



PTT SYNERGY GROUP BERHAD

**Company No. 197101000134 (10493-P)
(Incorporated in Malaysia)**

UNAUDITED INTERIM FINANCIAL REPORT FOR PERIOD ENDED 30th SEPTEMBER 2023 (1st QUARTER OF FY2024)

<u>Table of contents</u>	Page
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	1
Condensed Consolidated Statement of Financial Position	2
Condensed Consolidated Statement of Changes in Equity	4
Condensed Consolidated Statement of Cash Flows	6
Notes to the Interim Financial Report	8
Additional Information Required by Main Market Listing Requirements (Appendix 9B)	15

PTT SYNERGY GROUP BERHAD

Co. No. 197101000134 (10493-P)

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the period ended 30 September 2023

	INDIVIDUAL QUARTER ENDED		CUMULATIVE QUARTER ENDED	
	3 months Current Year Quarter 30.09.2023 RM'000 Unaudited	3 months Preceding Year Corresponding Quarter 30.09.2022 RM'000 Unaudited	3 months Current Year To Date 30.09.2023 RM'000 Unaudited	3 months Preceding Year To Date 30.09.2022 RM'000 Unaudited
Revenue	67,869	30,974	67,869	30,974
Cost of sales	<u>(52,276)</u>	<u>(24,324)</u>	<u>(52,276)</u>	<u>(24,324)</u>
Gross profit	15,593	6,650	15,593	6,650
Other income	1,464	380	1,464	380
Distribution expenses	(210)	(117)	(210)	(117)
Administrative expenses	(9,205)	(4,426)	(9,205)	(4,426)
Other expenses	(637)	(480)	(637)	(480)
Finance costs	<u>(1,689)</u>	<u>(188)</u>	<u>(1,689)</u>	<u>(188)</u>
Profit before taxation	5,316	1,819	5,316	1,819
Tax expense	<u>(1,859)</u>	<u>(771)</u>	<u>(1,859)</u>	<u>(771)</u>
Profit for the period	<u>3,457</u>	<u>1,048</u>	<u>3,457</u>	<u>1,048</u>
Profit for the period attributable to:				
Equity holders of the Company	3,350	738	3,350	738
Non-controlling interests	<u>107</u>	<u>310</u>	<u>107</u>	<u>310</u>
	<u>3,457</u>	<u>1,048</u>	<u>3,457</u>	<u>1,048</u>
Total comprehensive profit attributable to:				
Equity holders of the Company	3,350	738	3,350	738
Non-controlling interests	<u>107</u>	<u>310</u>	<u>107</u>	<u>310</u>
	<u>3,457</u>	<u>1,048</u>	<u>3,457</u>	<u>1,048</u>
Earning per share ("EPS") (sen) :-				
(a) Basic	2.31	0.51 *	2.31	0.51 *
(b) Diluted	N/A	N/A	N/A	N/A
(c) Weighted average number of share ('000)	144,828	144,828 *	144,828	144,828 *

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2023 and the accompanying explanatory notes attached to the interim statements.

* For comparative purpose, the EPS for the quarter and year to date ended 30 September 2022 has been adjusted to reflect the Consideration Shares issued pursuant to the Acquisition of the entire equity interest in Pembinaan Tetap Teguh Sdn Bhd ("PTTSB") of 81,081,081 new ordinary shares at a fair value of RM1.00 per Share which was completed on 10 August 2023.

**Unaudited Condensed Consolidated Statement of Financial Position
As at 30 September 2023**

	Unaudited As at 30.09.2023 RM'000	Audited As at 30.06.2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	126,016	44,557
Investment properties	120,738	19,311
Inventories - land and development costs	34,287	33,967
Other investment	1,719	222
Goodwill on consolidation	33,018	1,133
	<u>315,778</u>	<u>99,190</u>
Current assets		
Inventories - completed properties	544	544
Inventories - property development costs	144,792	143,911
Inventories - trading stock	21,223	19,644
Contract assets	207,279	90,413
Trade receivables	83,450	45,630
Other receivables, deposits and prepayments	16,180	10,578
Short-term investment	-	700
Deposits with licensed banks	24,138	6,286
Cash and bank balances	26,558	4,320
	<u>524,164</u>	<u>322,026</u>
Non-current assets held for sale	<u>13,152</u>	<u>1,152</u>
	<u>537,316</u>	<u>323,178</u>
TOTAL ASSETS	<u><u>853,094</u></u>	<u><u>422,368</u></u>

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2023 and the accompanying explanatory notes attached to the interim statements.

PTT SYNERGY GROUP BERHAD

Co. No. 197101000134 (10493-P)

**Unaudited Condensed Consolidated Statement of Financial Position
As at 30 September 2023**

	Unaudited As at 30.09.2023 RM'000	Audited As at 30.06.2023 RM'000
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	164,277	83,196
Reserves	2,308	2,308
Retained earnings	7,402	4,052
	<u>173,987</u>	<u>89,556</u>
Non-controlling interests	12,625	12,518
	<u>186,612</u>	<u>102,074</u>
Non current liabilities		
Trade payables	140,806	140,806
Lease liabilities	65,099	17,213
Borrowings	124,314	30,577
Deferred tax liabilities	4,420	4,004
	<u>334,639</u>	<u>192,600</u>
Current liabilities		
Trade payables and accruals	134,262	83,138
Other payables and accruals	59,470	20,529
Lease liabilities	26,963	5,580
Borrowings	109,463	17,655
Tax payables	1,685	792
	<u>331,843</u>	<u>127,694</u>
Total liabilities	666,482	320,294
	<u>853,094</u>	<u>422,368</u>
TOTAL EQUITY AND LIABILITIES		
	<u>853,094</u>	<u>422,368</u>
Net assets per share attributable to owners of the parent (RM)		
	<u>1.20</u>	<u>0.62 *</u>

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2023 and the accompanying explanatory notes attached to the interim statements.

* For comparative purpose, the net assets per share attributable to the owners of the Company as at 30 June 2023 has been adjusted to reflect the Consideration Shares issued pursuant to the Acquisition of the entire equity interest in PTTSB of 81,081,081 new ordinary shares at a fair value of RM1.00 per Share which was completed on 10 August 2023.

PTT SYNERGY GROUP BERHAD

Co. No. 197101000134 (10493-P)

Unaudited Condensed Consolidated Statement of Changes in Equity

For the period ended 30 September 2023

	---- Attributable to Equity Holders of the Parent ----					Total Equity RM'000
	-- Non-distributable --		Distributable		Non- controlling Interests RM'000	
	Share Capital RM'000	Revaluation Reserve RM'000	Unappro. Profit/ (Loss) RM'000	Total RM'000		
Balance as at 1st July 2022	73,705	8,635	(3,867)	78,473	12,179	90,652
Comprehensive income:						
Net profit for the financial year	-	-	1,592	1,592	609	2,201
Other comprehensive income:						
Derecognition of Property, Plant and Equipment	-	(6,327)	6,327	-	-	-
Total comprehensive income	-	(6,327)	7,919	1,592	609	2,201
Transaction with owners:						
Issuance of share capital	9,630	-	-	9,630	-	9,630
Share issuance expenses	(139)	-	-	(139)	-	(139)
Subscription of shares in a subsidiary by non-controlling interest	-	-	-	-	30	30
Dividends paid to non controlling interests	-	-	-	-	(300)	(300)
Total transactions with owners	9,491	-	-	9,491	(270)	9,221
Balance as at 30th June 2023	<u>83,196</u>	<u>2,308</u>	<u>4,052</u>	<u>89,556</u>	<u>12,518</u>	<u>102,074</u>

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2023 and the accompanying explanatory notes attached to the interim statements.

PTT SYNERGY GROUP BERHAD

Co. No. 197101000134 (10493-P)

**Unaudited Condensed Consolidated Statement of Changes in Equity
For the period ended 30 September 2023**

	---- Attributable to Equity Holders of the Parent ----				Non- controlling Interests	Total Equity
	-- Non-distributable --		Distributable			
	Share Capital RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000	Total RM'000	RM'000	RM'000
Balance as at 1st July 2023	83,196	2,308	4,052	89,556	12,518	102,074
Comprehensive income:						
Net profit for the financial period	-	-	3,350	3,350	107	3,457
Total comprehensive income	-	-	3,350	3,350	107	3,457
Transaction with owners:						
Issuance of new shares*	81,081	-	-	81,081	-	81,081
	81,081	-	-	81,081	-	81,081
Balance as at 30th September 2023	<u>164,277</u>	<u>2,308</u>	<u>7,402</u>	<u>173,987</u>	<u>12,625</u>	<u>186,612</u>

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2023 and the accompanying explanatory notes attached to the interim statements.

* The new ordinary shares issued being part of the Purchase Consideration pursuant to the Acquisition of the entire equity interest in PTTSB of 81,081,081 new ordinary shares at a fair value of RM1.00 per Share which was completed on 10 August 2023.

PTT SYNERGY GROUP BERHAD

Co. No. 197101000134 (10493-P)

NOTES TO THE INTERIM FINANCIAL REPORT

**Unaudited Condensed Consolidated Statement of Cash Flows
For the period ended 30 September 2023**

	3 months Current year To Date 30-09-2023 RM'000	3 months Preceding Year To Date 30-09-2022 RM'000
Cash flows from operating activities		
Profit before taxation	5,316	1,819
Adjustments for :		
Depreciation of property, plant & equipment	3,948	1,015
Gain on lease termination	-	(2)
Gain on disposal of property, plant and equipment	(560)	-
Reversal of impairment on trade receivables	(36)	(337)
Interest income	(108)	(11)
Interest expense	1,689	188
Operating profit before working capital changes	10,249	2,672
Changes in working capital		
Inventories	(2,780)	(19,957)
Receivables	10,294	5,726
Contract assets	2,037	(3,677)
Payables	(16,318)	17,841
Net cash from / (used in) operations	3,482	2,605
Interest received	108	11
Interest paid	(1,689)	(188)
Income tax paid	(2,375)	(667)
Net cash from / (used in) operating activities	(474)	1,761
Cash Flows from investing activities		
Withdrawal / (placement) of pledged deposit	(1,172)	(3,006)
Proceeds from disposal of investment property	950	-
Purchase of property, plant & equipment	(19,175)	(20,393)
Investment in an unquoted instrument	(1,497)	-
Acquisition of subsidiary for cash, net cash acquired	(59,620)	-
Acquisition of investment properties	(3,566)	(485)
Net cash used in investing activities	(84,080)	(23,884)
Balance carried forwards	(84,554)	(22,123)

Unaudited Condensed Consolidated Statement of Cash Flows
For the period ended 30 September 2023

	3 months	3 months
	Current year	Preceding year
	To Date	To Date
	30-09-2023	30-09-2022
	RM'000	RM'000
Balance brought forward	(84,554)	(22,123)
Cash flows from financing activities		
Proceeds from banker's acceptance	280	313
Proceeds from trade facilities	66,158	
Repayment of banker's acceptance	-	(853)
Repayment of factoring facilities	(72,419)	(3,318)
Drawdown of borrowing	92,000	19,622
Repayment of borrowing	(4,338)	(208)
Drawdown of principal portion of lease liabilities	34,310	6,468
Repayment of principal portion of lease liabilities	(13,448)	(363)
Net cash generated from / (used in) financing activities	102,543	21,661
Net increase in cash and cash equivalents	17,989	(462)
Cash and cash equivalents at beginning of year	988	1,835
Cash and cash at 30th September (i)	18,977	1,373

(i) Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following:

	30/09/2023	30/09/2022
	RM'000	RM'000
Fixed deposits placed with licensed bank	24,138	4,578
Cash and bank balances	26,558	3,320
	50,696	7,898
Less: Fixed Deposit pledged	(24,138)	(4,578)
Less: Bank overdrafts	(7,581)	(1,947)
	18,977	1,373

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2023 and the accompanying explanatory notes attached to the interim statements.

A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Company for the year ended 30th June 2023. These explanation notes attached to the interim financial statements provided an explanation of events and transactions that are significant for an understanding of the financial position and performance of the Group since the financial year ended 30th June 2023.

A2. Changes in Accounting Policies

The Group has adopted the MFRSs, Amendments to MFRSs and IC Interpretation (if applicable) which become effective during the current financial year. The adoption of these pronouncements did not have any material impact on the financial statements of the Group.

The significant accounting policies and computation methods are consistent with those used in the preparation of the audited financial statements for the financial year ended 30th June 2023 except for the adoption of the following Amendments to MFRSs:

Effective for financial periods beginning on or after 1st January 2023:

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts – Initial Application of MFRS 17 and MFRS 9 – Comparative Information
Amendments to MFRS 101 and MFRS Practice Statement 2	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.

A2. Changes in Accounting Policies (Cont'd)

Effective for financial periods beginning on or after 1 January 2024

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

Effective for financial periods beginning on or after 1 January 2025

Amendments to MFRS 121	Lack of Exchangeability
------------------------	-------------------------

Effective date to be announced

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
---------------------------------------	--

The adoptions of the above standards, interpretation or amendments are not expected to have material financial impact to the financial statements of the Group.

A3. Auditors' Report of Preceding Annual Audited Financial Statements

The auditors' reports on the preceding audited annual financial statements for the year ended 30 June 2023 were not subject to any qualification.

A4. Seasonal or Cyclical Factors

The business of the Group was not affected by any significant seasonal or cyclical fluctuations.

A5. Items or incidence of an Unusual Nature Unusual

There were no unusual items or incidence which may substantially affect the value of assets, liabilities, equity, net income or cash flows of the Group during the financial period under review.

A6. Changes in Estimates

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

A7. Debt and Equity Securities

During the current quarter, the Company increased its issued and paid-up ordinary share capital of 81,081,081 new ordinary shares at a fair value of RM1.00 each per Shares on the completion date at 10 August 2023, being part of the Purchase Consideration of the acquisition of the entire equity interest in Pembinaan Tetap Teguh Sdn Bhd.

As at 30 September 2023, the issued and paid-up ordinary share capital of the Company was RM164,277,489. The details were as follows: -

Issued And Paid- Up Share Capital	Unit Of Ordinary Share	RM'000
As At 1 July 2023	99,000,000	83,196
Issuance Of New Shares	81,081,081	81,081
As At 30 June 2023	180,081,081	164,277

Save for the above, there were no issuances and repayment of debt and equity securities, share buy-backs, share cancellations, share held as treasury shares and resale of treasury shares for the current financial quarter under review.

A8. Dividends Paid

There were no dividends paid by the Company during the period from 1 July 2023 to 30 September 2023 (30 June 2023: NIL).

PTT SYNERGY GROUP BERHAD

Co. No. 197101000134 (10493-P)

NOTES TO THE INTERIM FINANCIAL REPORT

A9. Segment Information

Segment information is presented in respect of the Group's business segments.

Results for the 1st Quarter ended 30 September

	Construction		Trading		Property Development		Investment & Services and Others		Elimination		Group	
	RM'000		RM'000		RM'000		RM'000		RM'000		RM'000	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
REVENUE												
Revenue from external customers	54,754	18,345	12,854	12,629	-	-	261	-	-	-	67,869	30,974
Inter-segment revenue	620	-	-	2,917	-	-	76	-	(696)	(2,917)	-	-
Total Revenue	55,374	18,345	12,854	15,546	-	-	337	-	(696)	(2,917)	67,869	30,974
RESULTS												
Segment Results	8,600	2,110	633	1,414	(990)	(1,097)	(1,347)	(431)	-	-	6,897	1,996
Net interest expenses	(1,102)	(57)	(64)	(49)	5	(3)	(420)	(68)	-	-	(1,581)	(177)
Profit / (Loss) Before Tax	7,498	2,053	569	1,365	(985)	(1,100)	(1,767)	(499)	-	-	5,316	1,819
Taxation	(1,745)	(440)	(114)	(331)	-	-	-	-	-	-	(1,859)	(771)
Profit / (Loss) After Tax	5,753	1,613	455	1,034	(985)	(1,100)	(1,767)	(499)	-	-	3,457	1,048
Segment assets	553,756	88,993	58,244	61,267	197,667	30,641	76,106	48,521	(32,679)	(30,954)	853,094	198,468
Segment liabilities	418,223	72,531	17,244	19,641	207,010	35,545	94,802	11,137	(70,797)	(32,086)	666,482	106,768

PTT SYNERGY GROUP BERHAD

Co. No. 197101000134 (10493-P)

NOTES TO THE INTERIM FINANCIAL REPORT

A10. Valuation of Property, Plant and Equipment

The valuations of land and buildings have been brought forward, without amendment from the previous annual audited financial statements for year ended 30th June 2023.

A11. Material Events Subsequent to the End of the Interim Period

The Company on 10 October 2023 has made announcement to undertake the following three proposals:-

(I) PROPOSED ACQUISITION OF 2 PARCELS OF FREEHOLD DEVELOPMENT LAND BY PROJEK TETAP TEGUH SDN. BHD., AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF PTT SYNERGY GROUP BERHAD (“PTT” OR “COMPANY”);

The Company through its indirect wholly-owned subsidiary, namely Projek Tetap Teguh Sdn Bhd (“**Projek TT**” or the “**Purchaser**”), had on 10 October 2023, entered into a conditional sale and purchase agreement (“**SPA**”) with the following parties:-

- (i) Leong Woay Hong @ Neoh Woay Hong;
- (ii) Low Chee Heng;
- (iii) Low Cheng Hiang;
- (iv) Low Meng Kiang;
- (v) Low Saw Cheng;
- (vi) Low Saw Sim;
- (vii) Ong Kah Boey; and
- (viii) Than Way Cheng @ Tan Way Cheng,

(collectively, referred as the “**Vendors**” or “**Landowners**”)

for the proposed acquisition of 2 parcels of freehold development land (comprising of Land 1 and Land 2, further details of which are set out in Section 2.2 of this announcement) with an aggregate land area of approximately 18.00 acres located at Daerah Seberang Perai Selatan, Pulau Pinang (“**Land**”) for a total cash consideration of RM70,555,432.50 (“**Purchase Consideration**”) (“**Proposed Land Acquisition**”).

PTT SYNERGY GROUP BERHAD

Co. No. 197101000134 (10493-P)

NOTES TO THE INTERIM FINANCIAL REPORT

A11. Material Events Subsequent to the End of the Interim Period (Cont'd)

(II) PROPOSED ESTABLISHMENT OF A NEW EMPLOYEES' SHARE SCHEME FOR THE ELIGIBLE DIRECTORS AND EXECUTIVE / EMPLOYEES OF THE COMPANY AND ITS SUBSIDIARIES (WHICH ARE NOT DORMANT); AND

The Company proposes to establish a new employees' share scheme ("**ESS**" or "**Scheme**") which comprises:-

- (a) an employees' share option scheme ("**ESOS**") which will entitle Eligible Persons (as defined herein), upon exercise, to subscribe for new and/or existing ordinary shares in PTT ("**PTT Shares**" or "**Shares**") at a specified future date at a pre-determined price ("**Proposed ESOS**"); and
- (b) an employees' share grant plan which entitles Eligible Persons to receive new and/or existing PTT Shares at no consideration and/or the equivalent cash value of such Shares or a combination thereof ("**Proposed ESGP**")

collectively, of up to fifteen percent (15%) of the total number of issued Shares (excluding treasury shares, if any) at any point in time throughout the duration of the Scheme.

(The Proposed ESOS and Proposed ESGP are collectively referred as the "**Proposed ESS**".)

(III) PROPOSED PRIVATE PLACEMENT OF UP TO 36,000,000 NEW ORDINARY SHARES IN THE COMPANY ("SHARES"), WHICH REPRESENTS APPROXIMATELY 20% OF THE TOTAL NUMBER OF ISSUED SHARES

PTT proposes to undertake a private placement of up to 36,000,000 new Shares, which represents approximately 20% of the total number of issued Shares, at issue price(s) to be determined and to placee(s) to be identified at a later stage ("**Proposed Private Placement**").

As at the date of this interim report, the 3 proposals have not been completed.

A12. Changes in Composition of the Group

The Company entered into a conditional share sale agreement ("**SSA**") with Teo Swee Phin ("**TSP**"), Teo Swee Leng ("**TSL**") and Faddy bin Nordin ("**Faddy**") (collectively, the "**Vendors**") for the proposed acquisition of 25,000,000 ordinary shares in Pembinaan Tetap Teguh Sdn. Bhd. ("**PTTSB**") ("**Sale Shares**"), representing 100% equity interest in PTTSB for a total purchase consideration of RM152.0 million ("**Purchase Consideration**") ("**Proposed Acquisition**"). The Proposed Acquisition has been completed on 10 August 2023.

PTT SYNERGY GROUP BERHAD

Co. No. 197101000134 (10493-P)

NOTES TO THE INTERIM FINANCIAL REPORT

A13. Changes in Contingent Liabilities

There are no material changes on contingent liabilities other than those highlighted in the financial report for the year ended 30 June 2023.

A14. Capital commitments

	RM
Approved and contracted for:	
- Purchase of Development Land	15,697,282
- Purchase of Investment Property	11,658,388
Total	27,355,670

PTT SYNERGY GROUP BERHAD

Co. No. 197101000134 (10493-P)

ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS
(APPENDIX 9B)

B1. Review of Performance

Review of performance against previous year corresponding period

During the current quarter, the Group recorded higher revenue of RM67.87 million compared to RM30.97 million in the preceding year's corresponding quarter, representing an increase of 119%. Profit before tax was increased to RM5.32 million compared to RM1.82 million, representing an increase of 192%, in the preceding year's corresponding quarter.

Group revenue and profit before tax improved mainly in the construction segment. The revenue from Trading segment improved slightly but profit before tax dropped due to lower reversal of impairment of trade receivables and lesser inter-segment revenue. Property Development segment is still at pre-development stage and has yet to contribute positively to the Group.

Segmental Information

The contributions from various business segments are set out as below: -

Revenue	3 months Current Quarter Ended		Variance	Change
	30.09.2023	30.09.2022		
	RM'000	RM'000	RM'000	%
Construction	54,754	18,345	36,409	>100%
Property Developments	-	-	-	-
Trading	12,854	12,629	225	17.82%
Investment services & Others	261	-	261	>100%
Total	67,869	30,974	36,895	>100%

PTT SYNERGY GROUP BERHAD

Co. No. 197101000134 (10493-P)

ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS
(APPENDIX 9B)**B1. Review of Performance (Cont'd)****Review of performance against previous year corresponding period (Cont'd)****Segmental Information (Cont'd)**

Profit / (loss) before tax	3 months Current Quarter Ended		Variance	Change
	30.09.2023	30.09.2022		
	RM'000	RM'000	RM'000	%
Construction	7,498	2,053	5,445	>100%
Property Development	(985)	(1,100)	(115)	10.45%
Trading	569	1,365	796	(58.32%)
Investment services & Others	(1,767)	(499)	(1,268)	>100%
Total	5,316	1,819	3,497	>100%

Construction Segment

Revenue of the construction segment for the current quarter increased to RM54.75 million compared to RM18.35 million in the preceding year's corresponding quarter. Profit before tax increased to RM7.50 million compared to RM2.05 million. The enhancement in revenue and profit before tax for the current financial period is mainly attributed to accelerated construction progress from the wholly-owned subsidiary, PTTSB.

Property Development Segment

Industrial warehouse developments with total intra-logistic solutions are at pre-development stage during this financial period and has yet to contribute positively to the Group.

PTT SYNERGY GROUP BERHAD

Co. No. 197101000134 (10493-P)

ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS
(APPENDIX 9B)**B1. Review of Performance (Cont'd)****Review of performance against previous year corresponding period (Cont'd)****Segmental Information (Cont'd)****Trading Segment**

For the current quarter under review, trading segment recorded an increased in revenue of RM12.85 million compared to RM12.63 million in the preceding year's corresponding quarter, representing an increase of 2%. Whereas, profit before tax was decreased by 58.32% as compared to previous year's corresponding quarter. The reason of the dropped in PBT is mainly due to lower reversal of previous provision on impairment of trade receivables and lower inter-segment revenue in current quarter.

B2. Comparison with Immediately Preceding Quarter

	Current Quarter 30th September 2023	Immediate Preceding Quarter 30th June 2023	Variance
	RM000	RM'000	(%)
Revenue	67,869	24,593	>100%
Profit before interest and tax	6,897	(2,030)	>100%
Profit before tax	5,316	(5,797)	>100%
Profit after tax	3,457	(7,711)	>100%

The Group's revenue and profit increased more than 100% respectively, mainly attributed to the contribution from the construction segment.

PTT SYNERGY GROUP BERHAD

Co. No. 197101000134 (10493-P)

ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS
(APPENDIX 9B)

B3. Prospects

With the completion of acquisition of Pembinaan Tetap Teguh Sdn Bhd (PTTSB) in Aug 2023, the enlarged PTT Group can leverage on the PTTSB's strengths in its management team, resources and expertise to further strengthen the Group's construction order book, financial position and prospects.

The Group anticipated that this year's performance will still be driven by the Construction Segment. As at the date of this interim report, the Group has total unbilled order book of RM486.1mil.

PTT Group plans to continue with the following business strategies to improve the construction business:

- Actively tendering and securing new construction projects from clients
- Proactive management and monitoring of current projects to meet all project timeline without delay
- Execution of cost control strategies such as hedging and bulk purchasing of raw materials hedging, and variation orders for pricing
- Maintain strong relationship with master developer which will lead to stronger ability to secure new construction projects and control cost

The Group anticipates robust and sustainable growth in Malaysia's industrial sector as the country offers abundant resources and well-developed infrastructure, which appeal to both local and foreign businesses seeking expansion or establishment in Malaysia. We have strategically positioned ourselves as a comprehensive solution provider for industrial building needs, providing landbanks, in-house construction expertise and total intralogistics solutions.

In September 2023, the Group marked a significant milestone by signing a lease agreement with Longterm Distribution for our PTT Space Elmina Logistic Hub, the first of a series of logistics space envisioned by PTTS. The Group is actively pursuing opportunities in intralogistics consultation, distribution operation planning, conventional and fully automated warehouses, distribution centres and e-commerce Fulfilment Hub throughout Malaysia.

The management's efforts to develop new products under own brands for better profit margin and enhance the credit control and collections for the Trading Segment in previous year have achieved favourable results.

Barring any unforeseen circumstances, the Group is confident of achieving positive results in financial year 2024.

PTT SYNERGY GROUP BERHAD

Co. No. 197101000134 (10493-P)

ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS
(APPENDIX 9B)**B4. Taxation**

	3 months		3 months	
	Quarter ended		Cumulative to date	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
Income tax				
- Current year provision	(1,443)	(771)	(1,443)	(771)
Deferred tax				
- Current year provision	(416)	-	(416)	-
Total	(1,859)	(771)	(1,859)	(771)

PTT SYNERGY GROUP BERHAD

Co. No. 197101000134 (10493-P)

ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS
(APPENDIX 9B)**B5. Group Borrowings and Debt Securities**

Details of the Group's borrowings were as follows:

	As at 30 September 2023		
	Long term	Short term	Total
	RM'000	RM'000	RM'000
Secured			
Bank Overdraft (Interest rates ranging: 7.95%- 8.20% p.a)	-	7,581	7,581
Lease liabilities (interest rates ranging: 3.72% - 8.73% p.a)	65,099	26,963	92,062
Term loan (Interest rates ranging: 4.70%- 8.20% p.a)	112,159	25,833	137,992
Islamic banking financing (Interest rates ranging: 4.2% - 6.08% p.a)	12,155	1,419	13,574
Banker's Acceptance ("BA") (Interest rates ranging: 7.90%- 8.20% p.a)	-	58,028	58,028
Domestic recourse factoring (Interest rates ranging: 8.07% - 8.20% p.a)		16,602	16,602
Unsecured	-	-	-
Total	189,413	136,426	325,839

	As at 30 June 2023 (Audited)		
	Long term	Short term	Total
	RM'000	RM'000	RM'000
Secured			
Bank overdrafts (Interest rates ranging: 6.95%- 7.95% p.a)	-	4,033	4,033
Lease liabilities (interest rates ranging: 3.72% - 8.73% p.a)	17,213	5,580	22,793
Term loan (Interest rates ranging: 4.85% - 7.70% p.a)	27,286	530	27,816
Islamic banking financing (Interest rates ranging: 3.17% - 4.72% p.a)	3,291	371	3,662
Banker's acceptance ("BA") (Interest rates ranging: 4.57%-6.41% p.a)	-	11,282	11,282
Domestic recourse factoring (Interest rates ranging: 7.45% - 8.20% p.a)	-	1,439	1,439
Unsecured	-	-	-
Total	47,790	23,235	71,025

PTT SYNERGY GROUP BERHAD

Co. No. 197101000134 (10493-P)

ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS
(APPENDIX 9B)

B6. Derivatives

There were no derivatives entered by the Group as at 30 September 2023.

B7. Changes in material litigation

Save as disclosed below, as at 30 November 2023, there is no material litigation, claims or arbitration, either as plaintiff or defendant, which will have a material and/or adverse effect on the financial position or business of the Group, and the Board is not aware of any proceedings pending or threatened against the Group, or of any facts likely to give rise to any proceedings which may materially or adversely affect the financial position or business of the Group:

(A) High Court of Malaya at Shah Alam Civil Suit No.: BA-22C-23-04/2023, Menard Geosystem Sdn Bhd (“MGSB”) (as plaintiff) v. PTTSB (as defendant)

On 26 April 2023, MGSB had filed a writ and statement of claim to the High Court of Malaya at Shah Alam (“**SA High Court**”) against PTTSB, a wholly-owned subsidiary of the Company, for the amount due and owing by PTTSB to MGSB in respect of works done as well as idling cost incurred by MGSB.

On 25 March 2021, PTTSB had vide a letter of award appointed MGSB as the contractor for a construction project located in Bandar Bukit Raja 2, Kapar, Klang, Selangor. Based on the letter of award, PTTSB is responsible for the preparation of the working platform for MGSB to carry out works in relation to the prefabricated vertical drain (“**PVD**”). PTTSB is also responsible for the supply of the base machine, oil machine and PVD. MGSB is responsible for the installation of the PVD at the project site after PTTSB fulfills and completes its obligations.

PTTSB had on 3 February 2023 issued a letter to MGSB informing that the remaining works in respect of the project shall be excluded and had requested for MGSB to remove its machineries in the project site and provide its final claims within 2 days from the date of the letter. MGSB vide its solicitor on 10 February 2023 issued a letter to PTTSB stating the termination of its services.

Prior to the issuance of the letter dated 3 February 2023, PTTSB had issued several letters to MGSB in February 2022, May 2022, July 2022, and November 2022, for amongst others, the granting of extension of time to MGSB to carry out its obligations without additional cost, the delay on the part of MGSB in carry out its works and the non-completion of works on the part of MGSB. Due to the foregoing, PTTSB's position is that it is entitled to impose liquidated ascertained damages on MGSB. A debit note dated 26 April 2023 had also been served to MGSB by PTTSB.

PTT SYNERGY GROUP BERHAD

Co. No. 197101000134 (10493-P)

ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS
(APPENDIX 9B)

B7. Changes in material litigation (Cont'd)

MGSB has claimed that the sum of RM842,717.12 which remained due and owing by PTTSB to MGSB in respect of works done by MGSB. Further, MGSB has alleged that PTTSB failed to carry out its obligation and caused delays on MGSB to carry out its works. In consequence thereof, this resulted in MGSB having incurred an idling cost of RM450,000.00.

MGSB has pleaded for the following claims against PTTSB:

- (i) Balance payment of RM842,717.12.
- (ii) Idling cost of RM450,000.00.
- (iii) Interest on item (i) and (ii) above at the rate of 5% per annum starting from 28 February 2023 up to the date of full and final settlement.
- (iv) Cost of action.
- (v) Any other relief that the honourable court thinks fit and proper to be granted.

An amended counterclaim has been filed by the solicitors of PTTSB on 9 June 2023 for the sum of RM1,227,353.52 in respect of the contractual liquidated ascertained damages and cost incurred by PTTSB on the failure of MGSB in completing the necessary works as well as the cost of appointment of a third party to carry out the uncompleted works.

The matter is currently fixed for a trial from 25 February 2025 to 28 February 2025.

The solicitors for PTTSB are of the opinion that it is probable that PTTSB will be successful in its claim against MGSB based on the documents that the solicitors have in hand.

(B) **Petaling Jaya Sessions Court Civil Suit No.: BB-B52NCvC-38-04/2023, PTTSB (as plaintiff) v. Arissto (Malaysia) Sdn Bhd (as defendant)**

On 26 April 2023, PTTSB had filed a writ and statement of claim to the Petaling Jaya Sessions Court ("**PJ Sessions Court**") against Arissto (Malaysia) Sdn Bhd ("**Defendant**") for the Defendant's breach of contract in respect of the failure of the Defendant in the repayment of the rental due and owing for the 3 properties rented by PTTSB to the Defendant, i.e. Serenia Factory 2 (Lot 119359), Serenia Factory 3 (Lot 119360) and Serenia Factory 4 (Lot 119361) as well as the return of vacant possession of the properties to PTTSB.

PTTSB had entered into 3 separate tenancy agreements with the Defendant all dated 5 April 2021 for the rental of 3 properties to the Defendant ("**Tenancy Agreement(s)**"). In accordance with clause 6.01(a) of the Tenancy Agreement, it is expressly stated that in the event the Defendant fails to pay the rental of the property within 7 days from the day of which the Defendant is obligated to pay the rental to PTTSB, whether such payment is claimed or otherwise, the Tenancy Agreement shall be terminated in view of such breach.

Despite PTTSB vide its solicitors on 15 February 2023 having issued 3 notices of demand and termination against the Defendant in respect of the 3 rented properties for the sum due and owing, the termination of the Tenancy Agreements and the notice to the Defendant to vacate and return the vacant possession of the properties to PTTSB on or before 1 March 2023, the Defendant has failed, refused and/or neglected to make such rental payment due and owing to PTTSB as well as to vacate and return the vacant possession of the properties to PTTSB.

PTT SYNERGY GROUP BERHAD

Co. No. 197101000134 (10493-P)

ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS
(APPENDIX 9B)

B7. Changes in material litigation (Cont'd)

As such, PTTSB had pleaded for the following claims against the Defendant:

- (i) Rent and interest for the sum of RM437,721.78 as at 14 February 2023.
- (ii) Interest at the rate of 18% per annum on the sum of RM437,721.78 from 2 March 2023 up to full settlement.
- (iii) Double rental for the 3 properties from 2 March 2023 up to 1 May 2023 amounting to RM540,000.00.
- (iv) Double rental for the 3 properties of RM90,000.00 per month from 2 May 2023 up to the date where vacant possession of the properties is returned to PTTSB.
- (v) Interest at the rate of 5% per annum from the date of the writ up to vacant possession of the properties being returned.
- (vi) Cost of action.
- (vii) Any other relief that the honourable court thinks fit and proper to be granted.

A summary judgment application has been filed by the solicitors of PTTSB on 12 June 2023 and a summary judgment was obtained on 18 August 2023 against the Defendant for the following (“**Judgment**”):

- (i) Rent and interest for the sum of RM437,721.78 as at 14 February 2023.
- (ii) Interest at the rate of 18% per annum on the sum of RM437,721.78 from 2 March 2023 up to full settlement.
- (iii) Double rental for Serenia Factory 2 from 2 March 2023 to 30 May 2023 amounting to RM338,268.08.
- (iv) Double rental for Serenia Factory 3 from 2 March 2023 to 1 July 2023 amounting to RM524,115.63 and in view that the Defendant has yet to deliver vacant possession for the property to PTTSB, the Defendant has to pay the sum of RM90,000.00 per month from 2 July 2023 as double rental for the property up to the date of the delivery of vacant possession to PTTSB.
- (v) Double rental for Serenia Factory 4 from 2 March 2023 to 22 June 2023 amounting to RM421,436.56.
- (vi) Interest at the rate of 5% in respect of the double rentals as mentioned under items (iii), (iv) and (v) above, from the date of Judgment up to full settlement.
- (vii) Delivery of vacant possession by the Defendant in respect of Serenia Factory 3.
- (viii) Cost of RM3,000.00.

As at 30 November 2023, PTTSB had instructed its solicitors to file garnishee proceedings to recover the amount owned by the Defendant to PTTSB in accordance with the Judgment obtained.

Based on the opinion rendered by the solicitors of PTTSB, PTTSB has a high chance in obtaining a garnishee order in view that the Judgment has not been appealed and a stay of execution has not been filed by the Defendant.

PTT SYNERGY GROUP BERHAD

Co. No. 197101000134 (10493-P)

ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS
(APPENDIX 9B)

B7. Changes in material litigation (Cont'd)

(C) High Court of Malaya at Shah Alam Civil Suit No.: BA-22NCC-18-08/2023, Heap Wah Barakah Sdn Bhd (“Heap Wah”) (as plaintiff) v. (i) FZ Infinity Sdn Bhd (“First Defendant”); (ii) Foong Chee Kien (“Second Defendant”); and (iii) Lee Kwan Cheng (“Third Defendant”) (collectively, as “Defendants”)

On 3 February 2023, Heap Wah, a 70% owned subsidiary of the Company, had filed a writ and statement of claim to the High Court of Malaya at Shah Alam (“**SA High Court**”) against the Defendants for the failure of the First Defendant in honouring the payment for the invoices issued by Heap Wah in respect of the goods and services provided by Heap Wah to the First Defendant.

The Second Defendant is the director and shareholder of the First Defendant and in its capacity, the Second Defendant had executed a credit facility arrangement provided by Heap Wah to the First Defendant to facilitate the purchase of goods from Heap Wah. In view of Heap Wah providing the credit facilities to the First Defendant, the Second and Third Defendant had signed on a letter of guarantee dated 27 September 2021, guaranteeing the indebtedness of the First Defendant together with all interest, costs, charges, etc. to Heap Wah.

Despite Heap Wah vide its solicitors on 9 January 2023 having issued a notice of demand against the Defendants for the sum due and owing to Heap Wah, the Defendants had failed, refused and/or neglected to pay the sum due and owing to Heap Wah.

As such, Heap Wah had pleaded for the following claims against the Defendants:

- (i) A sum of RM1,597,068.90.
- (ii) Interest of RM507,527.02 as at 31 January 2023.
- (iii) Accrued interest at the rate of 1.50% monthly on the sum of RM1,597,068.90 commencing from 1 February 2023 up to the judgment being obtained.
- (iv) Accrued interest at the rate of 1.50% monthly on the sum of RM1,597,068.90 commencing from the judgment being obtained up to the full settlement of the judgment sum.
- (v) Cost of action.

On 24 March 2023, the SA High Court had entered a judgment in default of appearance against the First Defendant for the claims pleaded by Heap Wah following the First Defendant’s failure to enter into appearance. As such, the First Defendant is ordered to pay Heap Wah in respect of the claims pleaded by Heap Wah as stated above.

On 25 March 2023, the SA High Court had ordered for Heap Wah to serve (i) by substituted service on the Second Defendant by attaching the writ and statement of claim together with the sealed order at the Second Defendant’s last known address via registered post, (ii) by attaching the writ and statement of claim together with the sealed order at the SA High Court statement board and, (iii) by advertising in a local newspaper named “STAR”.

The solicitors for Heap Wah have informed that the Third Defendant was discovered to have passed away and the solicitors have withdrawn the suit against the Third Defendant.

PTT SYNERGY GROUP BERHAD

Co. No. 197101000134 (10493-P)

ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS
(APPENDIX 9B)

B7. Changes in material litigation (Cont'd)

On 10 May 2023, Heap Wah has obtained a judgment in default against the Second Defendant. Heap Wah has instructed its solicitors and the solicitors have filed a winding-up petition against the First Defendant on 20 June 2023 and has obtained a winding-up order against the First Defendant on 11 October 2023.

B8. Gains / losses arising from fair value changes in financial liabilities

There were no gains / losses arising from fair value changes in financial liabilities for the financial period under review.

B9. Profit before tax

Profit before tax is arrived at after charging / (crediting) the following items:

	3 months		3 months	
	Quarter ended		Cumulative to date	
	30.09.23	30.09.22	30.09.23	30.09.22
	RM'000	RM'000	RM'000	RM'000
Interest income	(108)	(11)	(108)	(11)
Rental income	(17)	(19)	(17)	(19)
Reversal of impairment losses on trade receivable	(36)	(337)	(36)	(337)
(Gain) / loss on disposal of property, plant & equipment	(560)	-	(560)	-
Depreciation of property, plant & equipment and right-of-use assets	4,854	1,015	4,854	1,015
Interest expenses	1,689	188	1,689	188

PTT SYNERGY GROUP BERHAD

Co. No. 197101000134 (10493-P)

ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS
(APPENDIX 9B)**B10. Trade Receivables**

	As at 30.09.2023	As at 30.06.2023
	RM'000 (Unaudited)	RM'000 (Audited)
Non-collateralised Receivables		
Trade Receivables	59,413	43,043
Less: Allowance for impairment losses	(5,580)	(5,615)
Trade Receivables, net	53,833	37,428
Retention sum held by contract customers	29,617	8,202
	<u>83,450</u>	<u>45,630</u>

The aging analysis of the Group' trade receivables is as follows:

Neither past due nor impaired	31,575	6,355
Past due not impaired:		
1 - 30 days	7,575	4,702
31 - 60 days	5,399	5,958
61 - 90 days	3,281	5,649
> 91 days	6,003	14,764
Impaired	5,580	5,615
Gross trade receivables	<u>59,413</u>	<u>43,043</u>

Trade receivables are non-interest bearing and are generally within the stipulated current credit term. They are recognized at their original invoice amounts which represent their fair values on initial recognition.

PTT SYNERGY GROUP BERHAD

Co. No. 197101000134 (10493-P)

ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS
(APPENDIX 9B)**B11. Earnings per share (“EPS”)**

	Individual Quarter Ended		12 months Cumulative Ended	
	30.09.2023	30.09.2022	30.09.2022	30.09.2021
Net profit / (loss) attributable to owners the parent (RM'000)	3,350	738	3,350	738
Weighted average number of ordinary shares in issue ('000) for basic earning per share	144,828	144,828*	144,828	144,828*
Basic EPS (sen)	2.31	0.51*	2.31	0.51*

* For comparative purpose, the EPS for the quarter and year to date ended 30 September 2022 has been adjusted to reflect the Consideration Shares issued pursuant to the Acquisition of the entire equity interest in Pembinaan Tetap Teguh Sdn Bhd (“PTTSB”) of 81,081,081 new ordinary shares at a fair value of RM1.00 per Share which was completed on 10 August 2023.