

PLYTEC HOLDING BERHAD (“PLYTEC” OR “COMPANY”)

(I) PROPOSED TRANSFER; AND

(II) PROPOSED AMENDMENTS,

COLLECTIVELY REFERRED TO AS THE “PROPOSALS”.

1. INTRODUCTION

On behalf of the Board of Directors of PLYTEC (“**Board**”), KAF Investment Bank Berhad (“**KAF IB**”) wishes to announce that the Company proposes to undertake the following:

- (i) proposed transfer of the listing of and quotation for the entire issued share capital of the Company from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Proposed Transfer**”); and
- (ii) proposed amendments to the Constitution of the Company to facilitate the implementation of the Proposed Transfer (“**Proposed Amendments**”),

collectively referred to as the “**Proposals**”.

Further details on the Proposals are set out in the ensuing sections of this announcement.

2. DETAILS OF THE PROPOSALS

2.1 Proposed Transfer

The Proposed Transfer entails the transfer of the listing of and quotation for the entire issued share capital of PLYTEC from the ACE Market to the Main Market of Bursa Securities.

As at 9 April 2025, being the latest practicable date prior to the date of this announcement (“**LPD**”), the issued share capital of PLYTEC is RM87,121,209.69 comprising 606,060,600 ordinary shares in PLYTEC (“**PLYTEC Shares**”).

PLYTEC and its subsidiaries (“**PLYTEC Group**” or “**Group**”) have met the requirements for the Proposed Transfer as set out in the Equity Guidelines issued by the Securities Commission Malaysia (“**SC**”) (“**Equity Guidelines**”) and the Main Market Listing Requirements of Bursa Securities (“**Listing Requirements**”), which include, amongst others, the following:

(i) Profit requirements

PLYTEC is seeking the transfer of listing from the ACE Market to the Main Market of Bursa Securities based on the profit requirements pursuant to Part II, Paragraph 5.02(a) of the Equity Guidelines.

Pursuant to Paragraph 5.02(a)(i) of the Equity Guidelines, a corporation must have an uninterrupted profit of 3 to 5 full financial years based on audited financial statements prior to submission to the SC, with an aggregate after-tax profit of at least RM20.00 million and an after-tax profit for the most recent financial year of at least RM6.00 million.

PLYTEC has recorded an audited consolidated profit after tax attributable to owners of the Company (“**PAT**”) of approximately RM13.28 million for the most recent financial year ended (“**FYE**”) 31 December 2024 and an aggregate consolidated PAT of approximately RM35.81 million for the past three FYEs 31 December 2022 to 31 December 2024.

For additional information purposes, the adjusted consolidated PAT (excluding any gains which are non-recurring in nature or are not in the ordinary course of business of the Group) are as set out below:

	Audited			Aggregate
	FYE 2022	FYE 2023	FYE 2024	
	RM'000	RM'000	RM'000	
PAT	13,688	6,461	13,280	33,429
<i>Less: Profits from non-recurring income</i>				
• Fair value gain on other investments	-	-	(207)	(207)
• Gain on disposal of property, plant and equipment	(1)	(104)	(163)	(268)
• Gain on disposal of other investments	-	-	(45)	(45)
• Miscellaneous income	(177)	-	-	(177)
<i>Add: Expenses from non-recurring items</i>				
• Fair value loss on other investments	323	34	-	357
• Initial public offering ("IPO") listing expenses	-	2,708	-	2,708
• Impairment losses on other investments	8	1	3	12
Adjusted PAT	13,841	9,100	12,868	35,809

Accordingly, PLYTEC has met the profit requirements prescribed under Part II, Paragraph 5.02(a)(i) and 8.01(a) of the Equity Guidelines.

(ii) Healthy financial position

Pursuant to Part II, Paragraph 8.03 the Equity Guidelines, a corporation seeking a transfer of listing from the ACE Market to the Main Market of Bursa Securities must comply with the healthy financial position requirements as set out in Part II, Paragraph 5.08 of the Equity Guidelines with:

- (a) sufficient level of working capital for at least twelve (12) months from the date of this announcement;
- (b) positive cash flow from operating activities over the profit track record period based on the audited financial statements; and
- (c) no accumulated losses based on latest audited financial statements.

The Group's financial position based on the audited consolidated statement of financial position as at 31 December 2024 are set out as follows:

	Audited
	As at 31 December 2024
	RM'000
Retained profits	88,692
Net assets ("NA") / Total equity attributable to owners of the Company	135,767
Current assets	133,722
Current liabilities	126,853
Cash and bank balances	9,812
Total borrowings (including interest-bearing lease liabilities)	101,103
Gearing (times) ⁽¹⁾	0.74
Current ratio (times) ⁽²⁾	1.05

Notes:

- (1) Computed based on total borrowings (including interest-bearing lease liabilities) over NA.
- (2) Computed based on current assets over current liabilities.

As at 31 December 2024, the current assets of the Group stood at approximately RM133.72 million while its current liabilities stood at approximately RM126.85 million, representing a current ratio of 1.05 times, which reflects its ability to meet short-term obligations. In addition, the Group has cash and bank balances of approximately RM9.81 million as at 31 December 2024. The borrowings of the Group (including interest-bearing lease liabilities) as at 31 December 2024 was RM101.10 million with a gearing ratio of 0.74 times.

PLYTEC Group is in a healthy financial position with no accumulated losses based on latest audited consolidated statement of financial position as at 31 December 2024. The Group's retained profits as at 31 December 2024 was RM88.69 million.

Further, PLYTEC Group has recorded positive net cash from operating activities in the past three FYEs 31 December 2022 to 2024, as set out below:

	Audited		
	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000
Net cash from operating activities	28,888	15,619	21,443

The Board is of the view that, after taking into account its cash flow position and gearing level as well as the current banking facilities available to the Group, its working capital would be sufficient for its existing and foreseeable requirements for at least twelve (12) months from the date of this announcement.

Based on the above, the Group has a healthy financial position with:

- (a) sufficient working capital for at least twelve (12) months from the date of this announcement.
- (b) positive cash flow from operating activities over the profit track record years based on the Group's audited consolidated financial statements; and
- (c) no accumulated losses based on latest audited consolidated financial statements.

Additionally, the Group has also met the following requirements for the Proposed Transfer:

(iii) Public shareholding spread

The Listing Requirements requires at least 25% of the total number of listed shares (excluding treasury shares) to be in the hands of a minimum number of 1,000 public shareholders holding not less than 100 shares each.

Based on the Record of Depositors of PLYTEC as at the LPD, approximately 33.90% of the issued PLYTEC Shares were held by 1,449 public shareholders holding not less than 100 PLYTEC Shares each.

Accordingly, PLYTEC has met the public shareholding spread requirement of the Listing Requirements.

(iv) Bumiputera equity requirement

PLYTEC has met the Bumiputera equity requirement when it was listed on ACE Market of Bursa Securities on 15 November 2023 by allocating 12.50% of its enlarged issued share capital to Bumiputera investors.

2.2 Proposed Amendment

The Company proposes to amend its Constitution to ensure compliance with certain provisions of the Listing Requirements pursuant to the Proposed Transfer and other administrative amendments.

The Constitution shall be amended in the following manner:

Clause No	Existing Clause	Proposed changes to the Clause
3.1	"Listing Requirements" means the ACE Market Listing Requirements of the Exchange including any amendments to the Listing Requirements that may be made from time to time.	"Listing Requirements" means the ACE Main Market Listing Requirements of the Exchange including any amendments to the Listing Requirements that may be made from time to time.
7.2	(c) every issue of Shares or options to employees and/or Directors shall be approved by the Members in a meeting of Members and such approval shall specifically detail the amount of Shares or options to be issued to such employees and/or Directors; and only Directors holding office in an executive capacity shall participate in such an issue of Shares or options provided always that a Director not holding office in an executive capacity may so participate in an issue of Shares pursuant to public offer or a public issue;	(c) every issue of Shares or options to employees and/or Directors shall be approved by the Members in a meeting of Members and <u>no Directors shall participate in such issue of Shares or options unless the Members in a meeting of Members have approved of the specific allotment to be made such approval shall specifically detail the amount of Shares or options to be issued to such employees and/or Directors; and only Directors holding office in an executive capacity shall participate in such an issue of Shares or options provided always that a Director not holding office in an executive capacity may so participate in an issue of Shares</u>

Clause No	Existing Clause	Proposed changes to the Clause
		pursuant to public offer or a public issue;
8.1	<p>The Company shall have first and paramount lien on every Share (not being a fully paid Shares) and dividends from time to time declared in respect of such Shares, provided that the Company's lien on Shares and dividends from time to time declared in respect of such Shares shall be restricted to:-</p> <p>(a) unpaid calls and instalments upon the specific Shares in respect of which such moneys are due and unpaid;</p> <p>(b) if the Shares were acquired under an Employee Share Scheme, amounts which are owed to the Company for acquiring them; and</p> <p>(c) such amounts as the Company are required by law to pay and has paid in respect of the Shares of the Member or deceased Member.</p> <p>The lien in each of the above cases should also extend to reasonable interest and expenses incurred because of the unpaid amount.</p>	<p>The Company's shall have first and paramount lien on every Shares (not being a fully paid Shares) and dividends from time to time declared in respect of such Shares, provided that the Company's lien on Shares and dividends from time to time declared in respect of such Shares shall be restricted to:-</p> <p>(a) unpaid calls and instalments upon the specific Sshares in respect of which such moneys are due and unpaid; and</p> <p>(b) if the Shares were acquired under an Employee Share Scheme, amounts which are owed to the Company for acquiring them; and</p> <p>(b)(c) such amounts as the Company are required <u>may be called upon</u> by law to pay and has paid in respect of the Shares of the Member or deceased Member.</p> <p>The lien in each of the above cases should also extend to reasonable interest and expenses incurred because of the unpaid amount.</p>
18.6	<p>Every notice of an annual general meeting shall be issued in accordance with the Applicable Laws and shall specify the meeting as such and every meeting convened for passing a Special Resolution shall state the intention to propose such resolution as a Special Resolution.</p> <p>The notice convening meeting of Members shall specify the place, date, day and time of the meeting, and the general nature of business of the meeting. Notice shall be given to all Members, Directors and auditors of the Company at least fourteen (14) days before the meeting or at least twenty-one (21) days before</p>	<p>Every notice of an annual general meeting shall be issued in accordance with the Applicable Laws and shall specify the meeting as such and every meeting convened for passing a Special Resolution shall state the intention to propose such resolution as a Special Resolution.</p> <p>The notice convening meeting of Members shall specify the place, date, day and time of the meeting, and the general nature of business of the meeting. Notice shall be given to all Members, Directors and auditors of the Company <u>either in hard copy, publication on the Company's website or in Electronic Form, or partly in hard copy and partly in Electronic Form</u> at least fourteen (14) days before the meeting or at least twenty-one (21) days before the meeting where any Special Resolution is to be proposed or where it is</p>

Clause No	Existing Clause	Proposed changes to the Clause
	<p>the meeting where any Special Resolution is to be proposed or where it is an annual general meeting.</p> <p>Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least fourteen (14) days' notice or twenty-one (21) days' notice in the case where any Special Resolution is proposed or where it is the annual general meeting, of every such meeting shall be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each stock exchange upon which the Company is listed.</p>	<p>an annual general meeting.</p> <p>Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least fourteen (14) days' notice or twenty-one (21) days' notice in the case where any Special Resolution is proposed or where it is the annual general meeting, of every such meeting shall be given by advertisement in at least one (1) nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each stock exchange upon which the Company is listed.</p>

3. RATIONALE FOR THE PROPOSALS

3.1 Proposed Transfer

The Proposed Transfer will mark another major milestone for PLYTEC subsequent to its listing on the ACE Market of Bursa Securities on 15 November 2023. The Proposed Transfer signifies the financial strength of PLYTEC Group as it has met the profit track record requirements for a transfer to the Main Market of Bursa Securities.

The Board believes that the Proposed Transfer will enhance the Company's credibility, prestige and reputation, and accord the Company with greater recognition and acceptance amongst investors, including institutional investors while reflecting PLYTEC Group's current scale of operations. This will in turn enhance the attractiveness and marketability of PLYTEC Shares.

Further, the Proposed Transfer is also expected to enhance the confidence of PLYTEC Group's customers, suppliers, business associates, employees and shareholders, through its profile as a company listed on the Main Market of Bursa Securities.

3.2 Proposed Amendments

The Proposed Amendments is necessary to facilitate the implementation of the Proposed Transfer, as well as to enhance administrative efficiency.

4. EFFECTS OF THE PROPOSALS

The Proposals will not have any effect on the issued share capital and substantial shareholders' shareholdings of the Company, as well as the net assets, gearing, earnings and earnings per share of PLYTEC Group.

5. APPROVALS REQUIRED

The Proposals are subject to the following approvals being obtained:

- (i) the SC, for the Proposed Transfer;
- (ii) Equity Compliance Unit of the SC, for the resultant equity structure after the Proposed Transfer;
- (iii) Bursa Securities, for the transfer of the listing of quotation for the entire issued share capital of the Company from the ACE Market to Main Market of Bursa Securities;
- (iv) the shareholders of PLYTEC, for the Proposed Amendments at an annual general meeting ("**AGM**") of the Company to be convened; and
- (v) any other relevant authorities, if required.

The Proposals are inter-conditional upon each other.

The Proposed Amendments is subject to shareholders' approval at the AGM of the Company, and will only take effect from the date PLYTEC is transferred from the ACE Market to the Main Market of Bursa Securities pursuant to the Proposed Transfer.

The Proposals are not conditional upon any other corporate proposals undertaken or to be undertaken by the Company.

6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders, chief executive of the Company and/or persons connected with them have any interest, either direct or indirect, in the Proposals.

7. DIRECTORS' STATEMENT

The Board, having considered all aspects of the Proposals, is of the opinion that the Proposals are in the best interest of the Company.

8. ADVISER

KAF IB has been appointed as the Principal Adviser to the Company for the Proposals.

9. ESTIMATED TIMEFRAME FOR THE COMPLETION

Barring any unforeseen circumstances and subject to all relevant approvals being obtained, the Proposals are expected to be completed by the second half of 2025.

10. APPLICATION TO THE AUTHORITIES

The application to the SC in relation to the Proposed Transfer is expected to be made within two (2) months from the date of this announcement.

This announcement is dated 30 April 2025.