completed in second half of 2025.

(The rest of this page is intentionally left blank.)

FEYTECH HOLDINGS BERHAD

(Registration No: 202301013791 (1507713-V))

(Incorporated in Malaysia)

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B7 Utilisation of proceeds raised from public issue

The total gross proceeds of approximately RM114.7 million from the public issue will be used by the Group in the following manner:

	Proposed utilisation	Actual utilisation	Balance to be utilised	Estimated timeframe for use from the date of Listing
Purposes	RM'000	RM'000	RM'000	
Acquisition of land	11,600	-	11,600	Within 6 months
Construction of a new corporate office with manufacturing plant and warehouse	21,125	-	21,125	Within 24 months
Construction of new Kulim Plant 2	18,760	-	18,760	Within 24 months
Purchase of new machineries	3,000	-	3,000	Within 12 months
Working capital	52,175	13,000	39,175	Within 12 months
Estimated listing expenses	8,000	8,000	-	Immediate
Total	114,660	21,000	93,660	

The utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 2 May 2024.

FEYTECH HOLDINGS BERHAD

(Registration No: 202301013791 (1507713-V))
(Incorporated in Malaysia)

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B8 Loans and borrowings

The Group's borrowings are as follows:

	PAYABLE WITHIN 12 MONTHS RM'000	PAYABLE AFTER 12 MONTHS RM'000	TOTAL OUTSTANDING RM'000
<u>Secured borrowings</u>			
Term loans	1,603	16,237	17,840
Lease liabilities	1,258	7,193	8,451
	<u>2,861</u>	<u>23,430</u>	<u>26,291</u>

The secured bank borrowings and other facilities are secured by way of:

- (a) Legal charges over freehold land of subsidiaries;
- (b) Legal charges over fixed deposits of a subsidiary;
- (c) Legal charges over an investment property; and
- (d) Corporate guarantee by its holding company

The bank borrowings and other facilities are denoted in local currency.

B9 Material litigations

As at the date of this report, the Group is not engaged in any material litigation.

B10 Proposed dividend

There was no dividend that has been declared or recommended for payment by the Board during the financial period under review.

(The rest of this page is intentionally left blank.)

FEYTECH HOLDINGS BERHAD

(Registration No: 202301013791 (1507713-V))
(Incorporated in Malaysia)

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B11 Basic and diluted earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 30.06.2024	PRECEDING CORRESPONDING QUARTER 30.06.2023	CURRENT YEAR TO-DATE 30.06.2024	PRECEDING YEAR-TO-DATE 30.06.2023
Net profit for the period attributable to ordinary equity holders of the company (RM'000)	16,522	N/A	33,404	N/A
Weighted average number of shares in issue ('000)	419,023	N/A	419,023	N/A
Basic and diluted earnings per share (sen)	3.94	N/A	7.97	N/A

(The rest of this page is intentionally left blank.)

FEYTECH HOLDINGS BERHAD

(Registration No: 202301013791 (1507713-V))

(Incorporated in Malaysia)

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B12 Notes to the statement of profit or loss and other comprehensive income

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 30.06.2024 Unaudited RM'000	PRECEDING CORRESPONDING QUARTER 30.06.2023 Unaudited RM'000	CURRENT YEAR-TO-DATE 30.06.2024 Unaudited RM'000	PRECEDING YEAR-TO-DATE 30.06.2023 Unaudited RM'000
The following amounts have been included in arriving at profit before tax:				
Finance costs	306	N/A	617	N/A
Depreciation on property, plant and equipment	1,140	N/A	2,273	N/A
Depreciation on investment properties	63	N/A	125	N/A
Property, plant and equipment written off	3	N/A	4	N/A
Provision for stock written off	-	N/A	501	N/A
Net realised foreign exchange loss	-	N/A	320	N/A
Net unrealised foreign exchange loss	117	N/A	117	N/A
Loss on lease modification	-	N/A	235	N/A
Rental expenses	85	N/A	180	N/A
and after crediting:				N/A
Interest income	347	N/A	525	N/A
Rental income	216	N/A	432	N/A
Reversal of impairment loss for trade receivables	36	N/A	281	N/A
Reversal of stock written off	259	N/A	259	N/A
Net realised foreign exchange gain	78	N/A	78	N/A
Net unrealised foreign exchange gain	-	N/A	38	N/A
Gain on lease modification	218	N/A	218	N/A

By Order of the Board

Date: 19 August 2024