PLYTEC®

PLYTEC HOLDING BERHAD

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

DRIVING INDUSTRIALIZATION & DIGITALIZATION IN BUILT ASSET LIFE CYCLE

ANNUAL REPORT 2023

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Scan this for access to our Investor Relations webpage, where you can view our Annual Report and other Financial Information.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Datuk Dr. Ir. Ahmad Tajuddin bin Ali
Independent Non-Executive Chairman

Yang Kian Lock
Group Managing Director/ Chief Executive Officer

Ir. Louis Tay Chee Siong
Executive Director/ Chief Operating Officer

Ir. Han Liang Kwang
Executive Director/ Head of Engineering

Anita Chew Cheng Im
Independent Non-Executive Director

Kow Hoay Lee
Independent Non-Executive Director

Goik Kenzu
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Anita Chew Cheng Im *(Chairperson)*
Kow Hoay Lee
Goik Kenzu

COMPANY SECRETARIES

Yeow Sze Min (MAICSA 7065735)
SSM PC No. 201908003120
Yee Kit Yeng (MAICSA 7068292)
SSM PC No. 202208000022

REGISTERED OFFICE

Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur,
Wilayah Persekutuan
Tel : 03-2084 9000
Fax : 03-2094 9940/03-2095 0292
Email : info@sshsb.com.my

PRINCIPAL PLACE OF BUSINESS

No. 19, Jalan Meranti Permai 3,
Meranti Permai Industrial Park,
Batu 15, Jalan Puchong,
47100 Puchong,
Selangor Darul Ehsan
Tel : 03-8061 2888
Fax : 03-8061 4888
Website : https://www.plytec.com.my
Email : general@plytec.com.my

SHARE REGISTRAR

Securities Services (Holdings) Sdn. Bhd.
[Registration No. 197701005827 (36869-T)]
Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur,
Wilayah Persekutuan
Tel : 03-2084 9000
Fax : 03-2094 9940/03-2095 0292
Email : info@sshsb.com.my

NOMINATION COMMITTEE

Anita Chew Cheng Im *(Chairperson)*
Kow Hoay Lee
Goik Kenzu

REMUNERATION COMMITTEE

Goik Kenzu *(Chairman)*
Anita Chew Cheng Im
Kow Hoay Lee

AUDITORS

Crowe Malaysia PLT
[Registration No. 201906000005 (LLP0018817-LCA) & AF 1018]
Level 16, Tower C, Megan Avenue 2,
12, Jalan Yap Kwan Seng,
50450 Kuala Lumpur,
Wilayah Persekutuan
Tel : 03-2788 9999
Fax : 03-2788 9998

SPONSOR

KAF Investment Bank Berhad
[Registration No. 197401003530 (20657-W)]
Level 13A, Menara IQ,
Lingkaran TRX,
Tun Razak Exchange,
55188 Kuala Lumpur,
Wilayah Persekutuan
Tel : 03-2708 2800
Fax : 03-2708 2801

PRINCIPAL BANKERS

Al Rajhi Bank Malaysia
Hong Leong Bank Berhad
HSBC Bank Malaysia Berhad
OCBC Bank (Malaysia) Berhad
United Overseas Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

Listed on ACE Market,
Bursa Malaysia Securities Berhad
on 15 November 2023

Stock Name : PLYTEC
Stock Code : 0289
Sector : Industrial Products & Services

GROUP CORPORATE STRUCTURE

PLYTEC®

PLYTEC HOLDING BERHAD

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- **100%** — **PLYTEC Formwork System Industries Sdn. Bhd.** 201201004139 (977664-U)
- **100%** — **BIM Engineering Solution & Technology Sdn. Bhd.** 201301001423 (1031260-M)
  - **100%** — **Integrated BIM Academy (M) Sdn. Bhd.** 201801028735 (1290761-U)
- **100%** — **Sudut Swasta Sdn. Bhd.** 199701032127 (447626-X)
- **100%** — **PLYTEC Fencing System Industries Sdn. Bhd.** 200201011444 (579107-X)
- **100%** — **PLYTEC IBS System MFG Sdn. Bhd.** 201701009724 (1223889-M)
- **100%** — **Sudut Swasta Property Sdn. Bhd.** 201801043009 (1305041-M)
- **75%** — **PC Forging Malaysia Sdn. Bhd.** 202001036335 (1392656-K)

CHAIRMAN'S STATEMENT

for PLYTEC Holding Berhad (2023)

"

Dear Shareholders,

OUR GROUP'S SUCCESSFUL LISTING ON THE ACE MARKET OF BURSA MALAYSIA ON 15 NOVEMBER 2023 IS A REFLECTION OF OUR DEDICATION TO EMBRACE EXCELLENCE AND INNOVATION IN ORDER TO BECOME A TRUSTED PARTNER IN THE CONSTRUCTION INDUSTRY.

WE ARE ALSO CONFIDENT THAT OUR OPERATING LANDSCAPE MOVING FORWARD WILL REMAIN FAVOURABLE IN TANDEM WITH ECONOMIC GROWTH AND PROGRESSIVE NATION BUILDING.

"

On this positive note and on behalf of the Board of Directors of PLYTEC Holding Berhad ("**the Board**"), it is my pleasure to present our inaugural annual report and financial statements of the Company and the Group of Companies ("**PLYTEC**" or "**the Group**") for the financial year ended 31 December 2023 ("**FYE 2023**").

RESILIENCE AMIDST MARKET DYNAMICS

PLYTEC has demonstrated remarkable resilience in spite of the ever-evolving operating landscape within the construction industry. This stem from our unwavering commitment to innovation, operational excellence and sustainable growth.

The ever-stringent requirements in relation to Occupational Safety and Health in Construction Industry (Management) enforced by the Department of Occupational Safety and Health (DOSH) and also the stricter compliance standards to ensure the quality of building materials stipulated by the Construction Industry Development Board (CIDB) offer PLYTEC an attractive growth opportunity in this area.

PLYTEC has always emphasized on the important of safety at work and our solutions are in compliance with the highest safety regulations and standards. This has proved to be very reassuring to businesses and workers alike and have helped us to establish trust and confidence with our clients throughout the years.

In support of the Construction Industry Transformation Program (CITP), which is focused on enhancing productivity, sustainability and competitiveness within the construction industry, we at PLYTEC have also directed our efforts towards digital design and engineering ("**DDE**").

Our DDE segment began in 2018 through the exploration of Building Information Modelling ("**BIM**"), which has enabled the creation of digital representation of structures, buildings and services using 3D model in various stages of the construction life cycle. Notably, our DDE solutions have made it into the Malaysian Book of Record (MBR) as the first organisation accredited with BS EN ISO 19650-1 & 2: 2018 by BSI Assurance UK Limited, which are accreditations that are related to BIM.

FINANCIAL PERFORMANCE

For the financial year ended 31 December 2023, PLYTEC recorded revenue of **RM164.77 million**, which marks a 4.23% increase compared to a year ago.

The improvement in revenue was due to the diversification of our business streams to include Construction Method Engineering (CME), Building Materials Distribution (BMD), DDE well as Prefabricated Construction (PC) solutions.

A more thorough review of our performance and operating outlook are detailed in the Management Discussion and Analysis section of this Annual Report.

CHAIRMAN'S STATEMENT
for PLYTEC Holding Berhad (2023)
(Cont'd)

STRATEGIC FOCUS

The construction industry, particularly in the sector that we operate, has witnessed a significant shift in recent years. There has been a shift from capital investment in equipment purchases toward equipment rental. By putting in place an option to rent, PLYTEC can offer more value to our customers in terms of flexibility, cost efficiencies and project-specific-needs-based solutions.

PLYTEC remains committed to securing additional rental income from our equipment. We believe that our continued focus towards optimising asset utilisation while expanding our equipment portfolio will help us drive long-term value creation for our shareholders.

We also recognise that our success is intertwined with the well-being of our stakeholders. On this note, PLYTEC has and will continue to actively contribute positively to the communities where we operate in while emphasising inclusivity and sustainable practices within our organisation.

OUTLOOK

As we move forward, PLYTEC will remain committed towards:

1. **innovation**, by leveraging on technology to enhance our services in tandem with the digital construction transformation;
2. **sustainability**, by balancing growth with the prioritisation of environmental, social and governance (ESG) risk and opportunities; and
3. **enhancing stakeholders' value** by creating tangible value for our shareholders, employees and the wider community in a sustainable manner.

APPRECIATION

I would like to take this opportunity to thank my fellow Board of Directors for their invaluable wisdom and insights in facilitating the Board's leadership role and fiduciary duties for the Group.

We would also like to commend our management team, led by our Group Managing Director and Chief Executive Officer (GMD & CEO), Mr. Yang Kian Lock, for their dedication and agility. Their relentless pursuit of excellence continues to drive our operational efficiency and customer satisfaction. Their action is indeed aligned with PLYTEC's core value of Innovation, Integrity and Excellence (IIE).

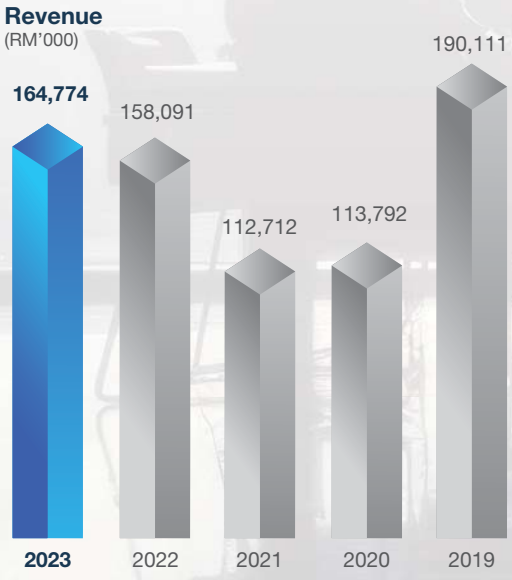
Last but not least, I would like to say Terima Kasih to our shareholders, employees, and business partners for their unwavering support and contribution to the Group. Together, we will continue to build a resilient and prosperous future for PLYTEC.

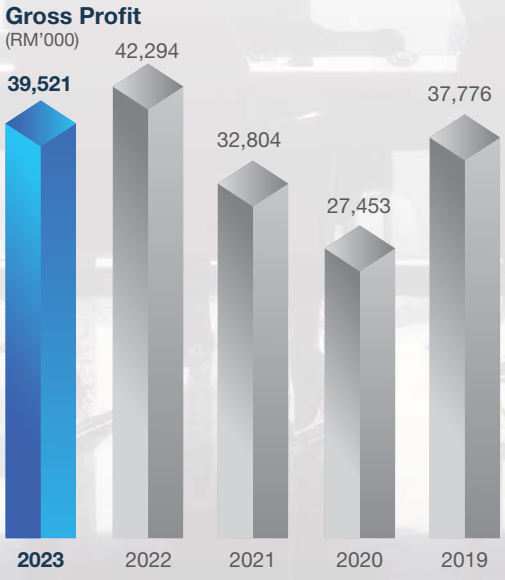
Sincerely,

Tan Sri Datuk Dr. Ir. Ahmad Tajuddin bin Ali
Chairman PLYTEC Holding Berhad

5 YEARS FINANCIAL HIGHLIGHTS

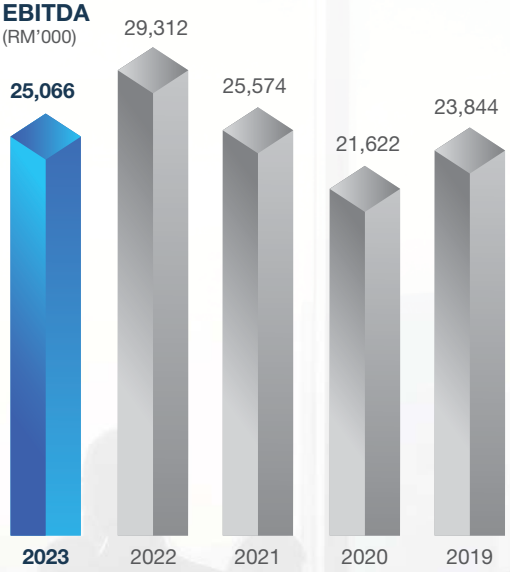
Financial Year Ended 31 December	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000	2019 RM'000
Revenue	164,774	158,091	112,712	113,792	190,111
Gross Profit	39,521	42,294	32,804	27,453	37,776
Earnings Before Interest, Tax, Depreciation & Amortisation ("EBITDA")	25,066	29,312	25,574	21,622	23,844
Profit Before Taxation	10,114	18,747	14,836	10,264	10,789
Profit After Taxation	6,588	13,737	10,838	7,174	7,914
Profit After Taxation Attributable to Owners of the Company	6,461	13,688	10,814	7,174	7,914
Total Assets	233,304	178,209	161,257	159,829	176,786
Total Equity	126,015	83,860	72,375	61,535	54,361
Equity attributable to Owners of the Company	125,517	83,491	72,303	61,535	54,361



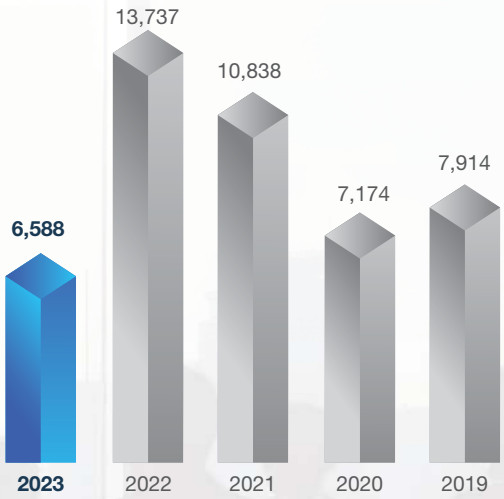


5 YEARS FINANCIAL HIGHLIGHTS
(Cont'd)

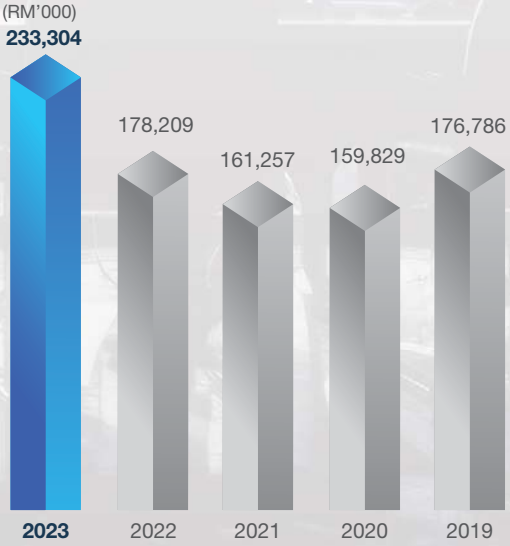
EBITDA
(RM'000)



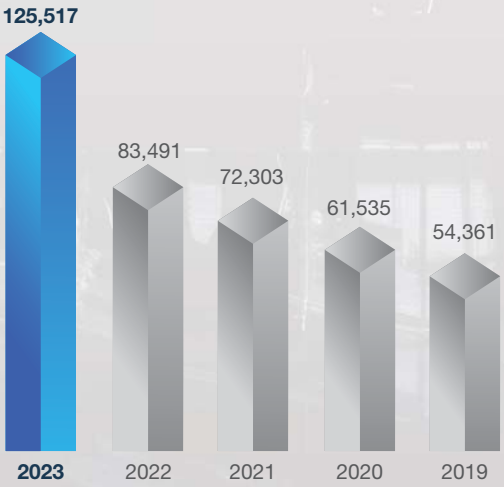
Profit After Taxation
(RM'000)



Total Asset
(RM'000)



Equity attributable to Owners of the Company
(RM'000)



BOARD OF DIRECTORS' PROFILE

Tan Sri Datuk Dr. Ir. Ahmad Tajuddin bin Ali

Independent Non-Executive Chairman

Tan Sri Datuk Dr. Ir. Ahmad Tajuddin bin Ali, a Malaysian, male, aged 76, is the Independent Non-Executive Chairman of the Company. He was appointed to the Board of PLYTEC Holding Berhad ("**PLYTEC**" or "**Company**") on 1 March 2022. He attended all six (6) Board meetings of the Company held in the financial year ended 31 December 2023. He is not a member of any Board Committee of the Company.

Academic/Professional Qualifications:

- Registered professional engineer with the Board of Engineers Malaysia (P.Eng).
- Ordinary National Diploma in Engineering from Brighton Technical College, Brighton, United Kingdom in 1970.
- First Class Honours in Bachelor of Science (Engineering) from King's College, University of London in August 1973.
- Doctorate in Nuclear Engineering from Queen Mary College, University of London in 1977.
- Completed his post-doctoral work in nuclear engineering at Oregon State University, United States in 1977 and at Pennsylvania State University, United States in 1978.
- Senior Fellow of the Academy of Sciences Malaysia carrying the title "Academician" since April 2017.
- Fellow of the Institution of Engineers Malaysia (FIEM).
- Fellow of the ASEAN Federation of Engineering Organisations (AFEO).
- Fellow of the ASEAN Academy of Engineering and Technology (AAET).
- Conferred the Honorary Doctor of Science Degree by Universiti Putra Malaysia (UPM) in 2000.
  - Honorary Doctor of Engineering Degree by Universiti Tenaga Nasional (UNITEN) in 2008.
  - Honorary Doctor of Science Degree by Universiti Malaysia Terengganu (UMT) in 2009.
  - Honorary Doctor of Engineering Degree by Universiti Teknikal Malaysia Melaka (UTeM) in 2014.
  - Honorary Doctor of Science Degree by Universiti Kebangsaan Malaysia (UKM) in 2015.
  - Honorary Doctorate of Management Degree by Universiti Malaysia Perlis (UniMAP) in 2016.

Experience:

Tan Sri Dr. Tajuddin began his career as an Assistant Engineer with the National Electricity Board, Malaysia in 1973, and he was sent to pursue his doctorate in Nuclear Engineering at Queen Mary College, University of London. He joined Tun Ismail Atomic Research Centre ("**PUSPATI**") as a Senior Research Officer and was promoted as the Deputy Director (Operations) of PUSPATI in 1983. In 1985, he joined the International Atomic Energy Agency (IAEA) as a field expert based in Jakarta.

In 1988, Tan Sri Dr. Tajuddin assumed the position of Deputy Director General of the Nuclear Energy Unit (UTN). Subsequently, he had served as the Director General of SIRIM Berhad, then as the Chairman/Chief Executive of Tenaga Nasional Berhad. In 2002, he was appointed as the President of Malaysia University of Science and Technology for a period of 2 years up to 2004. Tan Sri Dr. Tajuddin was the Non-Executive Chairman of the UEM Group of Companies from 2007 to December 2017.

Present Directorship:

Currently, he is actively involved in several other companies and statutory bodies in various capacities, which includes, acting as the Chairman of the Board of Linde Malaysia Holdings Berhad (unlisted public company), ITMAX System Berhad (a public company listed on Main Market) and Malakoff Corporation Berhad (a public company listed on Main Market). He is also a member of the Board of Institut Integriti Malaysia (IIM) and Malaysian Shoaiba Consortium Sdn. Bhd. He is also the Joint-Chairman (Industry) of the Malaysian Industry-Government Group for High Technology (MIGHT).

Other information:

He is currently a member of Northern Corridor Implementation Authority (NCIA), chaired by the Prime Minister of Malaysia and a member of Advisory Council of Federation of Malaysian Manufacturers (FMM). He is also a member of the Board of Trustees of the Tropical Science Foundation *(formerly known as the Mahathir Science Award Foundation)* and the member of the Board of Governors of the Malay College Kuala Kangsar, his alma mater. He is also the Pro-Chancellor of Universiti Tenaga Nasional (UNITEN).

Tan Sri Dr. Tajuddin does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He does not have any family relationships with any other Director or major shareholder of the Company. He has neither been convicted for any offences within the past five (5) years other than traffic offences, if any, nor received any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2023.

BOARD OF DIRECTORS' PROFILE
(Cont'd)

Yang Kian Lock
Group Managing Director/Chief Executive Officer

Yang Kian Lock, a Malaysian, male, aged 55, is the founder and Group Managing Director/Chief Executive Officer of the Company, and has been with PLYTEC Group ("**PLYTEC Group**" or "**the Group**") since March 1999. He was appointed to the Board of PLYTEC on 1 June 2018. He attended all six (6) Board meetings of the Company held in the financial year ended 31 December 2023. He is not a member of any Board Committee of the Company.

Academic/Professional Qualifications:

- Graduateship of the Institute of Chartered Secretaries and Administrators (ICSA), Malaysia in 1994.
- Member of the Technological Association Malaysia (M.T.A.M.).
- Registered Professional Technologist (P.Tech.) with the Malaysia Board of Technologists ("**MBOT**").

Experience:

Mr. Yang is an entrepreneur with approximately 30 years of experience in the construction building materials industry. He first gained exposure to sales and marketing activities in 1989 as an independent sales representative with American Express (M) Sdn. Bhd. in the marketing of credit cards. He left American Express (M) Sdn. Bhd. in 1990 to pursue his ICSA professional qualification.

Over the course of his career, beginning in 1993, he has accumulated extensive experience in sales and marketing within the steel wire mesh industry. In 1997, he took on the role of Marketing Manager, where he was responsible for overseeing and managing a marketing team tasked with the sales and marketing of cut-and-bent steel products that are made to prescribed engineering requirements for use in the construction industry.

In March 1999, relying on the technical knowledge in the engineering of various construction building materials acquired by him throughout the years, he together with 2 business partners, acquired Sudut Swasta Sdn. Bhd. ("**SS**") to venture into trading and distribution of building materials such as cut-to-size wire mesh, plywood and timber products.

He subsequently diversified the business of SS to include wire mesh fencing products, supply of construction formwork and construction engineering solutions by incorporating PLYTEC Fencing System Industries Sdn. Bhd. in 2002, PLYTEC Formwork System Industries Sdn. Bhd. in 2012 and PLYTEC IBS System MFG Sdn. Bhd. in 2017. In 2018, he was appointed as a director of BIM Engineering Solution & Technology Sdn. Bhd.

He has been actively participating in industry associations to advocate and promote the interests of the construction building materials industry in Malaysia. He has been an active executive committee member of the Building Materials Distributors Association of Malaysia ("**BMDAM**") since 2004. He served as the President of BMDAM from 2014 to 2016 and was re-elected for a second term from 2016 to 2018.

He was also appointed as a member of the Productivity Nexus under the Professional Service Industry by the Malaysia Productivity Corporation for the term of 2017 to 2019. In 2017, he was recognised as SME Icons by Malaysian Service Providers' Confederation ("**MSPC**") for his outstanding contributions towards innovative, articulative and motivative talents that led the industry. In 2019, he was appointed as a council member of the MSPC. From 2016 to 2018, he was also actively participating in the implementation of the Construction Industry Transformation Programme (CITP) initiated by Construction Industry Development Board.

As the Group Managing Director, he spearheaded the business plans and strategies to facilitate the growth of the Group to become a specialist in providing construction engineering solutions and pioneering digitalisation in the Malaysian construction industry. Under his leadership and guidance, the Group has grown rapidly to become one of the leaders in providing construction method engineering (CME) Solutions in falseworks and integrated digital delivery with the adoption of Building Information Modelling technology.

Present Directorship:

Mr. Yang does not hold directorship in any other public company and listed companies. He is currently the Group Managing Director/Chief Executive Officer of the Group and the director of PLYTEC's subsidiaries. He is also a major shareholder of the Company.

Other information:

Saved as disclosed above, Mr. Yang does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He does not have any family relationships with any other Director or major shareholder of the Company. He has neither been convicted for any offences within the past five (5) years other than traffic offences, if any, nor received any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2023.

BOARD OF DIRECTORS' PROFILE
(Cont'd)

Ir. Louis Tay Chee Siong
Executive Director/Chief Operating Officer

Ir. Louis Tay Chee Siong, a Malaysian, male, aged 53, is the Non-Independent Executive Director/Chief Operating Officer of the Company and has been with the Group since June 2013. He was appointed to the Board of PLYTEC on 1 June 2018. He attended all six (6) Board meetings of the Company held in the financial year ended 31 December 2023. He is not a member of any Board Committee of the Company.

Academic/Professional Qualifications:

- Master of Science in Temporary Works and Construction Method Engineering from the City, University of London in 2024.
- Bachelor of Science in Engineering (Civil) from the University of Manitoba, Canada in 1996.
- Registered Professional Engineer with the Board of Engineers Malaysia.
- Registered Professional Technologist with the MBOT (P.Tech.).
- Chartered Engineer with the Engineering Council of United Kingdom.
- Fellow of the ASEAN Academy of Engineering and Technology (AAET).
- Fellow of the Academy of Engineering and Technology for the Developing World (AETDEW).
- Fellow of the Technological Association of Malaysia (LF.M.T.A.M.).
- Fellow of the Institution of Civil Engineers United Kingdom.
- Certified Construction Manager by the Construction Industry Development Board.
- Qualified Design For Safety (DFS) Professional.
- Occupational Safety and Health in Construction Industry (Management) Professional.

Experience:

Ir. Louis Tay began his career as a Civil and Structural Engineer with Nusareka Jurutera Konsultant Sdn. Bhd. in 1996, where he designed and supervised the construction of various housing projects and the venue upgrading for the KL Commonwealth Games in 1998. He was transferred to Jehantech Sdn. Bhd., an affiliate of Nusareka Jurutera Konsultant Sdn. Bhd., in 1998 as a Project Engineer and was promoted to the position of Project Manager in 2000 and subsequently to the position of Project Director in 2008. In Jehantech Sdn. Bhd., he led project implementation activities both in the form of project and construction management on a wide range of design and build projects and anchored the management and implementation of a large scale of projects undertaken by the company. He left Jehantech Sdn. Bhd. in 2011 and joined M+W High Tech Projects Malaysia Sdn. Bhd. as a Construction Manager. In his capacity as Construction Manager, he was in charge of civil, structural and architectural construction management works.

In 2013, he left M+W High Tech Projects Malaysia Sdn. Bhd. and joined SS as its Business Development and Technical Director. In his capacity as Business Development and Technical Director, he was primarily responsible for the development, diversification and expansion of the core business competencies of the company. He also assisted in establishing new business entities within the Group carrying the PLYTEC brand name.

Present Directorship:

Ir. Louis Tay does not hold directorship in any other public company and listed companies. He is currently the Executive Director/Chief Operating Officer of the Group and the director of PLYTEC's subsidiaries, except for BIM Engineering Solution & Technology Sdn. Bhd.

Other information:

Ir. Louis Tay is the brother of Ms. Tay Bin Joo, who is currently employed by PLYTEC IBS System MFG Sdn. Bhd.

Saved as disclosed above, Ir. Louis Tay does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has neither been convicted for any offences within the past five (5) years other than traffic offences, if any, nor received any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2023.

BOARD OF DIRECTORS' PROFILE
(Cont'd)

Ir. Han Liang Kwang
Executive Director/Head of Engineering

Ir. Han Liang Kwang, a Malaysian, male, aged 51, is the Non-Independent Executive Director/Head of Engineering of the Company, and has been with the Group since September 2016. He was appointed to the Board of PLYTEC on 1 June 2018. He attended five (5) out of six (6) Board meetings of the Company held in the financial year ended 31 December 2023. He is not a member of any Board Committee of the Company.

Academic/Professional Qualifications:

- Bachelor of Science in Engineering (Electrical) from the University of Manitoba, Canada in 1996.
- Registered Professional Engineer with practising certificate (PEPC) with the BEM.
- Registered Professional Technologist with MBOT (P.Tech.).
- Associate fellow of the ASEAN Academy of Engineering and Technology (AAET).
- Certified Building Information Modelling ("**BIM**") Asset Information Professional by the BSI Training Academy.
- Certified BIM Project Information Professional by the BSI Training Academy.
- Certified BIM Manager by Construction Industry Development Board.

Experience:

Ir. Han Liang Kwang ("**Ir. Edward Han**") began his career as an Assistant Electrical Engineer with Nusareka Jurutera Konsultant Sdn. Bhd. ("**Nusareka**") in 1996, where he prepared the engineering designs of electrical and extra low voltage systems. He then joined Ranhill Bersekutu Sdn. Bhd. in 1997 as an Electrical Engineer.

In 1998, he joined Samling DorFoHom Sdn. Bhd. as a Senior Engineer, where he assumed the role of the maintenance lead of production plants and facilities until 2002. Prior to rejoining Nusareka in 2003, he assumed the role as a Senior Project Engineer in Sysnet Control Sdn. Bhd. in 2003. As a Senior Engineer in Nusareka, he led the engineering design and construction of mechanical, electrical and process ("**MEP**") systems of high technology projects. He left Nusareka in 2007 and joined M+W Zander (Penang) Sdn. Bhd. in 2007 as a Senior Engineer (Electrical), where he led the engineering design and construction of electrical systems and the facility management and control system (FMCS). He remained with M+W Zander (Penang) Sdn. Bhd. until 2013 before he joined Perunding Wepco Sdn. Bhd. as an Associate in 2013. In Perunding Wepco Sdn. Bhd., he began to transition from a technical role to a management role, where he was responsible for overseeing and managing consultancy services provided by the company on the MEP systems of various residential, commercial and institutional projects.

He left Perunding Wepco Sdn. Bhd. in 2016 and joined PLYTEC Formwork System Industries Sdn. Bhd. ("**PFWSI**") as the Head of Division of Engineering in September 2016. As the Head of Division of Engineering, he led the engineering division of PFWSI and oversaw product engineering development and operations by identifying, developing and managing resources to support engineering developments. In particular, he played a pivotal role in the acquisition of and setting up of the BIM technology and processes for industrialised building system (IBS) formwork solutions. In July 2018, he joined BIM Engineering Solution & Technology Sdn. Bhd. as a Technical Director and has been overseeing the development, management and operation of the BIM engineering division. Subsequently upon the completion of the acquisition of BIM Engineering Solution & Technology Sdn. Bhd. by the Company, he was redesignated as the Head of Engineering of the Group on 1 August 2022.

Present Directorship:

Ir. Edward Han does not hold directorship in any other public company and listed companies. He is currently the director of BIM Engineering Solution & Technology Sdn. Bhd.

Other information:

Ir. Edward Han holds 80% of shareholdings in Hanyoong Consult Sdn. Bhd., a private limited company that provides technical support services to BIM Engineering Solution & Technology Sdn. Bhd., PFWSI and PLYTEC IBS System MFG Sdn. Bhd.

Saved as disclosed above, Ir. Edward Han does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He does not have any family relationships with any other Director or major shareholder of the Company. He has neither been convicted for any offences within the past five (5) years other than traffic offences, if any, nor received any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2023.

BOARD OF DIRECTORS' PROFILE
(Cont'd)

Anita Chew Cheng Im
Independent Non-Executive Director

Anita Chew Cheng Im, a Malaysian, female, aged 57, is the Independent Non-Executive Director of the Company. She was appointed to the Board of PLYTEC on 1 August 2022. She attended all six (6) Board meetings of the Company held in the financial year ended 31 December 2023. She is the Chairperson of both the Audit and Risk Management Committee and Nomination Committee and a member of the Remuneration Committee.

Academic/Professional Qualification:

- Bachelor of Economics, majoring in accounting from Monash University, Australia in 1990.

Experience:

Ms. Anita Chew started her career in the audit department of KPMG Melbourne, Australia in 1990 as an Audit Assistant. While in KPMG, she was engaged in the audit of audit clients in the media, retail and mining industries.

In 1992, she joined the corporate finance department of Bumiputra Merchant Bankers Berhad (now known as Alliance Investment Bank Berhad after the merger of Amanah Merchant Bank Berhad and Bumiputra Merchant Bankers Berhad). She left Alliance Investment Bank Berhad in 2003 and her last held position was Director of Corporate Finance. During her tenure with Alliance Investment Bank Berhad, she primarily advised on initial public offerings, fundraisings, mergers and acquisitions and corporate and debt restructuring exercises.

From 2003 to 2007, she joined Hwang-DBS Investment Bank Berhad as a Senior Vice President (Equity Market), where she assumed a similar role that she performed at Alliance Investment Bank Berhad.

Present Directorship:

Since she left the investment banking industry in 2007, she has been sitting on various corporate boards. Presently, Ms. Anita Chew is also an Independent Non-Executive Director of K-One Technology Berhad, Kimlun Corporation Berhad, SKP Resources Berhad and Kuchai Development Berhad, which are public companies listed on Main Market of Bursa Securities, and an Independent Non-Executive Director of Fortress Minerals Limited, a company listed on the Singapore Exchange.

Other information:

Ms. Anita Chew does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. She does not have any family relationships with any other Director or major shareholder of the Company. She has neither been convicted for any offences within the past five (5) years other than traffic offences, if any, nor received any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2023.

BOARD OF DIRECTORS' PROFILE
(Cont'd)

Kow Hoay Lee
Independent Non-Executive Director

Kow Hoay Lee, a Malaysian, female, aged 43, is the Independent Non-Executive Director of the Company. She was appointed to the Board of PLYTEC on 1 August 2022. She is a member of the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee. She attended all six (6) Board meetings held in the financial year ended 31 December 2023.

Academic/Professional Qualifications:

- Advanced Diploma in Commerce (Financial Accounting) from Tunku Abdul Rahman College in 2003.
- Fellow of the Association of Chartered Certified Accountants (FCCA).
- Member of the Malaysian Institute of Chartered Accountants (MIA).

Experience:

Ms. Kow has over 19 years of experience in the fields of audit, accounting and finance. She has extensive experience in audit work (both internal and external) on listed and non-listed companies in various industries, including property development, construction, manufacturing, trading and real estate. She was also involved in operational and management audits, due diligence and initial public offerings exercise.

She is presently an Audit Partner of Danny Loo & Co. PLT, KHLC PLT and TPL & Co. where she is in charge of planning and managing the firms' audit engagements and developing and growing their client base.

Present Directorship:

Ms. Kow does not hold directorship in any other public company and listed companies.

Other information:

Ms. Kow does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. She does not have any family relationships with any other Director or major shareholder of the Company. She has neither been convicted for any offences within the past five (5) years other than traffic offences, if any, nor received any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2023 save and except for a fine imposed by the Malaysian Institute of Accountants.

BOARD OF DIRECTORS' PROFILE
(Cont'd)

Goik Kenzu
Independent Non-Executive Director

Goik Kenzu, a Malaysian, male, aged 54, is the Independent Non-Executive Director of the Company. He was appointed to the Board of PLYTEC on 6 July 2023. He is the Chairman of the Remuneration Committee and a member of the Audit and Risk Management Committee and Nomination Committee. He attended all three (3) Board meetings held since his appointment to the Board.

Academic/Professional Qualification:

- Bachelors of Law degree with Honours from the University of London, United Kingdom in 1993.

Experience:

Mr. Goik obtained his Certificate in Legal Practice in 1995 and was subsequently called to the Malaysian Bar in 1996. He has over 28 years of experience practicing as an advocate and solicitor in several firms, with practicing in the areas of dispute resolution, corporate and real estate, family law, property and conveyancing. He was also involved in various arbitration and construction dispute matters at the Federal Court.

In 2016, he joined Messrs. Ramesh & Loo as a partner. Following the change of name of the law firm to Messrs. Goik Ramesh & Loo in 2018, he has been the managing partner of the firm since then.

In his capacity as the managing partner of Messrs. Goik Ramesh & Loo he continues his legal practice in advising on real estate-related matters, including the acquisition and disposal of commercial, industrial and development lands as well as commercial, industrial and residential properties and joint venture development projects. He is also responsible for managing the firm's day-to-day business, including managing the firm's legal engagements, client relationship management, securing mandates and matters relating to general administration of the firm.

Present Directorship:

Mr. Goik does not hold directorship in any other public company and listed companies.

Other information:

Mr. Goik does not have conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He does not have any family relationships with any other Director or major shareholder of the Company. He has neither been convicted for any offences within the past five (5) years other than traffic offences, if any, nor received any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2023.

KEY SENIOR MANAGEMENT'S PROFILE

Lim Boon Ping
Chief Financial Officer

Lim Boon Ping, a Malaysian, male, aged 34, is the Chief Financial Officer of the Group. He has been primarily responsible for overseeing the Group's finance and accounting management, business performance, treasury functions and regulatory compliance to ensure that the Group meets its business objectives in terms of returns, profitability and cash flow.

Academic/Professional Qualifications:

- Bachelor of Commerce (Hons) from University Tunku Abdul Rahman in 2012.
- Member of the Association of Chartered Certified Accountants (ACCA).
- Member of the Malaysian Institute of Accountants (MIA).

Experience:

Mr. Lim began his career in the audit division of Siew Boon Yeong & Associates, an audit firm in 2011, where he was involved in audit work on companies in various industries, including property development, construction, manufacturing, trading and real estate.

He then joined SS as an Accountant in June 2018, where he was responsible for the Company's accounts and the presentation of analysis of financial matters to the management and board of directors. He was also responsible for overseeing the accounting policies and procedures of the company. In February 2021, He was promoted to the position of Senior Manager and subsequently to Group Accountant in August 2021. On 1 August 2022, Mr. Lim was redesignated to the position of Chief Financial Officer and he continues to play a similar role in addition to being in charge of all treasury and financing functions of the PLYTEC Group.

Other information:

Mr. Lim does not hold any directorship in public companies and listed companies. He does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He does not have any family relationships with any other Director or major shareholder of the Company. He has neither been convicted for any offences within the past five (5) years other than traffic offences, if any, nor received any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

PLYTEC Group is an investment holding company and through its subsidiaries, we are involved in the provision of construction engineering solutions and services as well as trading and distribution of building materials.

OVERVIEW OF OUR BUSINESS

Our construction engineering solutions and services include Construction Method Engineering ("**CME**") Solutions, Digital Design Engineering ("**DDE**") Solutions and Prefabricated Construction ("**PC**") Solutions that are aimed at increasing the efficiency and safety in construction activities via the adoption of industrialisation practices, supported by digitalisation of construction processes.

CME Solutions

Our CME Solutions focus on the provision of new and refurbished temporary works equipment for sale and rental together with the provision of solutions that support the forming and safe erection of concrete structures. Our solutions include supply of temporary works equipment with engineering design and technical support which enables the use and safe erection of temporary works during construction, on-site monitoring and coordination of work as well as training on the safe use and procedural control practices.

Trading and distribution of building materials ("BMD")

We are also actively involved in the trading and distribution of core and general building materials for construction projects. Our product portfolio encompasses a wide range of items, including engineering wire mesh, perimeter fencing, plywood, K21 Mobile House, floor tiles, sanitary wares, cement, and steel bars, among others. By offering both core essentials and general building materials, we aim to meet the diverse needs of our customers while maintaining the highest standards of quality and reliability.

DDE Solutions

Our DDE Solutions involve the provision of digital designs and engineering solutions. Our offering of Building Information Modelling ("**BIM**"), a process to create digital representation of structures, buildings and services using 3D model, can be applied in various stages of the construction lifecycle. It promotes close collaboration and coordination between project professionals. Our services also include virtual design and construction, field verification, Occupational Safety and Health in Construction Industry (Management) ("**OSHCIM**") professional service and building condition assessment.

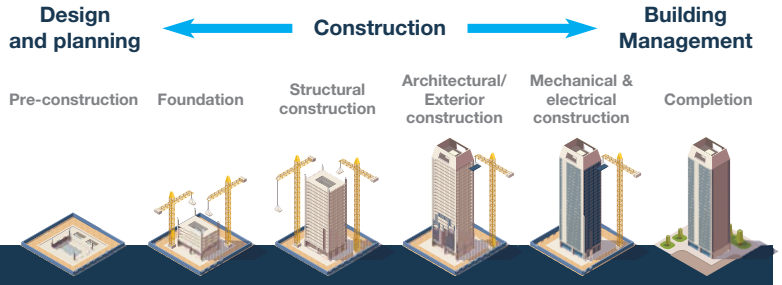
PC Solutions

Leveraging on our design and engineering experience, we also provide PC Solutions. It is a series of services and accessories that enable the use of prefabricated components in construction. Our offering in this segment includes the planning, designing, production planning and coordination throughout the manufacturing process of prefabricated components. It also extends to cover lifting and connection accessories that facilitates the transporting, lifting and connecting of prefabricated components from plant to construction site.

MANAGEMENT DISCUSSION AND ANALYSIS
(Cont'd)

OUR INVOLVEMENT IN CONSTRUCTION LIFE CYCLE

Our engineering solutions and services, along with trading and distribution of building materials can be applied throughout the entire construction lifecycle of a project from pre-construction, construction and to post-construction stages. This diagram summarises our business segments' presence in the construction lifecycle:



Business Segments						
CME Solutions	•	•	•	•	•	•
BMD	•	•	•	•	•	•
DDE Solutions	•	•	•	•	•	•
PC Solutions	•	•	•	•		

GROWTH STRATEGY

Focus on the latest industry landscape

In response to evolving industry dynamics within the CME Solutions segment, we have strategically realigned our focus towards the rental of temporary works equipment. This shift is driven by the imposition of stricter standards and requirements by regulatory bodies such as the Construction Industry Development Board ("**CIDB**"), particularly encapsulated in CIDB CIS 22:2021 - Safe use of scaffolding in construction and CIDB CIS 23:2021 - Safe use of falsework in construction, as well as the Department of Occupational Safety and Health ("**DOSH**") Guidelines for the safe use of self-climbing platforms.

We anticipate that this trend will persist, as customers increasingly recognise the value proposition offered by specialised temporary work solutions providers. Renting from such providers enables projects to meet stringent regulatory standards while minimising costs and efforts associated with compliance.

Our recent capital expenditure in FYE 2023 was strategically directed towards expanding our rental assets portfolio to meet the surge in demand for temporary works equipment rental.

Development of our facility on the Olak Lempit Land

We are strategically expanding our operations into the manufacturing of temporary works equipment to bolster our assets and reinforcing our ability to support both trading and rental services within this sector. Our decision to venture upstream is rooted in several key objectives:

i) Enhanced quality control - By bringing manufacturing in-house, we aim to elevate the quality standards of our equipment, ensuring superior products for our customers.
ii) Improved production efficiency - Direct oversight of the manufacturing process enables us to optimise schedules and efficiencies, resulting in quicker turnaround times and enhanced customer responsiveness.
iii) Strengthen supply chain management - Vertical integration will grant us greater control over our supply chain, minimising risks and enhancing cost management.

The development of our facility on the Olak Lempit Land also includes the establishment of a storage and logistics centre, and a dedicated hub for equipment rental and refurbishment. This multifaceted approach will significantly enhance the efficiency of our refurbishment process and streamline the storage and logistics of our rental equipment.

MANAGEMENT DISCUSSION AND ANALYSIS
(Cont'd)

GROWTH STRATEGY (Cont'd)

Continuous development of DDE Solutions segment

As part of our growth strategy in the DDE Solutions segment, our Group is strategically engaged in establishing a digital ecosystem in Sarawak to support the state's evolution into a smart city. We aim to position ourselves as a key industry player in this transformation by offering services such as standardizing information management systems, providing consultancy support, delivering hands-on training, and building capacity. Additionally, we are actively investing in research and development within the DDE sector to further enhance our capabilities and contribute to the ongoing digital transformation initiatives.

PERFORMANCE REVIEW

REVENUE

The revenue contributions made by the various segments are set out in the table below:-

	FYE 2023		FYE 2022		Change	
Segment	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
CME Solutions	64,006	38.84	67,725	42.84	(3,719)	(5.49)
BMD	92,449	56.11	81,655	51.65	10,794	13.22
DDE Solutions	5,612	3.41	6,817	4.31	(1,205)	(17.68)
PC Solutions	2,707	1.64	1,894	1.20	813	42.93
Others	-	-	*	*	*	*
Total	**164,774**	**100.00**	**158,091**	**100.00**	**6,683**	**4.23**

* *Less than RM1,000 and 1.00%*

During the financial year ended 31 December 2023 ("**FYE 2023**"), the Group recorded RM164.77 million in consolidated revenue, representing RM6.68 million or 4.23% increased from RM158.09 million in previous financial year ended 31 December 2022 ("**FYE 2022**"). The increase was mainly attributable to higher revenue recorded by the BMD segment, offset with the decline in revenue of CME Solutions segment. The overall performance of the operating business segments is set out under the "Review of Operating Business Segments".

Review of Operating Business Segments

- **CME Solutions**

  CME Solutions segment recorded a decrease of RM3.72 million or 5.49% in revenue, from RM67.73 million in FYE 2022 to RM64.01 million in FYE 2023. This was mainly attributable to an increasing number of customers opting to renting our temporary works equipment rather than outright purchases with most customers choosing to rent deck formwork, self-climbing platform, aluminium formwork, and heavy-duty modular shoring systems. The changes in trend has resulted the revenue contributions in sales revenue decreased by RM23.82 million and rental revenue increased by RM20.11 million in FYE 2023.

- **BMD**

  BMD segment's revenue recorded an increase of RM10.79 million or 13.22%, from RM81.66 million in FYE 2022 to RM92.45 million in FYE 2023. The increase was mainly attributable to higher sales volume for engineering wire mesh, plywood, and steel bars. The segment's revenue generated from sales of core products represents 49.43% (FYE 2022: 52.33%), while the remaining 50.57% (FYE 2022: 47.67%) was derived from sales of general products. Core products comprised of engineering wire mesh, perimeter fencing, plywood, K21 mobile house, while general products comprised of floor tiles, sanitary wares, cement, steel bars, pecaform and other general products.

MANAGEMENT DISCUSSION AND ANALYSIS
(Cont'd)

PERFORMANCE REVIEW (Cont'd)

REVENUE (Cont'd)

Review of Operating Business Segments (Cont'd)

- **DDE Solutions**

  DDE Solutions segment's revenue recorded a decrease of RM1.21 million or 17.68%, from RM6.82 million in FYE 2022 to RM5.61 million in FYE 2023. This was mainly attributable to progressive billings of semiconductor factories' projects in FYE 2022. The revenue for the current financial year mainly derived from the provision of BIM services to semiconductor and commercial sectors.

- **PC Solutions**

  PC Solutions segment recorded revenue of RM2.71 million in FYE 2023 (FYE 2022: RM1.89 million), with an increase of RM0.81 million or 42.93%. The growth of revenue of the segment was mainly contributed from the sales of lifting and connection accessories.

Correspondingly, the Group's earnings before interest, tax, depreciation and amortisation ("**EBITDA**") recorded a decrease of RM4.24 million or 14.47%, to RM25.07 million in FYE 2023 (FYE 2022: RM29.31 million). Profit before taxation ("**PBT**") decreased to RM10.11 million (FYE 2022: RM18.75 million) representing a decrease of RM8.64 million or 46.08%. The decline in PBT was primary attributable to higher labour cost and materials incurred for refurbishment of temporary works equipment; higher depreciation charges arise from the significant capital expenditure during the financial year; and higher leasing expenses of certain temporary works equipment sourced from third parties to cater for surge in rental demand of such equipment which are unable to be fulfilled by our Group's existing owned temporary works equipment. One-off listing expenses of RM2.71 million in FYE 2023 has also caused the decline in PBT during the financial year.

FINANCIAL POSITION

Total assets

As of 31 December 2023, the Group's total assets stood at RM233.30 million, marking a 30.91% increase from RM178.21 million at the end of FYE 2022, with the analysis as follows:

Non-current assets

Non-current assets increased from RM80.07 million as of 31 December 2022 to RM111.05 million as of 31 December 2023, representing an increase of RM30.98 million or 38.69%. The increase was primarily arisen from capital expenditure of temporary works equipment, amounting to RM38.14 million or 88.56% of total additions of property, plant and equipment, which aligned with the market development and our Group's product renewal strategies to adopt the change in trend in customer's preferences who opting for renting than outright purchase. The increase was partially offset with the depreciation charges of RM10.92 million during the financial year.

Current assets

As of 31 December 2023, the total current assets increased to RM121.77 million (FYE 2022: RM98.14 million) mainly attributable to increase in trade receivables and cash and bank balances with an increase of RM15.40 million and RM10.54 million, respectively. The increase in trade receivables was arising from the higher revenue in FYE 2023. While, the increase in cash and bank balances was mainly attributable to the proceeds from our public issue, offset with the reduction in other receivables, deposits and prepayments, which arise from charged out of Initial Public Offering ("**IPO**") listing expenses from prepayments.

MANAGEMENT DISCUSSION AND ANALYSIS
(Cont'd)

FINANCIAL POSITION (Cont'd)

Total equity

The Group's total equity grew by RM42.15 million or 50.26% to RM126.01 million (FYE 2022: RM83.86 million). The significant increase primarily attributable to the Group undertook a listing scheme which involved the share split to enhance the liquidity of the share at the time of Listing.

The Group undertook a subdivision of one (1) existing share into five (5) shares which resulted the Group's total issued share capital increased to 500,000,000 shares. Furthermore, pursuant to the listing scheme, a total of 106,060,600 new ordinary shares, representing approximately 17.50% of the Group's enlarged issued share capital was offered at our IPO Price of RM0.35. Upon completion of our public issue, our issued share capital increased from RM50.00 million to RM85.57 million. The listing expenses arising from the issuance of new ordinary shares amounting to RM1.56 million are offset against share capital and the remaining listing expenses of RM2.71 million are expensed off to profit or loss.

Total liabilities

The Group's total liabilities increased by 13.71% or RM12.94 million to RM107.29 million (FYE 2022: RM94.35 million). This increase was mainly attributable to higher total borrowings of RM10.69 million, arising from a significant increase in capital expenditure, which was partly financed by hire purchase in FYE 2023. The reduction of term loan of RM8.46 million was mainly due to repayment of term loan during the financial year. Despite this, the Group's net gearing ratio improved to 0.31 times in FYE 2023 (FYE 2022: 0.47 times).

CASH FLOWS

Net Inflows/(Outflows)	FYE 2023 RM'000	FYE 2022 RM'000	Variance RM'000	Variance %
Operating Activities	15,619	28,887	(13,268)	(45.93)
Investing Activities	(18,284)	(11,050)	(7,234)	65.47
Financing Activities	16,309	(17,355)	33,664	193.97
Closing Cash and Cash Equivalents	14,018	374	13,644	3,648.13

The Group's net cash generated from operating activities for FYE 2023, remained healthy at RM15.62 million, underscores the Group's strong operational resilience. Net cash for investing activities increased by 65.47% was principally due to purchase of property, plant and equipment during the financial year. Net cash for financing activities improved by 193.97% mainly arise from the issuance of new ordinary shares upon IPO listing. The substantial growth in closing cash and cash equivalents can primarily be attributed to the proceeds received from the IPO, coupled with the absence of bank overdrafts as at reporting period.

The Group's operations are financed through a combination of internal and external sources of funds. Internal sources of funds comprise mainly shareholders' equity and cash generated from our operations, while the external source of funds comprise bankers' acceptances, revolving credits, term loans, hire purchase and bank overdraft.

MANAGEMENT DISCUSSION AND ANALYSIS
(Cont'd)

RISK FACTORS

Our Group is vigilant of potential risks that could impact our operational and financial performance, and hence has devised the necessary safeguards and possible mitigating solutions to protect the interests of PLYTEC Group and our stakeholders.

Long-term contracts

We have not entered into any long-term contracts with our customers as our Group's sales are mainly derived from purchase orders whereby, our customers will purchase our products and/or services on a project-by-project basis or on an as and when needed basis. The lack of long-term contracts is largely due to the nature of our business and the needs of our customers. The lack of long-term contracts between our Group and our customers may lead to a fluctuation in our sales. Although we continuously seek to maintain and strengthen our existing business relationships as well as establish business relationships with new customers, any adverse economic conditions or factors adversely affecting our customers' industries may lead to a negative impact on our sales, thus affecting our financial performance.

Despite the absence of long-term contracts, our management are confident that our unwavering dedication to delivering our customers with quality products and services, coupled with our track record of successful engagements, and previous business dealings with customers would provide us with a platform for further business growth through repeat orders.

Dependency on the construction industry

Our Group is engaged in providing construction engineering services and in the trading and distribution of building materials within the construction sector. Consequently, we are susceptible to the inherent risks of the construction industry and the real estate construction market. These risks encompass construction delays, cost overruns, and the broader implications of a slowing Malaysian real estate construction market due to elevated property prices and home ownership challenges, alongside a persistent property overhang. Such conditions could diminish demand for construction services and, by extension, for our engineering services and building materials.

There is no guarantee against the adverse impacts these industry-specific risks may pose to the Malaysian construction sector. Despite our commitment to prudent management and operational strategies to navigate industry shifts, the effectiveness and timeliness of our adaptations are not assured. Should the Malaysian construction and real estate construction markets face downturns, our Group's operational efficacy and financial health could be compromised.

Our strategic approach involves proactive risk management and the pursuit of innovative solutions to address industry shifts. Furthermore, our diversified portfolio and commitment to operational excellence position us to capitalise on emerging trends and mitigate potential risks.

Competition

We compete with our competitors in terms of range of services and solutions, pricing, quality and timeliness of delivery, amongst others. Some of these industry players may have longer operating track record, financial resources as well as technical expertise to offer competitive products and solutions. In the event our competitors are able to offer products and services at prices that are more competitive than ours, we may be required to revise our pricing as part of securing new projects. In addition, we are also subject to competition from new entrants to the industry.

Competition makes us stronger and drives us to deliver better solutions. Whilst we strive to build and maintain our competitive advantages, there can be no assurance that any changes in the competitive environment would not have any material and adverse impact on our business and financial performance.

OUTLOOK

In 2023, the global economic landscape is expected to witness a moderated pace of expansion, with an estimated growth rate of 2.3% globally. While Malaysia's economy is projected to achieve growth within the range of 4.0% to 5.0%. Inflationary pressures are anticipated to remain pronounced across numerous nations. The rapid tightening of global financial conditions introduces significant challenges, particularly for developing and transitional economies. This environment, characterised by increasing interest rates and a shift from quantitative easing to quantitative tightening in advanced economies, is likely to exacerbate debt vulnerabilities and limited the available options for public spending in several countries.

The growth within the construction industry is anticipated to be driven primarily by government initiatives and investments, especially in the sectors of infrastructure and housing development. Despite the potential dampening effect of the substantial property surplus in the country on the property market, which is a significant demand factor for construction activities, it is anticipated that the impact will be mitigated through concerted efforts by the Malaysian Government, including a variety of affordable housing programs aimed at achieving housing for all. While on the supply side, significant support is anticipated from industry organisations like CIDB and MBAM, which are committed to leading the local construction sector's development and advocating for its improvement in Malaysia.

MANAGEMENT DISCUSSION AND ANALYSIS
(Cont'd)

With the CIDB order imposing stricter standards and requirements of CIS 22:2021 and CSI 23:2021 for the safe use of scaffolding and falsework on construction sites, we anticipate that the demand for our temporary works equipment will remain robust. This is supported by a growing trend of customers opting to rent from specialised solutions providers to save costs and efforts associated with meeting stringent certification and compliance requirements. In CME segment, the industry landscape has shifted towards the rental of temporary works equipment instead of outright purchases. As such, the shift towards renting from specialised solutions providers is not merely a temporary adjustment but a strategic realignment within the industry, reflecting a broader recognition of the value these providers bring in enabling construction projects to meet stringent regulatory standards without compromising on cost or efficiency. In FYE 2023, we have made significant capital expenditure to expand our rental assets portfolio in response to the surge demand for rental of temporary works equipment. Moreover, we have also successfully secured more projects that encompass the rental of temporary works equipment.

The BMD segment is maintaining a stable performance with potential growth anticipated to be boost by upcoming government infrastructure projects. The nation is expected to see a recovery in exports, coupled with a renewed emphasis towards infrastructure and utilities projects, as well as sustained domestic demand in 2024 partly through government support measures. The BMD segment will continue to be vigilant at all times and strengthen its fundamental, work processes, and prudent credit evaluation as preparation to seize opportunities to increase revenue and profitability.

Utilising intelligent 3D modelling and computer simulation, our BIM Services offer cutting-edge technological solutions to revolutionise the construction management process. These services facilitate a seamless collaboration and coordination between project professionals, allowing for the integration of diverse inputs into the project. This not only results in a detailed visualisation of the designed structure's characteristics but also extends to the comprehensive lifecycle management of the structure. Our BIM Services enhance efficiency in project execution by enabling early clash detection and analysis, thus streamlining large-scale project implementations, and significantly reducing completion timelines. Moreover, they provide support across various phases, encompassing construction, cost, and project management, as well as operations, ensuring a "virtual reality" insight throughout the construction stages for optimised project delivery. In DDE segment, our Group has secured a contract to set up a digital ecosystem in Sarawak, in facilitating the digital transformation of the state into a smart city. The services to be provided include standardisation of information management system, consultancy support, handhold training and capacity building to develop processes rooted in the concept of digital twin of built asset.

DIVIDENDS POLICY

The declaration of interim dividends and the recommendation of final dividends are subject to the discretion of our Board and any final dividend for the year is subject to shareholders' approval. Although we have not formulated a dividend policy or payout ratio, we recognise that it is important to reward our investors with dividends. Therefore, it is our intention to pay dividends to shareholders in the future to allow our shareholders to participate in our profits subject to various factors including, inter-alia, our financial performance, cash flow requirement, availability of distributable reserves and capital expenditure plans.

As our Company is an investment holding company, our income, and therefore our ability to pay dividends, is dependent upon the dividends and other distributions that we receive from our subsidiaries. The payment of dividends or other distributions by our subsidiaries will depend upon its distributable profits, operating results, financial condition, capital expenditure plans and other factors that the Board of Directors deems relevant.

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ABOUT THIS STATEMENT

A. INTRODUCTION

PLYTEC presents its first annual Sustainability Statement, herein referred to as "this Statement," offering an overview of our sustainability endeavors and spotlighting our Environmental, Social, and Governance ("**ESG**") performance for the financial year ended 31 December 2023 ("**FYE 2023**"). At PLYTEC Holding Berhad (referred to as "**PLYTEC**" or the "**Group**"), sustainability is at the heart of our business practices. We are committed to operating in a socially responsible and ethical manner, while generating lasting value for our stakeholders. Within these pages, we detail the initiatives implemented to foster sustainability across our business and operations, ultimately contributing to the well-being of our stakeholders and the environment. This Statement delves into the notable risks and opportunities that shaped our operations, encompassing challenges in both ESG and economic domains during the review period. At the core of our sustainability journey lie strategic approaches, a robust framework, and diverse initiatives propelling us toward our sustainability goals and targets. Essentially, this Statement serves as a record of the progress, achievements, and challenges encountered on our sustainability journey throughout the FYE 2023.

B. REPORTING SCOPE AND BOUNDARIES

This Sustainability Statement encapsulates PLYTEC's commitment, initiatives, and achievements throughout the FYE 2023, offering a comprehensive overview of our impact on economic, environmental, social, and governance aspects. Covering our operations in Malaysia, including four main business segments representing 100% of our revenue, this statement is issued annually and seamlessly integrates into our broader Annual Report. The selected content ensures meaningful, accurate, and balanced representation, providing shareholders with a deeper understanding of the Group's sustainability performance and its unique context. The included business segments are as follows:

Principal activities

- Construction engineering solutions and services
- Trading and distribution of building materials

Business Segments

- CME Solutions
- BMD
- DDE Solutions
- PC Solutions

Types of Services

CME Solutions
- Falsework solutions
- Formwork solutions
- Access solutions and equipment

BMD
- Trading and distribution of core and general building materials for construction use

DDE Solutions
- BIM services
- Virtual design and construction
- BIM field verification
- OSHCIM professional services
- Building condition assessment

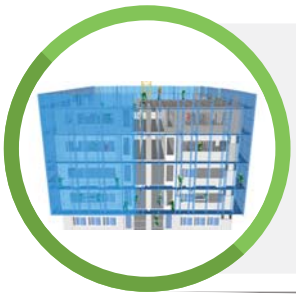
PC Solutions
- Planning and designing
- Production detailing, production planning and coordination of services
- Trading of lifting and connection accessories for precast concrete construction

Types of Customers

- Property developers
- Building owners
- Contractors and builders
- EPCC companies
- Professional services consultants

SUSTAINABILITY STATEMENT
(Cont'd)

Our business segments are as follows:



CONSTRUCTION METHOD ENGINEERING (CME) SOLUTIONS

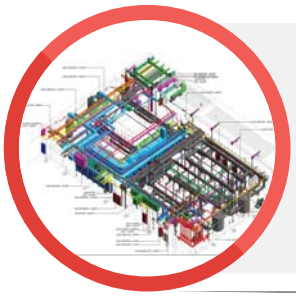
- Falsework Solutions
- Formwork Solutions
- Access Solutions and Equipment

- PLYTEC Formwork System Industries Sdn Bhd

TRADING AND DISTRIBUTION OF BUILDING MATERIALS (BMD)

- Trading and distribution of core and general building materials for construction use

- Sudut Swasta Sdn Bhd



DIGITAL DESIGN AND ENGINEERING (DDE) SOLUTIONS

- BIM Services
- Virtual Design and Construction
- BIM Field Verification
- OSHCIM Professional Service
- Building Condition Assessment

- BIM Engineering Solution & Technology Sdn Bhd

PREFABRICATED CONSTRUCTION (PC) SOLUTIONS

- Planning and Designing
- Production Detailing, Production Planning and Coordination of Services
- Provision of Lifting and Connection Accessories for Precast Concrete Construction

- PC Forging Malaysia Sdn Bhd

SUSTAINABILITY STATEMENT
(Cont'd)

C. ASSURANCE STATEMENT

The data presented in this Sustainability Statement is sourced internally from within the Group. It is compiled and measured against industry standards in alignment with our sustainability targets. To the best of our ability, the results are verified by the Management and undergo a review by the ESG Team.

As part of our continuous improvement efforts, the Group is actively working to enhance our data collection processes, address any reporting gaps and expand our assurance has been sought for the disclosures made in this report.

D. GUIDELINES AND STANDARDS

We ensure that the production of this Statement conforms to the highest reporting standards and best industry practices. This Statement has been prepared in accordance with:

- Global goals – United Nations Sustainable Development Goals (UNSDGs) Reporting frameworks
- Sustainability Reporting Guide 2022, 3rd Edition and Toolkits issued by Bursa Malaysia Securities Berhad ("**Bursa Securities**")
- Malaysian Code on Corporate Governance (MCCG) of Securities Commission Malaysia

E. EXCLUSIONS, LIMITATIONS AND DISCLAIMERS

While PLYTEC acknowledges that there may be significant ESG impacts across its value chain, this Statement focuses on the impacts of its own operations. Nevertheless, PLYTEC remains committed to embedding sustainability practices throughout the entire Group and sharing its ESG Team with business partners, suppliers, and contractors. We are also in the process of implementing a more rigorous data-gathering process to address any gaps in our sustainability reporting.

We advise shareholders that forward-looking statements in this Statement regarding future plans, targets, and expectations are made with reasonable assumptions based on current business trajectories. Actual results may vary as PLYTEC adjusts its business strategies and operational decisions to respond to emerging risks, opportunities, and changing circumstances.

Regarding data quality and assurance, all information disclosed in this Statement has been sourced internally and verified by the respective information owners. The ESG Team and Board of Directors have reviewed this report and are satisfied that it provides a fair representation of the Group's sustainability impacts for the year under review.

SUSTAINABILITY STATEMENT
(Cont'd)

GROUP MANAGING DIRECTOR'S MESSAGE

Dear Stakeholders,

I am pleased to address you as the Group Managing Director, reaffirming PLYTEC's steadfast commitment to sustainability as a leader in the construction engineering solutions and services as well as trading and distribution of building materials. Throughout the financial year 2023, PLYTEC stayed committed to our Environmental, Social and Governance ("**ESG**") journey, an integral part of our business philosophy. PLYTEC's Vision, encapsulated in the phrase "Pioneering Value Engineering in Construction Industry with Digital Smart Innovation," underscores our dedication to creating a positive impact via digitalization on the environment, society, and the broader building industry.

Maintaining financial strength is paramount for us to consistently deliver sustainable solutions, create job opportunities and contribute to the economic well-being of our communities. Our commitment to good corporate governance extends beyond our operations. We take pride in highlighting the key aspects of the Group's focus on sustainability and corporate governance. As a responsible and innovative building materials company in Malaysia, we recognize the delicate balance between economic growth and social and environmental responsibilities.

Consistent with this commitment, we have taken proactive steps to promote sustainable practices within the Group. In environmental sustainability, we will implement measures to reduce our carbon footprint and operational impact, including investments in people development, renewable energy resources, the practice of good corporate governance, and supporting local suppliers.

Moreover, our business practices are anchored in transparency and ethics, with stringent governance policies in place to prevent corruption and foster responsible business practices. Building trust and commitment with customers, shareholders, and the community stand as the Group's ultimate objective. Core values, including commitment, teamwork, efficiency, responsibility, proactivity, and knowledge, guide us in realizing our vision and driving PLYTEC's core competencies to become the nation's leading building solution provider.

As we look ahead, our commitment to sustainable practices remains unwavering, recognizing their crucial role in the long-term success and resilience of our business. We will continue to innovate, collaborate, and adapt to emerging challenges, placing product quality, product safety, and sustainability at the forefront of our decision-making.

I extend heartfelt gratitude to our employees, partners, customers, and stakeholders for their unwavering support on our sustainability journey. Together, we will forge a better, more sustainable future for our Group, our industry, and the world we share.

Sincerely,

Yang Kian Lock
Group Managing Director/Chief Executive Officer

SUSTAINABILITY STATEMENT
(Cont'd)

OUR COMMITMENT TO SUSTAINABLE DEVELOPMENT

In FYE 2023, our Group had an exciting year as we further geared up PLYTEC for our next phase of growth by aligning our Company's strategies. Our Board collaborated seamlessly with our management team, which has a proven track record in the construction industry.

The Board constantly reinforces our commitment to our sustainability journey. Our aim is to offer affordable and sustainable building solutions that inspire trust and commitment within the industry.

We strive to maintain our position as leaders in the construction industry by providing value engineering and digital smart innovation in building solutions to our clients and partners. We achieve this by:

- Pushing the boundaries in search of sustainable building solutions that enhance the industry standards.
- Establishing ourselves as the preferred business partner for our clients by providing constant engineering support and value-added services that enhance building efficiency.

We are dedicated to pursuing a sustainable future while adhering to strong governance principles and promoting economic, environmental, and social well-being in the community. Our vision, and mission statements reflect our unwavering commitment to this journey.

SUSTAINABILITY STATEMENT
(Cont'd)

SUSTAINABILITY GOVERNANCE FRAMEWORK

For a company to effectively manage sustainability and achieve successful implementation, committed leadership, clear direction, and strategic influence are vital. At PLYTEC, we have established a governance structure that ensures sustainable practices are integrated into our business strategies in alignment with the Group's vision and mission.

BOARD OF DIRECTORS → MANAGEMENT TEAM → ESG TEAM → ON-GROUND MEMBERS

BOARD OF DIRECTORS

- Ensures all businesses embrace sustainability with commitments
- Approves sustainability strategy

MANAGEMENT TEAM

- Approves sustainability targets and disclosures
- Oversees implementation of sustainability strategy

ESG TEAM

- Develops sustainability strategy and recommend revisions to the management
- Evaluates overall sustainability risks and opportunities
- Oversees departments / functions in ensuring the robustness of system of sustainability management
- Considers input of all departments / functions in sustainability processes
- Develops plan and timeline for disclosure

ON-GROUND MEMBERS

- Supports strategy implementation
- Ensures processes and controls are in place within its departments / functions
- Reports on the performance of processes and controls
- Reports management targets

SUSTAINABILITY STATEMENT
(Cont'd)

PLYTEC's Sustainability Scorecard

The table provided below presents PLYTEC's Sustainability Scorecard for FYE 2023. These achievements are linked to the Group's 4 Sustainability Pillars, demonstrating the progress made in pursuing our comprehensive sustainability objectives and priorities. Furthermore, we have correlated these highlights and achievements with the UNSDGs, thereby aligning our efforts with the global sustainability agenda.

ESG Pillars (Material Matters)	Targets	Current Progress against targets	Progress Tracking	Linkage to UNSDGs
Economic Resilience & Excellence	1. Upholding Customer Satisfaction Index (CSI) at 80% and above 2. Maintain Zero Product Claims (related to quality and safety issues) 3. To achieve a minimum of 85% for Supplier Conformance Index (based on Supplier Evaluation)	1. Achieved CSI score of 84% and above (CME Solutions) 2. Zero product recalls due to safety negligence or defects (CME Solutions) 3. Achieved 85% Supplier Conformance Index (CME Solutions)		
Environmental - Eco-Conscious Corporate Citizen	1. Pledged "carbon neutrality by 2050" 2. To conduct GHG baseline assessment in FY 2024; 2.1 Disclosure of GHG Scope emissions in FY 2024. 3. Zero (0) environmental violations 4. To conduct baseline energy saving and resources conservation	1. At planning stage for conducting awareness on "carbon neutrality" in FY 2024 2. At initial stage of GHG emission data collection 2.1 Completed disclosure of GHG scope 2 emission 2.2 Plan GHG Scope 1 emission data collection 2.3 Plan GHG Scope 3 emission (for business travel data and employee commuting categories) 3. Achieved Zero (0) environmental violations 4. At planning stage for energy saving and resources conservation		

SUSTAINABILITY STATEMENT
(Cont'd)

ESG Pillars (Material Matters)	Targets	Current Progress against targets	Progress Tracking	Linkage to UNSDGs
Social - Sustainable Workforce & Community	1. To conduct 8 hours of training per annum for employees 2. Maintaining zero (0) workplace fatalities 3. Target zero (0) incident of Human Rights violations complaints 4. To extend the supplier disclosure and evaluation to include ESG aspects	1. Achieved close to 10 hours per annum for employees (all categories) in FYE 2023 2. Achieved Zero (0) workplace fatalities (employee, supplier and contractor) 3. Achieved Zero (0) reported cases of human rights violations 4. At planning stage for improvement on the supplier evaluation criteria to include ESG		
Responsible Governance	1. Target zero (0) incident of whistleblowing cases 2. Target zero (0) incident of corruption cases 3. Target zero (0) incident of customer data leak	1. Achieved zero (0) reported whistleblowing cases 2. Achieved zero (0) reported corruption cases 3. Achieved zero (0) incident of customer data leak		

Legend: Progress Tracking

Progressing well and on track to achieving targets by 2030

Progressing but slightly behind targets, to increase efforts

Progressing with delays, to review current approach

SUSTAINABILITY STATEMENT
(Cont'd)

STAKEHOLDER ENGAGEMENT

We value meaningful stakeholder engagement. The outcome of the engagement helps us to identify upcoming market trends, anticipate challenges and align our sustainability strategy and business activities with broader interests of the economy, environment and society. The Group consistently engages with our stakeholders via various methods and platforms. The table below illustrates our key focus areas and methods of engagement with our stakeholders:

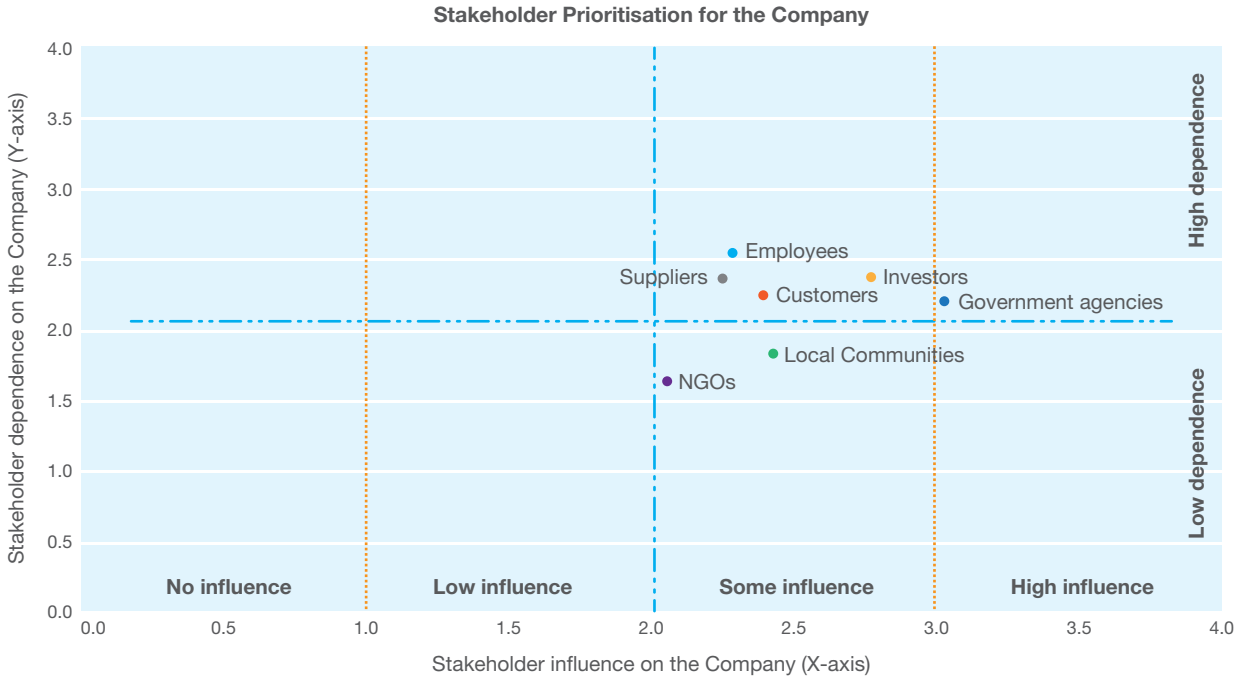
Stakeholders	Key Focus Area	Methods of Engagement
Shareholders, Financiers and Investors	• Profitability • Dividend • Shareholders' value/ responsibility	• Annual General Meetings • Company website • Annual Reports
Clients/Customers, Suppliers, and Industry Partners	• Product and service quality • Timely delivery of products/ projects • Payment terms and timeliness • Product innovation	• Customer satisfaction survey and supplier evaluation form • Customer service platforms, including phone calls and emails • Face-to-face meetings • Events and site visits • Company policies compliance declarations • Social media
Regulators and Government Authorities	• Compliance with laws and regulations • Certifications/awards • Industry best practices and updates	• Compliance and certification exercises • Periodic site visits and audits • Company representation at initiatives/ technical working groups • Briefings and trainings
Employees	• Business performance and direction • Career development • Learning and development • Employee welfare and benefits • Employee wellness • Safety and health	• Regular meetings and discussions • Townhall meetings • Annual performance appraisal • Forums, training, and workshops • Employee events including festive celebrations and annual gathering • Company policies compliance declarations
Local Community, Industry Associations, Academia and Non-Governmental Organisations ("**NGOs**")	• Company reputation and branding • Corporate social responsibility • Best management practices and industry-related research • Partnerships • Research and collaborations with the industry and academia institutions	• Community outreach and development programs • Public events e.g., forums and symposiums • Annual Report • Educational site visits • Briefings and trainings

SUSTAINABILITY STATEMENT
(Cont'd)

Stakeholder Influence – Dependency Matrix

PLYTEC engages with a diverse array of stakeholders who exert influence on, or are impacted by, the Group and its operations. Our primary stakeholder groups encompass investors, government agencies, customers, employees, local communities, NGOs, and suppliers. These groups have been identified based on their varying levels of influence and dependence on our business. The dynamics of their relationships are depicted in the accompanying Stakeholder Influence – Dependency Matrix.

Stakeholder Prioritisation Process and Matrix



OUR MATERIALITY MATTERS

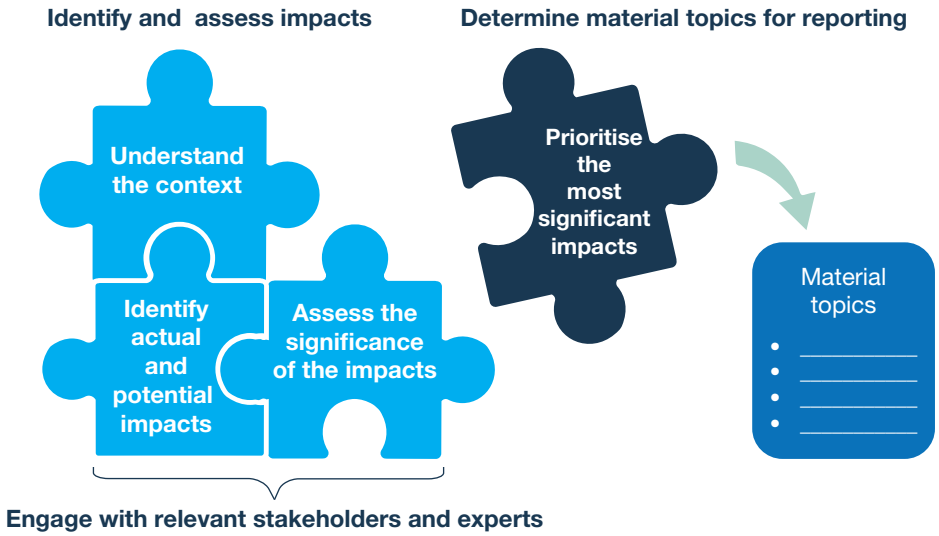
MATERIALITY ASSESSMENT

Recognizing the substantial impact of material issues on our ability to create enduring value for stakeholders, we prioritize a thorough understanding of these matters. These issues are pivotal in shaping our business strategy and guiding resource allocation decisions for sustainability. While our intent is to conduct a comprehensive materiality assessment every three years, an annual review ensures the continued relevance of our prioritized economic, environmental, social, and governance (EESG) impacts from daily operations.

The formulation of our materiality matters involves input from internal and external stakeholders, considering factors influencing our financial stability, economic growth, and the significance of environmental, social, and governance impacts. In FYE 2023, we conducted a comprehensive materiality assessment engaging key stakeholders, addressing their interests through an extensive survey questionnaire covering 29 material matters. This exhaustive process culminated in refining these matters into 13 core material issues. Further prioritization resulted in selecting the most impactful issues among these thirteen, aligning with our key focus areas. Our materiality assessment process flow, accompanied by a table illustrating our materiality matters and their correlation to the UNSDGs is shown below.

SUSTAINABILITY STATEMENT
(Cont'd)

Materiality Assessment Process Flow



Materiality Matters and their correlation to UNSDGs

CATEGORY	MATERIAL MATTER	DESCRIPTIONS	RELATED UNSDGs
Economic	Company Financial Performance	Addressing environmental and social risks, as well as governance issues, can lead to improved financial resilience, and stability over time and may attract capital and financing opportunities.	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	Digital Transformation	To embrace technological advancement in all aspects of the business to improve productivity, traceability, and data privacy.	
	Product Quality and Product Safety	To deliver quality products and assure product safety through quality management practices.	
Environmental	Conservation of Energy and Resources	Responsible management of natural resources and energy to minimize waste, reduce environmental impact, and ensure sustainability for the future. It includes promoting energy efficiency, using renewable energy resources, and practicing recycling and responsible sourcing of resources.	6 CLEAN WATER AND SANITATION 7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
	Effluents and Waste Management	Proper handling and treatment of liquid and solid waste to minimize environmental harm, conserve resources, and promote a cleaner and healthier environment.	
	Compliance to Enviromental Regulations	Adhering to legal requirements for protecting the environment, conserving resources, and promoting sustainability. Essential for preserving ecosystems and community well-being.	

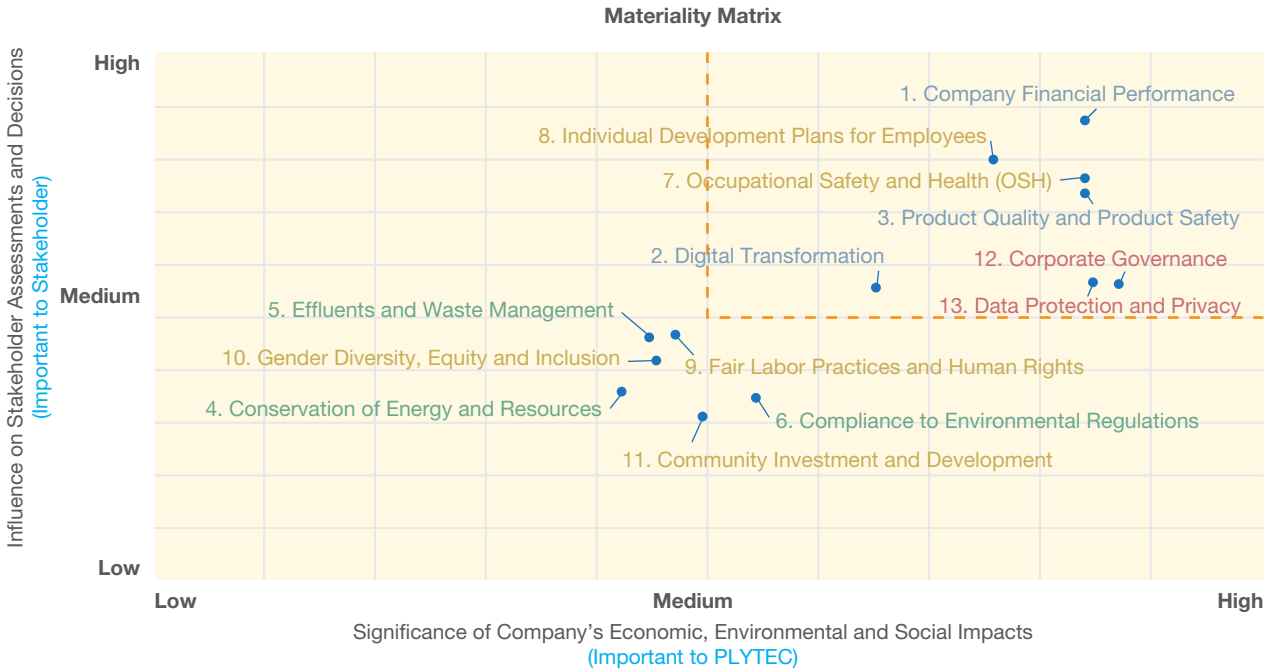
SUSTAINABILITY STATEMENT
(Cont'd)

CATEGORY	MATERIAL MATTER	DESCRIPTIONS	RELATED UNSDGs
Social	Community Investment and Development	To create decent jobs and economic growth within local communities, fostering sustainable economic development, local procurement aligns with the goal of responsible consumption and production. This is achieved by reducing the environmental impact of transportation, promoting sustainable sourcing, and minimizing waste in the supply chain.	2 ZERO HUNGER, 8 DECENT WORK AND ECONOMIC GROWTH, 11 SUSTAINABLE CITIES AND COMMUNITIES
	Occupational Safety and Health (OSH) at Workplace	To ensure the safety and health of employees at the workplace.	3 GOOD HEALTH AND WELL-BEING
	Individual Development Plans for Employees	To increase opportunities for employee's career growth and advancement, broaden their skills and adding value to the company.	4 QUALITY EDUCATION
	Fair Labor Practices and Human Rights	Treating workers with dignity, providing safe conditions, fair wages, and equal opportunities. Upholding fundamental freedoms and non-discrimination for an inclusive and equitable society.	10 REDUCED INEQUALITIES
	Gender Diversity, Equity and Inclusion	To achieve gender equality and empower all women and girls by eliminating discrimination, violence, and harmful practices against women and girls. It also advocates for equal access to opportunities, education, healthcare, and decision-making positions, regardless of gender.	5 GENDER EQUALITY
Governance	Corporate Governance	To ensure that good governance is practiced throughout the Group to promoting business sustainability and enhancing shareholders value.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS, 17 PARTNERSHIPS FOR THE GOALS
	Data Protection and Privacy	Ensuring data protection and privacy builds trust between institutions and the public, fosters transparency, and promotes accountability in data handling practices.	

SUSTAINABILITY STATEMENT
(Cont'd)

MATERIALITY MATRIX

From our FYE 2023 materiality assessment, seven key issues have emerged as top priorities from both stakeholders' and the company's perspectives, taking into account their substantial impact on our operations. These material issues mark our shift towards a multi-value perspective, moving beyond a purely profit-driven approach. We acknowledge the substantial influence of ESG factors on our financial performance. The resulting material matters are visually depicted in the accompanying materiality matrix below.



Note: A total of 13 material matters and 7 priorities were concluded through the assessment.

The outcomes of our materiality assessment have directed resource allocation by management, leading to the creation of long-term value for our business and stakeholders. Each material matter profoundly influences our decision-making and aligns with the 4 pillars of sustainability. The prioritized materiality is indicated with an asterisk (*) and is bolded.

SUSTAINABILITY STATEMENT
(Cont'd)

Our Sustainability framework is focused on 4 Sustainability Pillars as follows:

Pillar 1 : Economic

Pillar 2 : Environmental

Pillar 3 : Social

Pillar 4 : Governance

Sustainability pillars	Materiality Matters
E - Economic	1. Company Financial Performance **(*)** 2. Digital Transformation **(*)** 3. Product Quality and Product Safety **(*)**
E - Environmental	4. Conservation of Energy and Resources 5. Effluents and Waste Management 6. Compliance to Environmental Regulations
S – Social	7. Occupational Safety and Health (OSH) at workplace **(*)** 8. Individual Development Plans for Employees **(*)** 9. Fair Labor Practices and Human Rights 10. Gender Diversity, Equity and Inclusion 11. Community Investment and Development
G – Governance	12. Corporate Governance **(*)** 13. Data Protection and Privacy **(*)**

(*) Significant Materiality Matters

Pillar No. 1: Our Business, and the Economic

Economic Value Created

As a socially responsible corporate entity, our commitment to sustainability is fundamental to our efforts in generating enduring economic value for shareholders, customers, and society. Our operations are conducted with an emphasis on fairness, promoting healthy competition and contributing to community economic development.

Throughout our supply chain, we advocate for responsible sourcing, ethical labor practices, and environmental sustainability. The alignment of economic objectives with social and environmental responsibility reflects our dedication to creating lasting value for shareholders, customers, employees, and the broader community.

We place a high priority on sustaining financial performance, addressing customer needs, and ensuring job security for our workforce. Mindful of finite resources, we carefully allocate resources, making informed decisions that optimize value creation across our business.

Stakeholders, including the community, customers, investors, suppliers, and employees, are integral to defining the authentic value of our business. Committed to optimizing value and delivering returns, we embrace a long-term approach to value creation, considering the wider implications of our decisions.

Through continuous engagement and a deep understanding of stakeholder needs, we seek a harmonious balance that maximizes positive outcomes. Our dedication to sustainable value creation guides our actions, positively impacting stakeholder well-being and the communities we serve.

With an unwavering commitment to improving financial performance and responsible resource allocation, our aim is to maintain our standing as a trusted and successful business, providing long-term value to stakeholders while contributing positively to society and the environment.

SUSTAINABILITY STATEMENT
(Cont'd)

Product Quality and Product Safety

As a leading provider of construction engineering solutions, services, and building materials, our unwavering commitment is to prioritize the highest standards for product and service quality. Rooted in the core values of ensuring customer satisfaction, safeguarding our brand reputation, and upholding industry credibility, we acknowledge the direct impact of product quality on public health and safety, integral to our customers' overall strategies.

Our commitment to product quality initiates at the sourcing stage, incorporating rigorous quality control and assurance measures. All products sourced from suppliers undergo comprehensive assessments to meet our stringent quality standards, aligning with certifications from relevant industry bodies and standards.

Throughout our processes, the emphasis on quality and safety remains paramount. From concept to prototype and production, we maintain vigilant monitoring of product safety, proactively addressing and preventing issues. Our internal experts in BIM, Research and development and Engineering, Quality, Production, and Operations actively engage in ensuring product quality and safety, contributing to updates in standards across the Group.

Collaboration with customers and regulatory authorities is crucial to ensuring our products meet specifications and comply with quality and safety standards.

To achieve this, our businesses have implemented certified Quality, Environmental, and Occupational Health and Safety (OHS) Management Systems (ISO 9001, ISO 14001 & ISO 45001, respectively) and Product Standards recognized by relevant regulatory bodies such as CIDB IBS Manufacturer & Product Assessment & Certification – Impact for Self-Climbing Platform, Deck Formwork, and Aluminium Formwork.

In FYE 2023, we proudly report zero product recalls/claims due to safety negligence or defects, underscoring our commitment to maintaining the highest product quality and safety standards.

Upholding Customer Satisfaction

As part of our commitment to customer satisfaction, we conduct an annual survey to assess our customers' expectations related to product quality, delivery, and services. The feedback collected from these surveys offers valuable insights, enabling us to stay attuned to customer needs. In the FYE 2023 feedback, we continued to receive satisfaction levels rated as excellent and above, maintaining a consistent performance compared to the previous year. The following results outline our overall performance, reflecting excellent ratings levels for FYE 2023:

Customer Satisfaction Index	
	FYE 2023
Customer Satisfaction Index/Score (%), target ≥ 80%	84%
Number of customers surveyed	21
Product recalls/claims from market due to safety negligence or defects (case)	0
Goods returned by customers (case)	0

* *Performance of 81% and above is considered excellent.*

Digital Transformation

At PLYTEC, our strategic business plans and proactive execution have firmly established us as a specialized provider of construction engineering solutions, leading the digitalization movement in the Malaysian construction industry. Under the visionary leadership of our senior management, PLYTEC Group has rapidly become a key industry player, excelling in delivering CME Solutions for falseworks and integrated digital solutions through the adoption of BIM technology.

Our comprehensive suite of construction engineering solutions and services, encompassing CME Solutions, DDE Solutions, and PC Solutions, is carefully crafted to enhance efficiency and safety in construction activities. These initiatives not only embrace industrialization practices but also integrate the digitalization of construction processes.

SUSTAINABILITY STATEMENT
(Cont'd)

In collaboration with diverse stakeholders, such as government agencies, higher learning institutions, industry players, and learned societies, we actively advocate for the adoption of BIM to drive the industrialization and digitalization of the country's construction sector. The successful implementation of digital transformation has streamlined production cycles, resulting in reduced lead times and a significant decrease in reliance on manual labor, ultimately enhancing overall productivity. Looking forward, we remain steadfast in our commitment to advancing these digitalization initiatives even further.

Pillar No. 2: Environmental Stewardship

Introduction

Embedded in our business philosophy is a commitment to environmental responsibility, encompassing all facets of our operations. From sourcing materials and services to products manufacturing, we embrace sustainable practices that align with our dedication to environmental sustainability. Key material matters include energy and resource conservation, efficient waste management, and strict compliance with environmental regulations. Our proactive approach in these areas reflects our goal to positively impact the planet and contribute to a greener and more sustainable future.

Environmental Sustainability Initiatives

We recognize the critical significance of environmental sustainability and are unwaveringly committed to advocating sustainable practices across our operations. To reduce our environmental impact and conserve natural resources, we have implemented various initiatives. These encompass an increased reliance on renewable energy resources, energy conservation, effective waste management, and the promotion of sustainable practices within our supply chain. Additionally, we cultivate environmental awareness and responsibility throughout our organization, fostering a culture of sustainability.

Conservation of Energy and Resources

Aligned with our commitment to environmental quality, we prioritize resource-efficient alternatives to cut costs and preserve natural resources. In line with our vision for a sustainable future, we aim to achieve net-zero carbon emissions by 2050, aligning with the Malaysian government's goals in the 12th Malaysia Plan. Currently, we are in the initial stages of evaluating greenhouse gas (GHG) data collection and conducting an energy audit for our company activities.

Waste Management

As for a start, our primary environmental focus revolves around waste reduction, materials management, and productivity. Ongoing efforts include capitalizing on the implementation of an environmental management system to systematically address environmental aspects and impacts.

Compliance with Environmental Regulations

Our unwavering commitment extends to ensuring compliance with regulatory requirements outlined in the Malaysian Environmental Quality Act 1974. Notably, there were no legal cases involving violations of discharges during the reporting year. Throughout FYE 2023, we collaborated with licensed waste disposal companies to responsibly manage both scheduled and general wastes.

Metrics and Sustainable Practices

In FYE 2023, our Group remained committed to adopting sustainable practices in response to environmental issues. Measures taken or planned, the formulation of environmental, social, and governance compliance policies, collaboration with suppliers to adopt low carbon materials, feasibility studies for solar power incorporation in new facilities, and the integration of sustainable practices in upcoming production plant developments on our Olak Lempit Land.

SUSTAINABILITY STATEMENT
(Cont'd)

As this is the first year of our Annual Reporting, therefore no data comparison for this reporting period. Metrics related to environmental performance collected during the reporting period include:

ENVIRONMENTAL FOOTPRINT FYE 2023

Energy Management

752 MWh
Total Electricity Consumption

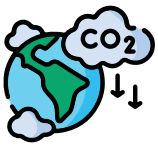
Water Usage

25,357 m3
Total Water Consumption

Waste Management

0
Total waste diverted from disposal

70
Total waste directed to disposal



Emissions

0.586 CO_2e
Scope 2 emissions in tonnes

Pillar No. 3: People, Social, and Community Engagement

Introduction

At the heart of our commitment to sustainability and growth lies the significance of our relationships with stakeholders. We recognize the direct and indirect impacts of our business operations on employees, suppliers, customers, and local communities. Consequently, we steadfastly uphold health and safety standards, foster an inclusive culture that embraces diversity, and prioritize human rights.

Managing the Impacts

To ensure the quality of these relationships, we focus on the following material matters:

1. **Human Capital Development**: Prioritizing continuous learning and skill enhancement for our employees.
2. **Employee Health, Safety, and Well-being**: Maintaining rigorous measures to create a secure work environment, promote diversity, equity, and inclusion, and ensure compliance with human rights.
3. **Community Investment and Development**: Actively engaging with local communities, making meaningful investments to create a positive and lasting impact.

SUSTAINABILITY STATEMENT
(Cont'd)

Human Capital Development at PLYTEC

At PLYTEC, we recognize that our Group's success relies on our employees. As the backbone and front-liners of our organization, we prioritize upskilling and enhancing the knowledge base of our workforce. Emphasizing the importance of training and development, we consistently introduce learning programs for both existing and newly employed staff. We conduct annual performance appraisals to monitor employee career growth and address any identified gaps.

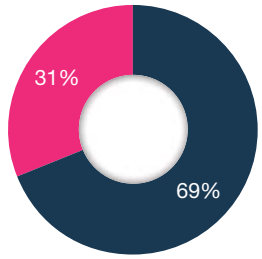
Investing in the training and development of our employees not only benefits our organization but also empowers our staff to grow and advance in their careers. The dynamic nature of our industry necessitates a focus on human capital development to remain competitive. Our personnel receive tailored training to acquaint them with new technologies, enhancing their work efficiency.

Our commitment is exemplified by the operation of the PLYTEC BIM Centre, providing training and advisory services related to BIM and construction methods engineering. The center trains both internal personnel and participants from industry partners. We also partner with government agencies and ministries to promote awareness of BIM and the latest technologies for transforming the construction industry. Collaborations with higher learning institutions provide students with real-world insights into the latest trends in the construction industry and introduce them to BIM. These programs serve as a platform to secure new talents for our workforce and expose participants to BIM, anticipating higher adoption of BIM and digital technologies in the future.

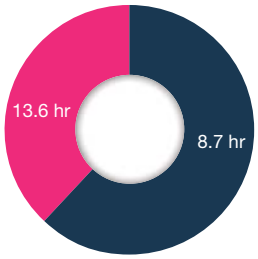
The following table presents our Learning and Development Performance data:

Learning and Development

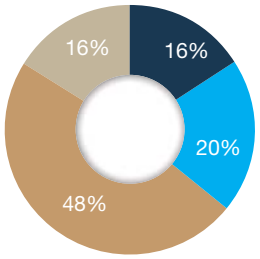
Total Training Hours by Gender



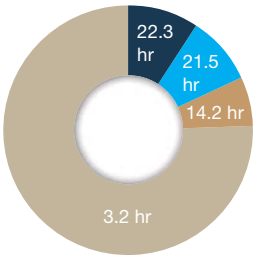
Average Training Hours by Gender



Total Training Hours by Employee



Average Training Hours by Employee

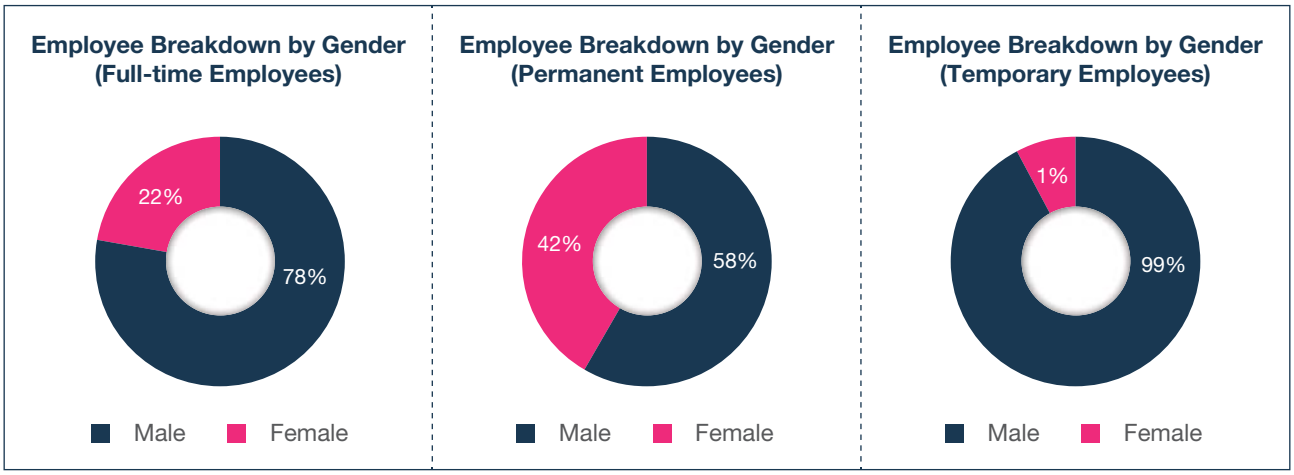


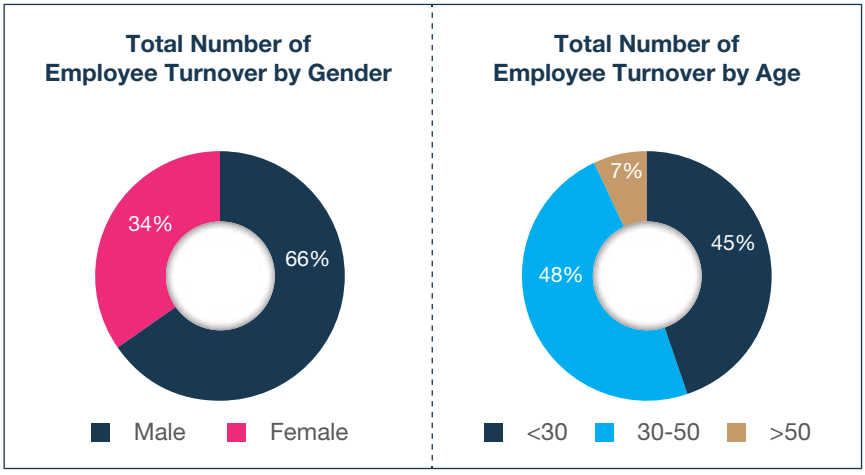
Total Amount Invested in Employee Learning and Development (RM)	72,603

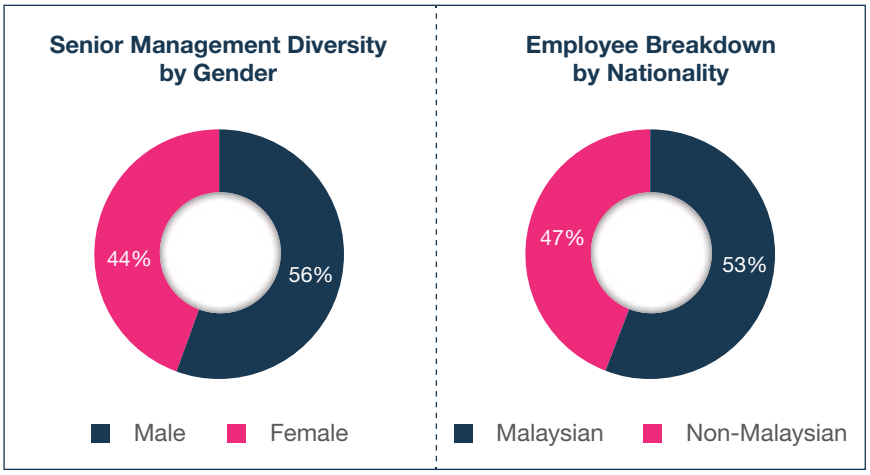
Incidents of Human Rights Violations – FYE 2023	
Incident of human rights violations complaints	0

SUSTAINABILITY STATEMENT
(Cont'd)

Workplace Environment: A Diverse and Inclusive Workplace



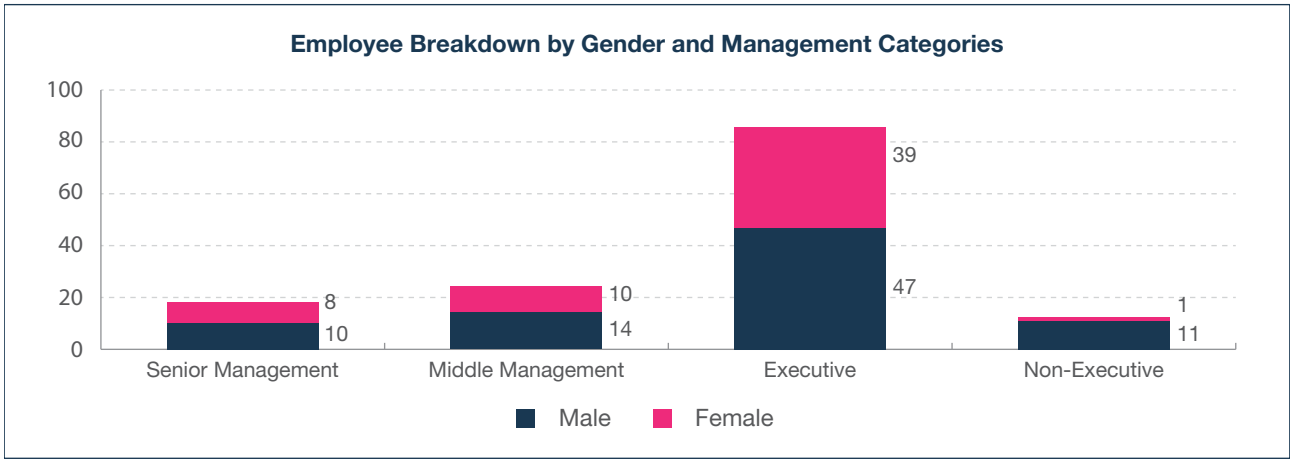


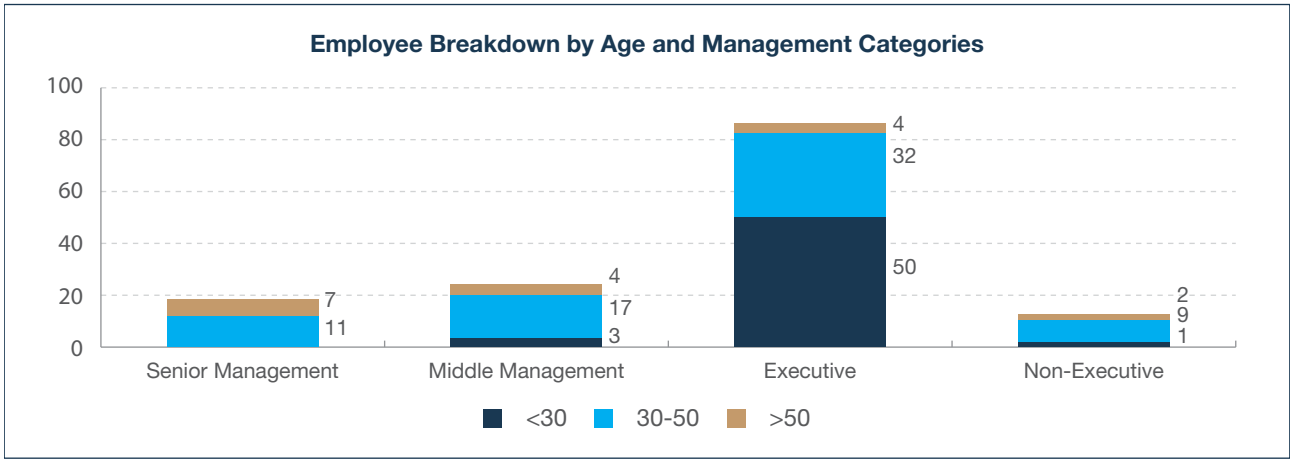


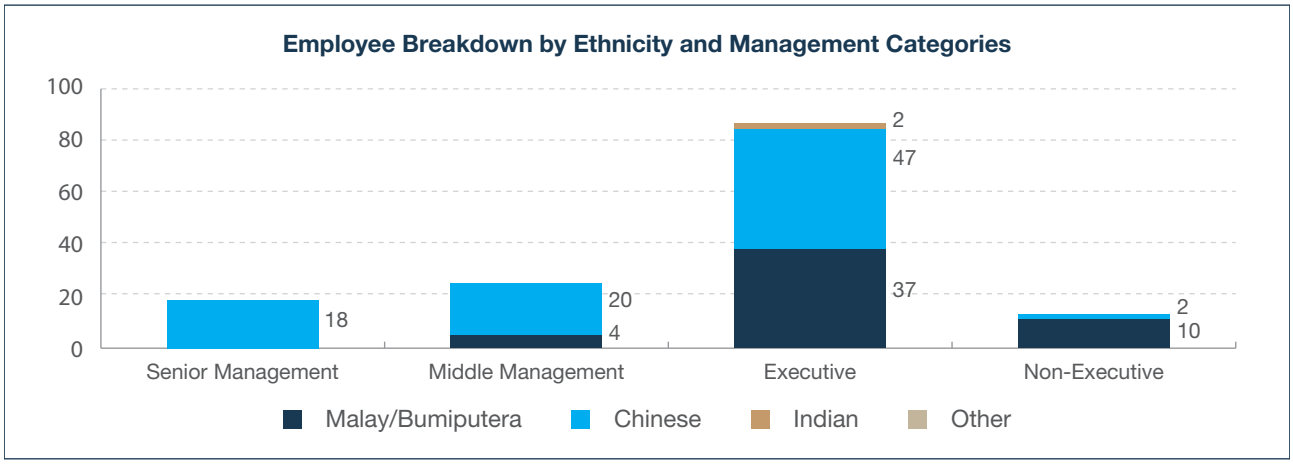
Notes:

1. *Full-time employee is defined as employee whose working hours per week, month, or year are defined according to national law or practice regarding working time*
2. *Permanent employee is defined as employee with a contract for an indeterminate period (i.e., indefinte contract) for full-time or part-time work*
3. *Temporary employee is defined as employee with a contract for a limited period (i.e., fixed term contract) that ends when the specific time period expires, or when the specific task or event that has an attached time estimate is completed (e.g., the end of a project or return of replaced employees)*

SUSTAINABILITY STATEMENT
(Cont'd)







Notes:

1. *Senior Management - GMD, COO, CFO, Directors, General Managers and Senior Managers*
2. *Middle Management - Managers and Assistant Managers*
3. *Executive - Senior Executives, Executives and Junior Executives*

SUSTAINABILITY STATEMENT
(Cont'd)

Employee Health, Safety, and Well-being

Our Group is deeply committed to fostering a workplace that prioritizes the health, safety, and well-being of our employees. We have implemented robust control measures and procedures, including a comprehensive health and safety policy overseen by a designated compliance officer reporting to our Chief Executive Officer. This framework ensures stringent adherence to Malaysian laws, regulations, and rules governing our business operations.

Central to our commitment is compliance with the Employee Minimum Standards of Housing and Amenities Act (EMSHAA) and Employees' Accommodation Regulations. As of FYE 2023, all accommodations provided to our employees have been issued a Certificate of Accommodation (COA), affirming full compliance without any material adverse impact on our business operations.

In addition to these measures, we actively promote diversity, equity, and inclusion, fair labor practices, and human rights within our workforce. Our commitment is underscored by ongoing training programs covering these essential aspects, ensuring our employees are well-informed and contributing to a workplace culture that values diversity and upholds equitable practices.

Recognizing the pivotal role of training and education in fostering a holistic safety and inclusion culture, we empower our employees with the necessary knowledge and skills. This not only equips them to identify and mitigate potential hazards but also promotes an environment where everyone feels valued and respected.

Our unwavering commitment to employee well-being extends to a goal of zero work-related fatalities. This commitment is reflected in the FYE 2023 trend, where work-related fatalities remained at zero, affirming the effectiveness of our stringent precautionary measures. As we move forward, we remain dedicated to continuous improvement, ensuring our workplace is not only safe but also exemplifies diversity, equity, and inclusion, and upholds fair labor practices and human rights.

WORKPLACE ENVIRONMENT FYE 2023
A Safe and Healthy Workplace

0
Number of work-related fatalities

0
Lost time incident rate

27
Number of employees trained on health and safety standards

0
Incident of human rights violations complaints

Community Investment and Development

In our commitment to community investment and development, we strive to create decent jobs and promote economic growth within local communities. Our focus on local procurement is a key element in fostering sustainable economic development, aligning seamlessly with the goal of responsible consumption and production.

By prioritizing local suppliers, we contribute to the reduction of environmental impact through shorter transportation cycles, thereby promoting sustainability. Our efforts also encompass advocating for sustainable sourcing practices and minimizing waste in the supply chain.

Additionally, our group actively engages in Corporate Social Responsibility ("**CSR**") initiatives for the communities we serve. We make contributions to the TAR UMT Student Loan Fund, organize charitable golf events such as WWRC Charity Golf and TUG (TARCian Unity Golf), contribute to the Chung Hwa KL Foundation (for the school development fund), and support other needy charitable organizations. Through these comprehensive initiatives, we actively support the well-being of local communities, contributing to their economic prosperity and advancing responsible business practices.

SUSTAINABILITY STATEMENT
(Cont'd)

COMMUNITY INVESTMENT FYE 2023

RM21,750
Total amount invested in the community where the target beneficiaries are external to the company

16
Total number of beneficiaries of the investment in communities

SUPPLY CHAIN MANAGEMENT FYE 2023

85%
Proportion of spending are on local suppliers

SUSTAINABLE DEVELOPMENT GOALS

Pillar No. 4: Governance

Introduction

Our Group is unwavering in its commitment to ethical business conduct and compliance with all applicable laws and regulations. We progressively adopt the principles outlined in the Malaysian Code on Corporate Governance (MCCG) where relevant, emphasizing good governance, transparency, and accountability. Governance policies and procedures, including a code of ethics and conduct, are in place to ensure the ethical and legal integrity of our business practices. We maintain a zero-tolerance policy towards bribery and corruption, supported by policies to manage corporate liability risks. Our dedication to transparency is evident through regular performance reporting and stakeholder engagement, fostering transparency and accountability across our organization. These governance practices not only build trust but also lay the groundwork for sustainable success.

Corporate Governance

In addition to our focus on business performance, PLYTEC recognizes the pivotal role of integrity, transparency, and commitment in sustaining the business and enhancing shareholders value. The Board and Management actively foster a positive corporate culture that advocates ethical and professional conduct among all employees.

To ensure robust corporate governance, the Board has instituted key policies and procedures, including the Code of Ethics and Conduct, Corporate Disclosure Policy, Whistleblowing Policy, and Anti-Bribery and Anti-Corruption Policy. Comprehensive details about the Group's corporate governance practices during the FYE 2023 are available in the Corporate Governance Overview Statement and Corporate Governance Report in the Annual Report FYE 2023. These endeavors underscore the Group's commitment to responsible business practices aligned with its core values and principles.

In FYE 2023, PLYTEC incurred no fines or censures from regulatory authorities for non-compliance or misconduct related to the environment, socio-economic factors, corporate governance, or anti-corruption. The Group reported zero incidents of corruption, Customer Data Breaches, and Regulatory Non-Compliance during this period. As a matter of policy, all employees, across various categories, received the briefing and signed the Anti-Bribery and Corruption Declaration Form in FYE 2023, reinforcing our commitment to ethical business practices.

SUSTAINABILITY STATEMENT
(Cont'd)

Anti-Fraud, Bribery and Corruption	
	FYE 2023
Percentage of employees who have received training on anti-corruption by employee category (*) All employees were briefed and signed off the Anti-Bribery and Corruption Declaration Form	100%
Percentage of operations assessed for corruption-related risks	100%
Confirmed incidents of corruption and action taken	0

Cyber Security and Customer Privacy	
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0

PLYTEC'S ONGOING SUSTAINABILITY COMMITMENT

PLYTEC is resolute in its sustainability journey, continuously assessing Environmental, Social, and Governance ("**ESG**") performance with the dedicated leadership of the Board, Management, and ESG Team. A central tenet of our approach is the strategic adoption of technology to enhance efficiency and curtail environmental impact, aligning seamlessly with the Malaysian government's ambitious vision for achieving carbon neutrality by 2050.

Technology adoption at PLYTEC not only boosts productivity but also results in a considerable reduction in manual labor dependency and increased cost efficiency, all while mitigating our environmental footprint. Our proactive collaboration with diverse stakeholders, including government agencies, higher learning institutions, industry players, and learned societies, underscores our active advocacy for the adoption of Building Information Modelling ("**BIM**"). This initiative is instrumental in propelling the industrialization and digitalization of Malaysia's construction sector.

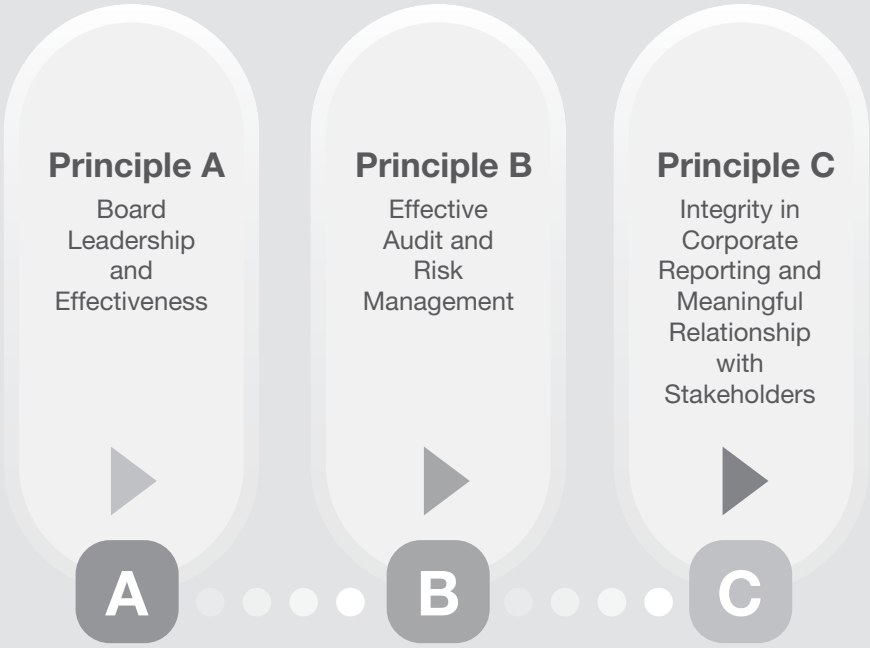
As we forge ahead, our unwavering commitment remains intact—to be a pioneering force in sustainability, creating enduring value for a future where businesses thrive, communities flourish, and the environment prospers.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("**the Board**") of PLYTEC Holding Berhad ("**the Company**") recognises the importance of adopting good corporate governance within the Company and its subsidiaries ("**the Group**") as a fundamental part of discharging its responsibilities to safeguard shareholders' investments and to protect the interests of all stakeholders. The Board will continuously evaluate and improve management practices and systems to enhance the standard of corporate governance applied by the Group.

The Board takes note of the updates on the Malaysian Code on Corporate Governance ("**MCCG**") issued by the Securities Commission Malaysia which took effect on 28 April 2021. The MCCG introduces new practices and additional guidance to strengthen the corporate governance culture of public listed companies.

The Board is pleased to present the following Corporate Governance Overview Statement ("**CG Overview Statement**") that describes the extent to how the Group has applied and complied with the three (3) principles which are set out in the MCCG during the financial year ended 31 December 2023 ("**FYE 2023**"):



This CG Overview Statement also serves to comply with Rule 15.25(1) of the ACE Market Listing Requirements ("**ACE LR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and is to be read together with the Corporate Governance Report in respect of the financial year ended 31 December 2023 ("**CG Report**") which is available on the corporate website at https://www.plytec.com.my/.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

Part I: Board responsibilities

1.1 Board's Leadership on Objectives and Goals

The Board is responsible for the proper stewardship of the Group in order to provide reasonable assurance of the Group's long-term success. With this, the Board strives to ensure that all the Company's strategic objectives are well-conveyed throughout the Company in order to achieve both short and long-term goals of the Company as a fundamental part of discharging its responsibilities to protect and enhance value for all stakeholders and raise the performance of the Company.

The Board is guided by the prevailing legal and regulatory requirements such as the Companies Act 2016 ("**CA 2016**"), the ACE LR and the MCCG, as well as the Company's Constitution and the Board Charter in discharging its fiduciary duties and responsibilities. The Board has ensured that it sets the appropriate tone at the top, providing thought leadership and championing good governance and ethical practices throughout the Company.

To enable the Board to discharge its responsibilities in meeting the goals and objectives of the Company, the Board has, amongst others:-

- promoted good corporate governance culture within the Company which reinforces ethical, prudent and professional conduct;
- reviewed, challenged and decided on Management's proposals for the Company, and monitor its implementation;
- ensured that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- supervised and assessed the performance of Management;
- ensured there is a sound framework for internal controls and risk management;
- recognised the principal risks of the Company's business and that business decisions involve the taking of appropriate risks;
- ensured that senior management has the necessary skills and experience, and measures are in place to provide for the orderly succession of Board and senior management;
- ensured that the Company has in place procedures to enable effective communication with shareholders and stakeholders; and
- ensured the integrity of the Company's financial and non-financial reporting.

1.2 The Chairman of the Board, had during the year:-

- demonstrated leadership to the Board in discharging its duties and responsibilities effectively without limiting the principle of collective responsibility for the Board decisions;
- through the Company Secretary, set the board agenda and ensuring that board members receive complete and accurate information in a timely manner;
- led the conduct of the Board meetings and discussions in a manner that encouraged constructive discussions and effective contribution from each Director;
- encouraged active participation and allowed dissenting views to be freely expressed;
- acted as the facilitator between the Board and the Management by coordinating smooth communication flow between both parties;
- ensured appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the board as a whole;
- led the Board in establishing and monitoring good corporate governance practices within the Group; and
- reviewed the minutes of the Board meetings to ensure that the minutes accurately reflect the Board's deliberations, and matters arising from the minutes have been addressed properly.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Part I: Board responsibilities (Cont'd)

1.3 Separation of positions of the Chairman and the Managing Director

The positions of the Chairman of the Board and the Group Managing Director are held by two (2) different individuals and each has a clear accepted division of responsibilities to ensure that there is a balance of power and authority to promote accountability. The Chairman is responsible for instilling good corporate governance practices and leadership, and for ensuring Board effectiveness. The Chairman leads the Board in its collective oversight of Management, while the Group Managing Director has the overall responsibilities over the Company's operating units, organisational effectiveness and implementation of Board policies and decisions. The distinct and separate roles of the Chairman and Group Managing Director are clearly defined in the Board Charter to ensure that no one individual has unfettered powers of decision-making.

1.4 Chairman of the Board is not a member of the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee.

1.5 Qualified and Competent Company Secretary

The Board is supported by two (2) suitably qualified and competent Company Secretaries who carry out the responsibilities of the company secretarial function for the Group. Both Company Secretaries are qualified under Section 235(2)(a) of the Companies Act 2016. The Company Secretaries are external company secretaries from Securities Services (Holdings) Sdn. Bhd. with vast knowledge and experience from being in public practice and is supported by a dedicated team of company secretarial personnel.

The Company Secretaries, or together with their representatives, had during the year:

- together with management, managed all Board and Board Committee meeting logistics;
- attended and recorded minutes of all Board and Board Committee meetings and facilitated Board communications;
- advised the Board on its roles and responsibilities;
- briefed the Board on the latest letters and circulars issued by Bursa Malaysia Berhad;
- facilitate the conduct of the assessments to be undertaken by the Board and Board Committees as well as compile the results of the assessment; and
- advised the Board on corporate disclosures and compliance with company and securities regulations and listing requirements.

The Company Secretaries also ensure that there is good information flow within the Board, Board Committees and Key Senior Management. Every Board member has unrestricted access at all times to the advice and services of the Company Secretaries to ensure effective functioning of the Board and its Board Committees, adherence to Board policies and procedures as well as compliance with regulations and governance practices.

The Company Secretaries had and will continue to constantly keep themselves abreast on matters concerning company law, the capital market, corporate governance, and other pertinent matters, and with changes in the same regulatory environment, through continuous training and industry updates.

The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in the discharge of its function and duties.

1.6 Access to information and advice

All members of the Board have full and unrestricted access to the professional advice and services of the Company Secretaries and Key Senior Management in the course of discharging their duties and responsibilities on matters relating to the procedures governing the Company. The Board may seek independent professional advice, whenever necessary and in appropriate circumstances, either individually or collectively on any matter concerning the discharge of their responsibilities at the expense of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Part I: Board responsibilities (Cont'd)

1.6 Access to information and advice (Cont'd)

The Notices of the scheduled Board Meetings are served to the Directors at least seven (7) days prior to the Board Meetings. Unless there is an exceptional case for convening of Special Meeting of the Board to address emergency issues, shorter notice would be allowed with the consent of all Directors.

To leverage the usage of technology, the Board papers are circulated to the Directors in electronic form via email prior to the Board Meetings, to allow the Directors to consider the relevant information. The Board strives to circulate the Board papers at least five (5) business days in advance of the meeting day in the financial year ending 31 December 2024.

2. Demarcation of Responsibilities

2.1 Board Charter

The Board has established and adopted a Board Charter, which sets out the Board's strategic intent and identifies the respective roles and responsibilities of the Board, Board Committees, individual Directors, Senior Independent Director and senior management, as well as issues and decisions reserved for the Board, the Board's governance structure and authority. The Board Charter is available on the Company's corporate website at https://www.plytec.com.my/.

As part of its efforts to ensure the effective discharge of its duties, the Board has delegated certain functions and authorities to three (3) of its Board Committees, namely, Audit and Risk Management Committee ("**ARMC**"), Nomination Committee ("**NC**") and Remuneration Committee ("**RC**"). These Committees are entrusted with specific responsibilities to assist the Board in overseeing the Company's affairs, in accordance with their limits of authority and respective Terms of Reference, which are published on the Company's website at https://www.plytec.com.my/. These Terms of Reference are reviewed as and when the need arises. The Board keeps itself abreast of the responsibilities delegated to each Board Committee, and matters deliberated at each Board Committee meeting through the minutes of the Board Committee meetings and reports by the respective Board Committee Chairman, at Board meetings.

ARMC

Details on the ARMC are in the ARMC Report contained in this Annual Report.

RC

Details on the RC are contained in the Corporate Governance Report.

NC

The NC is comprised exclusively of Independent Non-Executive Directors and the composition of the NC is as follows:-

Name	Designation	Directorship
Anita Chew Cheng Im	Chairperson	Independent Non-Executive Director
Kow Hoay Lee	Member	Independent Non-Executive Director
Goik Kenzu[@] *(appointed on 6 July 2023)*	Member	Independent Non-Executive Director
Wong Yien Kim[#] *(ceased on 6 July 2023)*	Member	Independent Non-Executive Director

Remarks:-
[@] *Mr. Goik Kenzu was appointed as a member of the NC on 6 July 2023 following his appointment as a Director of the Company.*
[#] *Mr. Wong Yien Kim ceased to be a member of the NC on 6 July 2023 following his resignation as a Director of the Company.*

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Part I: Board responsibilities (Cont'd)

2. Demarcation of Responsibilities (Cont'd)

2.1 Board Charter (Cont'd)

The NC is empowered by the Board to oversee the selection and assessment of Directors to be appointed to ensure that the Board's composition and skills meet the needs of the Company, and hence, is tasked with the following duties and responsibilities:-

- To assess and recommend to the Board, candidates for directorships;
- To recommend to the Board the nominees to fill the seats on Board Committees;
- To review succession policies and plans for members of the Board, Board Committees and senior management;
- To ensure that all Directors receive appropriate continuous training programmes;
- To assess the effectiveness of the Board and the Committees of the Board as a whole, and each individual Director;
- To review the term of office and performance of the ARMC and each of its members annually to determine whether the ARMC and members have carried out their duties in accordance with their terms of reference;
- To act in line with the directions of the Board;
- To consider and examine such other matters as the NC considers appropriate; and
- To consider any other matters as defined by the Board.

Summary of Works

The following works were undertaken by the NC during FYE 2023 and up to the date of this Statement:-

- Reviewed and recommended the Directors' Fit and Proper Policy to the Board for approval and adoption;
- Reviewed the profile of Mr. Goik Kenzu for the appointment as an Independent Non-Executive Director of the Company;
- Reviewed the Board evaluation forms to ensure the said forms are in line with the ACE LR and the MCCG prior to undertaking the evaluation process;
- Reviewed the contribution and performance of each individual Director and the effectiveness of the Board as a whole and the Committees of the Board;
- Reviewed the term of office and performance of the ARMC and each of its members;
- Reviewed the independence of the Independent Non-Executive Directors and assessed their ability to bring independent and objective judgement to Board deliberations and proposals;
- Assessed the suitability of the Directors who will be standing for re-election at the forthcoming annual general meeting of the Company; and
- Reviewed the training programmes attended by the Directors for the FYE 2023.

In reviewing the profile and nomination of new Board members, the NC takes into consideration the following criteria:-

- Professional expertise, level of experience, competency and background;
- Time commitment and potential to add value to the Board and the Company as a whole; and
- Promotion of diversity in views and opinions in the Board.

In assessing the performance of the Board, Board Committees and Directors of the Company, the NC takes into consideration the following:-

- Personal Commitment/Contribution to Interaction;
- Understanding of the Company's Activities; and
- Compliance to the terms of reference, duties and responsibilities of a director, and of a chairman of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Part I: Board responsibilities (Cont'd)

2. Demarcation of Responsibilities (Cont'd)

2.1 Board Charter (Cont'd)

Summary of Works (Cont'd)

The attendance of Directors who are members of Board committees during FYE 2023 is set out below:-

Name	NC*	ARMC	RC
Anita Chew Cheng Im	-	4/4	2/2
Kow Hoay Lee	-	4/4	2/2
Goik Kenzu[@] *(appointed on 6 July 2023)*	-	1/1	2/2
Wong Yien Kim[#] (ceased on 6 July 2023)	-	2/2	-

Remarks:-
* *There was no NC meeting held during FYE 2023.*
[@] *Mr. Goik Kenzu was appointed as a member of the Board committees on 6 July 2023 following his appointment as a Director of the Company.*
[#] *Mr. Wong Yien Kim ceased to be a member of the Boad committes on 6 July 2023 following his resignation as a Director of the Company.*

3. Good Business Conduct and Corporate Culture

3.1 Code of Conduct and Ethics

The Board is committed in maintaining a corporate culture that engenders ethical conduct. The Board has formalised ethical standards by adopting a Code of Conduct and Ethics, which summarises what the Company must endeavour to do proactively in order to maintain the highest level of integrity and ethical conduct of the Board, Management and employees of the Group. The Company's Code of Conduct and Ethics covers the following:

- conflict of interest
- insider trading
- anti-bribery and corruption
- trade secrets and confidentiality of information
- responsibility to report
- protection against unfair dismissal, victimisation or unwarranted disciplinary action
- environment, social and governance agenda
- misconduct, malpractice and irregularity
- reporting and investigations procedure

The Company's Code of Conduct and Ethics is available on the Company's corporate website at https://www.plytec.com.my/.

Employees are made aware that relevant disciplinary actions will be taken for unethical behaviour and misconduct.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Part I: Board responsibilities (Cont'd)

3. Good Business Conduct and Corporate Culture (Cont'd)

3.2 Whistleblowing Policy

The Board had adopted a full-fledged Whistleblowing Policy on 1 December 2022, which provides an avenue for all employees and members of the public to voice or raise genuine concerns about any suspected and/or known misconduct, wrongdoings, corruption, fraud, and/or abuse involving the resources of the Group. The Whistleblowing Policy of the Company also provides guidance on the appropriate communication and feedback channels to facilitate whistleblowing.

The Company's Whistleblowing Policy is available on the Company's corporate website at https://www.plytec.com.my.

For FYE 2023, none of the designated persons received any report or concerns vide the abovementioned communication and feedback channels.

3.3 Anti-Bribery and Corruption Policy

In support of ethical business practices, the Board has also adopted a zero-tolerance approach against all forms of bribery and corruption and takes a strong stance against such acts through the adoption of the Group's Anti-Bribery and Corruption Policy on 1 December 2022 as additional measures to comply fully with the applicable laws and regulatory requirements on anti-bribery and anti-corruption.

This Policy applies to all employees and Directors of the Company (including temporary positions) and/or any person(s) associated with the Company. It is made available on the Company's corporate website at https://www.plytec.com.my/.

3.4 Directors' Fit and Proper Policy

The Board has in place a Directors' Fit and Proper Policy, which was adopted on 24 November 2022, which sets out the fitness and propriety for the appointment and re-election of Directors and to ensure that each of the Director has the character, integrity, experience, competence and time commitment to effectively discharge his/her role as a Director of the Company in tandem with good corporate governance practices.

The Directors' Fit and Proper Policy is available on the Company's corporate website at https://www.plytec.com.my/.

4. Governance of Sustainability

4.1 The Board promotes sustainability through its strategic oversight and integration of sustainability considerations in the decision-making process and operations of the Company. This entails taking a holistic view of how the Company creates value for its shareholders and stakeholders bearing in mind Environmental, Social and Governance ("**ESG**") factors.

As part of the efforts in promoting and building sustainability momentum within the Group, the Management has strengthened the ESG integration into the group-wide operations in FYE 2023, with a particular focus on environmental and social dimensions.

Please refer to the Sustainability Report in the Annual Report for further details.

4.2 The Company has engaged with stakeholders in a variety of ways which has been done at both the business units and group levels through formal and informal activities. The collective opinions and insights from the stakeholders help the Board make informed decisions, while aligning the stakeholders' expectations with the Company's sustainability priorities and business approach.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Part I: Board responsibilities (Cont'd)

4. Governance of Sustainability (Cont'd)

4.3 The Board, through the NC, assessed the training programme attended by each Director during FYE 2023 to ensure that the Directors had and will continue to constantly keep them abreast on the relevant requirements and matters concerning sustainability, including the latest development in the industry as well as the sustainability issues relevant to the Group.

4.4 As part of the sustainability initiatives, the Company has also included the assessment of the Board's understanding of sustainability issues that are critical to the Company's performance. As for the performance review of the senior management, the Company will take into account the sustainability risks such as health, safety and environmental risks, financial and people development and implement the relevant key performance indicators as part of the yearly performance appraisal.

4.5 Being a step-up practice, the Board did not identify a designated person within Management, to provide dedicated focus to manage sustainability strategically, as this requires the necessary time, resources and planning. The Board would consider this at an opportune time.

Part II: Board Composition

5. Board's Objectivity

5.1 Composition of the Board

The NC oversees and reviews on an ongoing basis, the overall composition of the Board in terms of size, the required mix of skills, experience and other qualities and core competencies for the Directors of the Company. The effectiveness of the Board as a whole and the contribution and performance of each individual Director to the effectiveness of the Board and the Board Committees will also be assessed by the NC on an annual basis.

The Board presently has seven (7) members and comprises one (1) Managing Director, two (2) Executive Directors and four (4) Independent Non-Executive Directors including the chairman of the Board, which fulfils the prescribed requirement of one-third (1/3) of the Board to be independent as stated under Rule 15.02(1) of ACE LR of Bursa Securities. In addition, the Company also complies with Practice 5.2 of MCCG to have at least half of the Board comprised of Independent Non-Executive Directors.

The presence of Independent Non-Executive Directors who come from various fields are invaluable asset to the Company and fulfil the pivotal role in corporate accountability. The role of Independent Non-Executive Directors is particularly important as they provide unbiased and independent views, advices and judgements to take into account of the interests, not only of the Group, but also the stakeholders. The profile of each Director is set out in another section of this Annual Report.

5.2 Tenure of Independent Director

In order to ensure independent and objective judgment is brought to the Board's deliberation by genuine independence of the independent directors and to ensure conflict of interest or undue influence from interested parties is well taken care of, the Board is committed to ensure the independence of the independent directors are assessed by the NC prior to their appointment based on formal nomination and selection process with the results of the review reported to the Board for consideration and decision.

As at the date of this Statement, none of the Independent Directors of the Company had served more than nine (9) years on the Board.

Being a step-up practice, the Board has not adopted a policy that limits the tenure of its Independent Directors to nine (9) years.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Part II: Board Composition (Cont'd)

5. Board's Objectivity (Cont'd)

5.3 Procedures for Appointment and Re-Election of Directors

The NC is responsible for leading the review of the appropriate skills (including but not limited to professional skills, where applicable), experience and characteristics required of Board members through set procedures, in the context of the needs of the Group.

In assessing the fitness and propriety of the existing Directors of the Company seeking for re-appointment and candidates for nomination or appointment as a Director, the NC shall evaluate the existing Directors and candidates for new appointment as Directors based on the fit and proper criteria as outlined in the Directors' Fit and Proper Policy and making recommendations to the Board on these matters for its review and decision.

The objective criteria in their nomination and election process are summarised as follows:–

The new appointee will be considered and evaluated by the NC and the NC will then recommend the candidates to be approved and appointed by the Board. The Company Secretaries will ensure all appointments are properly documented. This process was applied for the appointment of Mr. Goik Kenzu as a Director of the Company during FYE 2023. There was no new Key Senior Management personnel being appointed to the Group.

Although the Board did not utilise independent sources to identify the new Board member appointed during FYE 2023, namely, Mr. Goik Kenzu, who was recommended by the current Board member, the Board decision was still made objectively in the best interests of the Company taking into account his diverse skills, expertise and potential to contribute to the Board.

The Board will consider utilising independent sources to identify suitably qualified candidates when the need arises in the future.

The NC is also responsible for making recommendation to the Board on the eligibility of the Directors to stand for re-election at the AGM. The performance of the retiring Directors who are recommended for re-election at the AGM has been assessed through the Board and Board Committee evaluation as well as the fit and proper assessment.

5.4 Diverse Board and Senior Management

The Board is supportive of the Board and senior management composition diversity recommendation promoted by the MCCG in order to offer greater depth and breadth to Board discussions and constructive debates at the senior management level.

The appointment of Board members and Senior Management is based on objective criteria, merit and besides gender diversity, due regard is placed for diversity in skills, experience, age and background. The profile of Directors and Senior Management are set out in another section of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Part II: Board Composition (Cont'd)

5. Board's Objectivity (Cont'd)

5.5 Chairperson of the NC

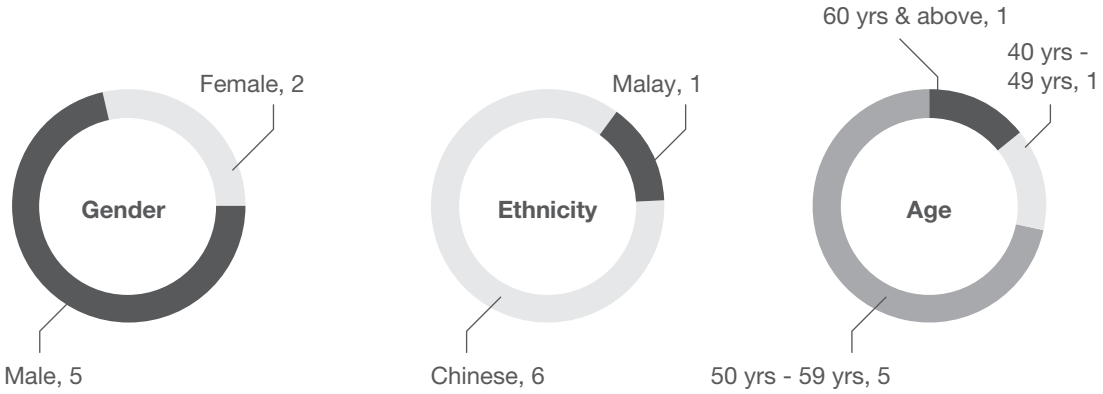
The NC is chaired by Ms. Anita Chew Cheng Im, the Independent Director appointed by the Board. The Chairperson of the NC is responsible for leading the NC in conducting an annual review of the effectiveness of the Board as a whole, and the Board Committees, as well as the contribution and performance of each individual Director on an on-going basis, ensuring that the performance of each Individual Director is independently assessed and will lead the succession planning and appointment of future Board members.

5.6 Boardroom and Gender Diversity

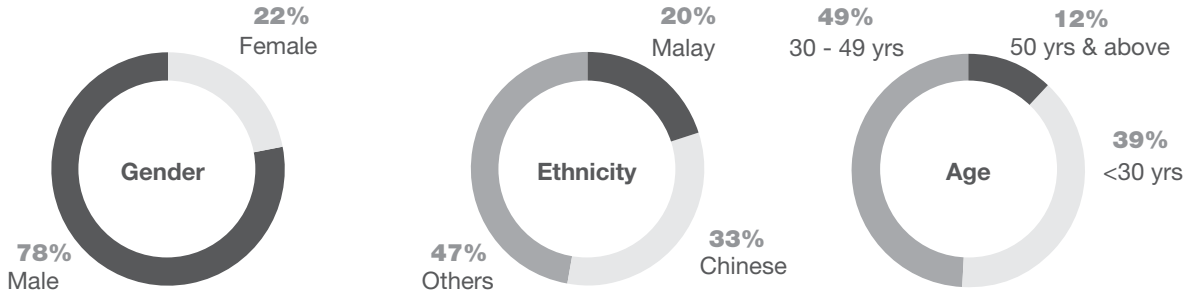
The Board recognises that a gender-diverse Board could offer greater depth and breadth whilst the diversity at key senior management would lead to better decision-making.

The Company has in place a Diversity Policy, which was adopted on 24 November 2022. The Board practises non-gender discrimination and has indicated its commitment to boardroom diversity by ensuring that all Board and Senior Management appointments are based on meritocracy, objective criteria, merit and with due regard to the benefits of diversity within the Board. Diversity in this context encompasses a wide range of factors, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge, experience, age, cultural background and gender.

Gender, ethnicity and age diversities in the Board



Gender, ethnicity and age diversities in the workforce



CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Part II: Board Composition (Cont'd)

6. Overall Effectiveness of the Board

6.1 Annual Assessment

The Board, through the NC would undertake the following assessments annually and the results of the evaluations are assessed by the NC and presented to the Board:-

a) The Board and Board Committees performance evaluation;
b) Self-performance evaluation;
c) ARMC performance assessment questionnaires; and
d) Independence of the Independent Non-Executive Directors.

The annual assessment of individual Directors, Board as a whole and Board Committees are based on a comprehensive assessment system, which commences with the completion of a set of comprehensive Self-Assessment Form detailing all assessment criteria to be completed by all Directors for evaluation by the NC. Criteria for the self-assessment include self-ratings on the Director's knowledge, support of the mission and goals of the Company, time commitment, and active participation on the Board.

The independence of the Independent Non-Executive Directors of the Company had been fulfilled in accordance with Bursa Malaysia Securities ACE LR and would not impede their independence in carrying out their duties in the respective Board and Board Committees.

Based on the outcome of the abovementioned assessment conducted by the NC for FYE 2023, the Board was satisfied that:-

- Individual Directors are able to meet the Board of Directors' expectations in terms of character, experience, integrity, competency and time commitment in discharging their roles as Directors of the Company.
- Individual Directors exercised due care and carried out professional duties proficiently.
- The Board and Board Committees had been effective in carrying out their functions and duties.
- All Independent Directors had been and remain independent from management and free from any business relationship that could materially interfere with their independent judgement.

6.2 Time Commitment

The Board meets at least four (4) times in each financial year and will hold additional meetings if the situation requires. Sufficient notices were given to the Board prior to each meeting.

During FYE 2023, there were six (6) Board meetings held and details of attendance by Directors who held office during that financial year under review are as follows:-

Directors	No. of meetings attended
Tan Sri Datuk Dr. Ir. Ahmad Tajuddin bin Ali	6/6
Anita Chew Cheng Im	6/6
Yang Kian Lock	6/6
Ir. Louis Tay Chee Siong	6/6
Ir. Han Liang Kwang	5/6
Kow Hoay Lee	6/6
Goik Kenzu (appointed on 6 July 2023)	3/3
Wong Yien Kim (resigned on 6 July 2023)	3/3

In the intervals between the Board meetings, Board approvals are obtained via circular resolutions for exceptional matters requiring the Board's decision which is supported by the relevant information in order to form an informed decision. In order to facilitate the Directors' planning and time management, an annual meeting calendar is prepared and given to the Directors before the beginning of each financial year.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Part II: Board Composition (Cont'd)

6. Overall Effectiveness of the Board (Cont'd)

6.2 Time Commitment (Cont'd)

The Board is satisfied with the time commitment given by the Directors. All of the Directors do not hold more than five (5) directorships in public listed companies as stipulated under the ACE LR of Bursa Securities. If any Director wishes to accept a new directorship in the public listed companies, the Chairman of the Board will be informed beforehand together with an indication of the time that will be spent on the new appointment.

6.3 Directors' Training

In order for the Group to remain competitive, the Board ensures that the Directors continuously enhance their skills and expand their knowledge to meet the challenges of the Board. The Board has cultivated the following best practices:-

- All newly appointed Directors are required to attend the Mandatory Accreditation Programme as prescribed by the ACE LR within the stipulated timeframe;
- All Directors are encouraged to attend talks, training programmes and seminars to update their knowledge on the latest regulatory and business environment;
- The Directors may be requested to attend additional training courses according to their individual needs as a Director or member of Board Committees on which they serve; and
- The Directors are briefed by the company secretaries on the letters issued by regulatory bodies at each quarterly Board Meeting.

During FYE 2023, all the Directors attended appropriate training/briefing programmes to update and enhance their knowledge to enable them to discharge their duties more effectively as Directors and to keep abreast of the development in the marketplace. Below are the training/briefing programmes attended by each of the Directors:-

Directors	Training(s) Attended
Tan Sri Datuk Dr. Ir. Ahmad Tajuddin bin Ali	- Energy Transition Townhall - Talk Series: "How Nations Succeed: Perspective of Development and Industrialisation" - Science Roundtable - ASEAN Science & Technology in Society Forum (STS) - Leadership Talk: "Striking the Balance" - Forum: "Leadership in the 21st Century: The Need for Purposeful & Principled leaders" - Talk: ChatGPT - IdeaXchange: Dialogue Session: "Pulling Malaysia out of the middle-income trap: how to achieve critical mass in the National Science, Technology, Innovation and Economy (STIE) Ecosystem?" - The Energy Transition Conference & National Energy Transition Roadmap (NETR) Part 2 - Envisioning Malaysia MADANI through the STIE Perspective - Majlis Amanat Perdana Integriti (MAP-i) - World Digital Economy & Technology Summit - Forum: Science & Technology in Society (STS) - Innovation for Cool Earth Forum (ICEF) - What Amounts to a Conflict of Interest by Directors? - Mandatory Accreditation Programme Part II (MAP) - Leading for Impact (LIP) - World Cities Day: "Urban Ecosystem Management in the Tropics" - ICDM Power Talk: "Climate Change & Carbon Footprint - Getting the Right Financial Risk & Reporting Perspectives"

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Part II: Board Composition (Cont'd)

6. Overall Effectiveness of the Board (Cont'd)

6.3 Directors' Training (Cont'd)

Directors	Training(s) Attended
Yang Kian Lock	- Green Building: "Design, Sustainability, Taxation & Benefits", KL BIM Day 2023
Ir. Louis Tay Chee Siong	- Green Building: "Design, Sustainability, Taxation & Benefits", KL BIM Day 2023 - OSHCIM way forward with Digital Empowerment - CREAM Webinar: Regulations on Scaffolding and Falsework in Malaysia - MBAM Annual Safety & Health Conference 2023
Ir. Han Liang Kwang	- Green Building: "Design, Sustainability, Taxation & Benefits", KL BIM Day 2023 - Way Forward in Developing National Human Capacity with Disruptive Technology Skills - Case Studies on BIM Practices in Projects - Empowering Construction Method Engineering with Industrialisation and Digitalisation Efforts
Anita Chew Cheng Im	- AOB conversation with Audit Committees
Kow Hoay Lee	- MPERS model financial statements - MFRS13 Fair Value Measurement; ISA701 Communicating KAM in the independent auditor's report - MFRS124 Related Party Disclosures; MFRS138 Intangible Assets; ISQM 2 - 2024 Budget Seminar - Webinar: "Fundamentals of Impairment Concept Used in IFRS/MFRS" - Webinar: "AOB's Conversation with Audit Committees" - Webinar: "Accounting for Biological Assets: MFRS and MPERS" - Abot audit software training
Goik Kenzu *(appointed on 6 July 2023)*	- Managing Cyber Risks: Insights for Boards & Senior Management

All members of the Board had attended the Mandatory Accreditation Programme prescribed by Bursa Securities.

The Directors are briefed by the Company Secretaries on the letters and circulars issued by the Bursa Securities and are constantly updated on any changes in the regulatory requirements which may affect the governance practices of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Part III – Remuneration

7. Level and Composition of Remuneration

7.1 In view that fair remuneration is crucial to attract, retain and motivate Directors and senior management, the Board has adopted a Remuneration Policy, which takes into account the demands, complexities and performance of the Company as well as skills and experience required to determine the remuneration of Directors and senior management. The said policies and procedures are available on the Company's website at https://www.plytec.com.my/.

The RC is responsible for reviewing and making recommendations to the Board for approval, the framework and remuneration packages of each Director in all forms, drawing from outside advice whenever necessary prior to making the relevant recommendations to the Board so that the levels of remuneration are sufficient to attract and retain the Directors needed to run the Company successfully. In its review, the RC considers various factors including the Directors' fiduciary duties, time commitments and the Company's performance.

As part of the remuneration strategy, the below table sets out the guiding principles and their implementation:-

Guiding Principles	Details
Alignment with shareholders' interest	• Align interests between employees and shareholders • Design incentive scheme to align incentive payments with the long-term performance of the Group
Provide market competitive pay	• Offer competitive packages to attract and retain talented and experienced individuals • Align compensation pay with the market, subject to affordability
Pay-for-performance	• Instill and drive a pay-for-performance culture • Measure performance against performance appraisal e.g. performance scorecard, comprising financial and non-financial metrics

7.2 Remuneration Committee

The Board has established an RC that assists the Board in reviewing and recommending the proposed remuneration packages of the Directors of the Company. The RC also assists the Board in structuring and linking Directors' remuneration to the strategic objectives of the Company, which rewards contributions to the long-term success of the Company in promoting business stability, sustainability and growth.

The RC is comprised exclusively of Independent Non-Executive Directors and the composition of the RC is as follows:-

Name	Designation	Directorship
Goik Kenzu[@] *(appointed on 6 July 2023)*	Chairman	Independent Non-Executive Director
Wong Yien Kim[#] *(ceased on 6 July 2023)*	Chairman	Independent Non-Executive Director
Anita Chew Cheng Im	Member	Independent Non-Executive Director
Kow Hoay Lee	Member	Independent Non-Executive Director

Remarks:-

[@] *Mr. Goik Kenzu was appointed as a Chairman of the RC on 6 July 2023 following his appointment as a Director of the Company.*

[#] *Mr. Wong Yien Kim ceased to be a Chairman of the RC on 6 July 2023 following his resignation as a Director of the Company.*

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Part III – Remuneration (Cont'd)

7. Level and Composition of Remuneration (Cont'd)

7.2 Remuneration Committee (Cont'd)

The following works were undertaken by the RC relating to its remuneration function during FYE 2023 and up to the date of this Statement:-

- Reviewed and assessed the payment of benefits payable to the Directors and recommended the same for the Board for consideration to recommend to the shareholders for approval; and
- Reviewed the Directors' fees for the financial year ended 31 December 2023 and financial year ending 31 December 2024, and recommended the same for the Board for consideration to recommend to the shareholders for approval.

8. Remuneration of Directors and Senior Management

8.1 Directors' Remuneration

The Directors' fees payable to each Director of the Company are categorised into appropriate components in respect of FYE 2023 including the remuneration breakdown of fees, salary, bonus, benefits-in-kind and other emoluments, are as follows:-

Received from the Company						
Name of Directors	**Fees (RM)**	**Allowance (RM)**	**Salary and bonus (RM)**	**Benefit-in-kind (RM)**	**Other emoluments (RM)**	**Total (RM)**
Executive Directors						
Yang Kian Lock	-	-	-	-	-	-
Ir. Louis Tay Chee Siong	-	-	-	-	-	-
Ir. Han Liang Kwang	-	-	-	-	-	-
Non-Executive Directors						
Tan Sri Datuk Dr. Ir. Ahmad Tajuddin bin Ali	180,000	-	-	-	-	180,000
Anita Chew Cheng Im	78,000	3,000	-	-	-	81,000
Kow Hoay Lee	42,000	-	-	-	-	42,000
Goik Kenzu *(appointed on 6 July 2023)*	29,194	-	-	-	-	29,194
Wong Yien Kim *(resigned on 6 July 2023)*	30,968	-	-	-	-	30,968

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Part III – Remuneration (Cont'd)

8. Remuneration of Directors and Senior Management (Cont'd)

8.1 Directors' Remuneration (Cont'd)

Received from the Group						
Name of Directors	Fees (RM)	Allowance (RM)	Salary and bonus (RM)	Benefit-in-kind (RM)	Other emoluments (RM)	Total (RM)
Executive Directors						
Yang Kian Lock	-	-	1,130,000	13,325	215,859	1,359,184
Ir. Louis Tay Chee Siong	-	-	614,000	17,400	74,839	706,239
Ir. Han Liang Kwang	-	-	293,825	11,100	36,421	341,346
Non-Executive Directors						
Tan Sri Datuk Dr. Ir. Ahmad Tajuddin bin Ali	180,000	-	-	-	-	180,000
Anita Chew Cheng Im	78,000	3,000	-	-	-	81,000
Kow Hoay Lee	42,000	-	-	-	-	42,000
Goik Kenzu *(appointed on 6 July 2023)*	29,194	-	-	-	-	29,194
Wong Yien Kim *(resigned on 6 July 2023)*	30,968	-	-	-	-	30,968

* *The Directors' fees and benefits (meeting allowance) are subject to shareholders' approval at the Second Annual General Meeting of the Company.*

8.2 Remuneration of the Senior Management

The key senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000/- on a named basis, are disclosed as follows:-

Range of Remuneration	Name of key senior management
RM200,001 – RM250,000	Lim Boon Ping

The Board considers the remuneration information of senior management to be confidential and proprietary, and to respect his privacy, will not disclose said information in detail.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Part I – Audit Committee

9. Effective and Independent ARMC

The Chairperson of the ARMC is chaired by Ms. Anita Chew Cheng Im, an Independent Non-Executive Director, while Tan Sri Datuk Dr. Ir. Ahmad Tajuddin bin Ali is the Chairman of the Board. This separation of leadership and responsibility ensured that the objectivity of the Board's review of the ARMC's findings and recommendations was not impaired. This separation is set out clearly in the Terms of Reference of the ARMC.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

Part I – Audit Committee (Cont'd)

9. Effective and Independent ARMC (Cont'd)

Ms. Anita Chew Cheng Im is responsible for ensuring the overall effectiveness and independence of the ARMC. Together with other members of the ARMC, they had ensured amongst others that:-

a. the ARMC is fully informed about significant matters related to the Group's audit and its financial statements and these matters are addressed;

b. the ARMC appropriately communicates its insights, views and concerns about relevant transactions and events to Internal and External Auditors;

c. the ARMC's concerns on matters that may have an effect on the financial or audit of the Company are communicated to the External Auditors; and

d. there is co-ordination between Internal and External Auditors.

The composition and summary of works of the ARMC are included in the ARMC Report of this Annual Report, while the Terms of Reference of the ARMC are available at the Company's corporate website at https://www.plytec.com.my/.

The ARMC has formalised the policy that requires a cooling-off period of at least three (3) years to be observed by the former key audit partner of the Company's External Auditors in the Terms of Reference of the ARMC before being appointed as a member of the AC. This is to safeguard the independence of the audit and preparation of the Company's financial statements.

None of the ARMC members were former key audit partners. As a matter of practice, the ARMC has recommended to the NC not to consider any key audit partner as a potential candidate for the Board/ARMC member to affirm the ARMC's stand on such policy.

The ARMC comprises solely of Independent Directors in line with Step-up Practice 9.4 of the MCCG.

All members of the ARMC are financially literate and are able to understand the Company's business and matters under the purview of the ARMC including the financial reporting process. They have continuously applied a critical and probing view on the Company's financial reporting process, transactions and other financial information, and effectively challenged Management's assertions on the Company's financials. Any inconsistencies or irregularities in the financial and operational reports would be questioned to ascertain that the Quarterly Report and the annual Audited Financial Statements taken as a whole provide a true and fair view of the Company's financial position and performance.

All members of the ARMC have also undertaken and will continue to undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules, as and when required.

9.1 Assessment of External Auditors

The Company maintains a transparent relationship with the external auditors in seeking their professional advice and towards ensuring compliance with the accounting standards.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

Part I – Audit Committee (Cont'd)

9. Effective and Independent ARMC (Cont'd)

9.1 Assessment of External Auditors (Cont'd)

In recommending the appointment or re-appointment of the External Auditors to the Board, the ARMC assesses the suitability, objectivity and independence of External Auditors that consider amongst others:-

a. the competence, audit quality, experience and resource capacity of the external auditor and its staff assigned to the audit;
b. the adequacy of the scope of the audit plan;
c. the external auditor's ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the external audit plan;
d. the nature and extent of the non-audit services rendered and the appropriateness of the level of fees; and
e. obtaining assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The assessment to consider the suitability, objectivity and independence of the audit firm is conducted annually. The ARMC was of the view that Messrs. Crowe Malaysia PLT, the External Auditors, had conducted itself objectively and independently in carrying out the audit of the Company during FYE 2023, and the ARMC was satisfied with Crowe's technical competency.

Part II – Risk Management and Internal Control Framework

10. Risk Management and Internal Control

The Board is aware and recognises various types of risks inherent in the businesses of the Group and the possible financial impact. As part of its ongoing process to identify, evaluate, and to manage risks, the Board with the assistance of the ARMC will monitor the effectiveness of internal control, including identifying risk areas, where the details of these risk events will be identified and discussed at length in the meetings. The findings and recommendations, if any, will be tabled at the board meetings on a periodic basis, in which the key risks and corresponding risk-mitigating actions are identified and their progress are set for discussions and deliberations. With the approval of the Board, appropriate measures will be taken to strengthen the controls in order to improve the risk management of the Group. An appropriate framework is being maintained on an ongoing basis to enhance and develop the Group's risk management further.

The Company also engages Internal Auditors to provide independent assessments of the adequacy, efficiency and effectiveness of the Company's internal control system. The Internal Auditors report directly to the ARMC and internal audit plans are tabled to the ARMC for review and approval by the Board to ensure adequate coverage.

Further details on the features of the risk management and internal control framework, and the adequacy and effectiveness of this framework, are disclosed in the Statement on Risk Management and Internal Control in this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

Part II – Risk Management and Internal Control Framework (Cont'd)

11. Effective Governance, Risk Management and Internal Control Framework

The internal audit function of the Company is carried out by an outsourced professional service firm, Resolve IR Sdn. Bhd. that assists the ARMC and the Board in managing the risks and establishing the internal control system and processes of the Company by providing an independent assessment of the adequacy, efficiency and effectiveness of the Group's risk management and internal control system and processes. The Internal Auditors report directly to both the ARMC and the Board.

The internal audit function is independent of the operations of the Company and provides reasonable assurance that the Company's system of internal control is satisfactory and operating effectively.

Further details of the internal audit function are set out in the Statement on Risk Management and Internal Control and the ARMC Report of this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Part I – Engagement with Stakeholders

12. Continuous Communication between the Company and Stakeholders

The Board believes that a constructive and effective investor relationship is essential in enhancing shareholder value. The Board, in its best efforts, always keeps the shareholders and various stakeholders informed of the Group's business and corporate development and ensure that the communication with them is transparent and timely.

The Company maintains a website at https://www.plytec.com.my/ for shareholders, investors and general public to access information on amongst others, the Group's corporate profile, products, financial performance announcements published in Bursa Securities' website, Board Charter and Board Committees' terms of reference and corporate information. Shareholders may also communicate with the Company on investor relation matters by posting their enquiries to the Company through the Company's web enquiry form on its website.

The Company is not categorised as "Large companies" under the MCCG and hence, has not adopted integrated reporting based on a globally recognised framework.

Part II – Conduct of General Meetings

13. Encourage Shareholders' Participation at General Meetings

13.1 Participation at AGM

The Board of Directors acknowledges the need for shareholders to be informed of all material business matters affecting the Company. To encourage shareholders' participation, an adequate notice period for the AGM of at least twenty-eight (28) days will be adhered to in order to communicate with all shareholders.

The Chairman of the Board and the Chairpersons of the respective Board Committees as well as the Board members will be present at the 2nd AGM to respond to the shareholders' queries. Healthy dialogues and interactions with the shareholders are greatly encouraged and the Board will endeavor to provide meaningful responses to questions addressed to them on the resolutions being proposed and the operations of the Group.

The Board is supported by the External Auditors, the Company Secretaries, Sponsors, and senior management staff, where applicable, who will also present at the 2nd AGM to communicate with the shareholders, investors and media as well as to respond to the queries raised.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (Cont'd)

Part II – Conduct of General Meetings (Cont'd)

13. Encourage Shareholders' Participation at General Meetings (Cont'd)

13.2 Poll Voting

The Company will conduct poll voting on all resolutions for all general meetings in compliance with the Bursa Securities' ACE LR requires that any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll.

13.3 Voting in Absentia and Remote Shareholders' Participation at General Meeting(s)

The Company will leverage technology to facilitate remote shareholders' participation and electronic voting for the conduct of a poll on the resolution for the first time in this coming 2nd AGM.

To ensure effective communication with the shareholders at a virtual general meeting, questions posed by shareholders will be displayed on the screen for all the meeting participants' reference.

CONCLUSION

The Board is satisfied that for FYE 2023, it complies substantially with recommendations of the Practices of the MCCG. This CG Overview Statement and the CG Report are made in accordance with the Resolution of the Board passed on 18 April 2024.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

INTRODUCTION

The Board of Directors ("**the Board**") of the Company is pleased to present the report of the Audit and Risk Management Committee for the financial year ended 31 December 2023 ("**FYE 2023**").

PURPOSE

The Audit and Risk Management Committee ("**ARMC**") assists the Board in discharging its statutory and fiduciary duties and responsibilities relating to accounting and reporting practices as well as risk management policies and strategies and sustainability initiatives of the Company and its subsidiaries. It reviews the quarterly financial information before recommending it to the Board for approval and releases to Bursa Malaysia Securities Berhad ("**Bursa Securities**"). In addition to this, the ARMC reviews the systems of internal controls which Management and the Board have established and makes recommendations to Management on actions to be taken, if any, based on the reports of the independent Internal and External Auditors.

COMPOSITION OF THE ARMC AND MEETINGS ATTENDANCE

The ARMC of the Company comprises three (3) Independent Non-Executive Directors. This meets the requirements of Rule 15.09 of the ACE Market Listing Requirements ("**ACE LR**") of Bursa Securities and satisfied the test of independence under the ACE LR of Bursa Securities and Step-Up Practice 9.4 of the Malaysian Code on Corporate Governance ("**MCCG**").

Ms. Anita Chew Cheng Im, the Independent Non-Executive Director is the Chairperson of the ARMC. In this respect, the Company complies with Rule 15.10 of the ACE LR of Bursa Securities where the elected chair of the ARMC is an independent director. Furthermore, in compliance with Practice 9.1 of the MCCG, the Chairperson of the ARMC is not the Chairperson of the Board.

Ms. Kow Hoay Lee, one (1) of the members of the ARMC, has been a fellow of the Association of Chartered Certified Accountants (ACCA) since May 2013. She has also been a member of the Malaysian Institute of Chartered Accountants since November 2008. In this respect, the Company complies with Rule 15.09(1)(c) of the ACE LR of Bursa Securities.

The ARMC held four (4) meetings during the financial year under review. The members of the ARMC and their attendance at the meetings are set out below:-

Name	Designation	Directorship	Attendance
Anita Chew Cheng Im	Chairperson	Independent Non-Executive Director	4/4
Kow Hoay Lee	Member	Independent Non-Executive Director	4/4
Goik Kenzu*1 *(appointed w.e.f. 6 July 2023)*	Member	Independent Non-Executive Director	1/2
Wong Yien Kim*2 *(ceased w.e.f. 6 July 2023)*	Member	Independent Non-Executive Director	2/2

Remarks:-

*1 Mr. Goik Kenzu was appointed as a member of the ARMC on 6 July 2023 following his appointment as a Director of the Company.

*2 Mr. Wong Yien Kim ceased to be a member of the ARMC on 6 July 2023 following his resignation as a Director of the Company.

AUTHORITY, DUTIES AND RESPONSIBILITIES OF ARMC

The ARMC is governed by its Terms of Reference ("**TOR**"), which is available at the Company's website at https://www.plytec.com.my/.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
(Cont'd)

SUMMARY OF THE WORK

During FYE 2023, the ARMC had discharged its functions and duties as set out in its TOR. The ARMC has an explicit right to convene meetings with both the Internal and External Auditors without the presence of other directors and employees.

A summary of the work of the ARMC in the discharge of its functions and duties for the financial year under review and how it has met its responsibilities during the financial year and up to the date of this ARMC report are as follows:-

(a) Financial reporting

- Reviewed the Group's quarterly financial results focusing particularly on changes in or implementation of major accounting policies, significant and unusual events and compliance with accounting standards and other legal requirements before recommending them for approval by the Board for releasing announcement to Bursa Securities.

(b) Corporate Reporting

- Reviewed the Statement on Risk Management and Internal Control for inclusion in the Annual Report.
- Reviewed the ARMC Report for inclusion in the Annual Report.

(c) External Audit

- Reviewed the reports and the audited financial statements of the Group together with the External Auditors prior to tabling to the Board for approval.
    - o In the review of the annual audited financial statements, the ARMC had discussed with Management and the External Auditors the accounting principles and standards that were applied and their judgement of the items that may affect the financial statements as well as issues and reservations arising from the statutory audit.
    - o The matters discussed included recoverability of trade receivables and valuation of inventories raised by the Company's External Auditors as Key Audit Matters ("**KAM**").
    - o The audit responses to address the abovesaid issues by the Company's External Auditors was set out in the Independent Auditors' Report ("**IAR**"). For detailed information on KAM, please refer to IAR in this Annual Report.
- Reviewed and approved the External Auditors' audit planning memorandum for the Group covering the audit objectives and approach, areas of audit emphasis, timeline, relevant accounting standards issued by the Malaysian Accounting Standard Board, and other relevant technical pronouncements.
- Reviewed the statutory audit fees and non-audit service fees for FYE 2023.
- Reviewed the External Auditors' audit review memorandum of the Group for FYE 2023, covering the significant audit findings and financial reporting matters.
- Reviewed and discussed the External Auditors' audit report, covering the key audit matters raised and areas for concern highlighted in the Management letter, including Management's response to the concerns raised by the External Auditors.
- Met with the External Auditors without the presence of the Executive Directors and Management once, on 22 February 2024, in order to provide the External Auditors with an avenue to candidly express any concerns they may have, including those relating to their ability to perform their work without restraint or interference.
- Evaluated the External Auditors' suitability, objectivity and independence, taking into consideration their technical competencies, audit quality, manpower resource sufficiency to perform the audit of the Group, and made recommendation to the Board on their re-appointment.

(d) Internal audit

- Reviewed the profile and proposal of the outsourced service providers for the provision of internal audit services for the Group and recommended the appointment of Resolve IR Sdn. Bhd. as the Company's outsourced internal audit function to the Board for approval.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
(Cont'd)

SUMMARY OF THE WORK (Cont'd)

(d) Internal audit (Cont'd)

- Reviewed and approved the risk-based internal audit plan for FYE 2023 and the internal audit fees.
- Reviewed internal audit report issued by the outsourced internal audit function in respect of the audit activities conducted, including the observations, recommendations for improvements, Management's responses as well as actions taken to improve the system of internal control and procedures. Where appropriate, the ARMC has directed Management to rectify and improve control procedures and workflow processes based on the internal audit function's recommendations and suggestions for improvement.
- Reviewed the adequacy of the scope, functions, resources and competency of the internal audit function.
- Reviewed the Enterprise Risk Management Framework, including the establishment of opportunity and risk register and mapping.

(e) Matters relating to related party transaction

Reviewed the quarterly and annual financial statements on the disclosures relating to related party transactions or conflict of interest situations that arose within the Group and ensure compliance with provisions of the ACE LR of Bursa Securities.

INTERNAL AUDIT FUNCTION

The internal audit function plays an important role to provide the Board, through the ARMC, reasonable assurance of the effectiveness of the system of internal control in the Group. The ARMC had on 6 November 2023, appointed a professional service firm, Resolve IR Sdn. Bhd. as the outsourced internal audit function of the Group. The outsourced internal audit function is tasked to undertake independent review on the adequacy and effectiveness of internal control systems in accordance with the scope of work that is approved by the ARMC. In addition, the work of the outsourced internal audit function is guided by the International Professional Practices Framework of Internal Auditing.

The outsourced Internal Audit Function reports directly to the ARMC on a quarterly basis. A summary of work of the internal audit function for FYE 2023 is as follows:-

(a) Formulated a risk-based internal audit plan that focuses on key risk areas of the Group and presented the plan for the ARMC's review and approval.

(b) Executed internal audit reviews covering the following business processes or areas in accordance with the approved audit plan:-

- Anti-Corruption Framework and Processes
  - Anti-Corruption Policies and Procedures
  - Anti-Corruption Framework and Activities (for compliance and continuous monitoring)
  - Corruption Risk Assessment
  - Anti-Corruption Training
  - Correspondence and Communication on Anti-Corruption Matters (with internal and external stakeholders)
- Review of Related Party Transactions and Conflict of Interest
  - Related Party Transactions Framework
  - Identification and Approval of Related Party Transactions
  - Monitoring and Reporting of Related Party Transactions
  - Disclosure of Related Party Transactions
  - Recurrent Related Party Transactions
  - Conflict of Interest Declaration and Management

(c) Results of the internal audit reviews carried out were reported to the ARMC, highlighting internal control weaknesses identified, corresponding recommendations for improvements and corrective action plans agreed by Management.

The internal audit review carried out during FYE 2023 did not reveal weaknesses that have resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this annual report.

The total cost incurred for the internal audit function of the Group for FYE 2023 amounted to approximately RM30,000.00.

STATEMENT OF DIRECTORS' RESPONSIBILITY
IN RELATION TO THE FINANCIAL STATEMENTS

In accordance with the provisions of the Companies Act 2016 ("**the Act**"), the applicable Malaysian Financial Reporting Standards and the International Financial Reporting Standards, the Directors are required to prepare financial statements that give a true and fair view of the state of affairs of the Group and the Company as at the end of the financial year, and of the results and cash flows for that year then ended.

The Directors consider that in preparing the Audited Annual Financial Statements:

- the Group and the Company had used appropriate accounting policies which are consistently applied;
- reasonable and prudent judgments and estimates were made; and
- complete disclosures of all information required under the Act and the ACE Market Listing Requirements have been made and followed.

In preparing the Audited Annual Financial Statements, the Directors are responsible for ensuring that the Group and the Company maintain accounting records that disclose with reasonable accuracy the financial position of the Group and the Company, and which enable them to ensure that the financial statements comply with the Act.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group and the Company, and to prevent and detect fraud and other irregularities.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS

The Company was listed on the ACE Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**") on 15 November 2023 ("**Listing**"). As part of the Listing exercise, the Company has undertaken a public issue of 106,060,600 new ordinary shares at an issue price of RM0.35 per share, raising gross proceeds of RM37.12 million ("**IPO Proceeds**").

The status of the utilisation of the proceeds as at 31 December 2023 is disclosed as follows:

Details of Use of Proceeds	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance Utilisation (RM'000)	Estimated Timeframe for Utilisation from Listing
Capital expenditure	8,000	(822)	7,178	Within 24 months
Repayment of borrowings	9,000	(5,930)	3,070	Within 12 months
Construction of factories and centralised labour quarters on the Olak Lempit Land	7,800	(1,502)	6,298	Within 24 months
Purchase of software systems and hardware	2,000	(126)	1,874	Within 24 months
Working capital	6,321	(4,171)	2,150	Within 12 months
Estimated listing expenses	4,000	(4,000)	-	Immediate
Total Gross Proceeds	**37,121**	(16,551)	20,570	

The utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 24 October 2023.

2. AUDIT AND NON-AUDIT FEES

During the financial year ended 31 December 2023 ("**FYE 2023**"), Messrs. Crowe Malaysia PLT, the External Auditors have rendered audit and non-audit services to the Company and its subsidiaries ("**the Group**"). The breakdown of the fees payable to the External Auditors is as follows:

	The Company (RM)	The Group (RM)
Audit services rendered	24,000	187,500
Non-audit services rendered - Review of Statement of Risk Management and Internal Control	7,500	7,500
Total	31,500	195,000

3. MATERIAL CONTRACTS INVOLVING DIRECTORS', CHIEF EXECUTIVE'S AND MAJOR SHAREHOLDERS' INTERESTS

There were no material contracts entered into by the Company or its subsidiaries (not being contracts entered into in the ordinary course of business) involving the interests of the Directors, chief executive and major shareholders which were still subsisting at the end of FYE 2023 or which were entered into since the end of the previous financial year.

4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("RRPT") AND RELATED PARTY TRANSACTIONS ("RPT")

The recurrent related party transactions of a revenue or trading nature incurred by the Group for FYE 2023 did not exceed the threshold prescribed under Rule 10.09(1) of the ACE Market Listing Requirements of Bursa Securities.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("**the Board**") of PLYTEC Holding Berhad ("**PLYTEC**" or "**the Company**") is pleased to present the Statement on Risk Management and Internal Control ("**Statement**") for the financial year ended 31 December 2023, which outlines the main features of risk management and internal control of PLYTEC and its subsidiary companies ("**PLYTEC Group**" or "**the Group**").

This Statement is prepared pursuant to Paragraph 15.26(b) of the ACE Listing Requirements of Bursa Malaysia Securities Berhad ("**ACE LR**"), the Malaysian Code on Corporate Governance 2021 and as guided by Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITY

The Board acknowledges its overall responsibility and is committed towards maintaining a sound risk management and internal control systems, including reviewing of its adequacy and effectiveness to safeguard shareholders' interest and the Group's assets. The Board, while retaining ultimate accountability, has empowered Management on the implementation of the Group's risk management and internal control framework, regularly receives reports on the management of risks affecting the Group in respect of operations, strategy, financial, human resources, governance and compliances.

In discharging the Board's stewardship responsibilities, the Board has set out its risk appetite, embeds risk management in material aspects of the Group's processes and activities, and is dedicated to continuously reviewing the system of risk management and internal control with a view to ensure its adequacy and effectiveness to facilitate the management of risks that may impede the achievement of the Group's business objectives.

Notwithstanding the above, the Board acknowledges that such system has inherent limitations as it is designed to manage, rather than to eliminate the risks that hinders the achievement of the Group's business objectives. Therefore, such system can only provide reasonable and not absolute assurance against material misstatement, loss and the occurrence of any unforeseen circumstances such as error, fraud and irregularities.

RISK MANAGEMENT FRAMEWORK

The Group's business strategies and activities involve risk taking and risk mitigation. With the increasingly dynamic and complex business environment, proactive management of the overall business risks is a prerequisite in ensuring that the Group achieves its strategic business objectives. The Board believes that risk management is essential for continued profitability and protection of shareholders' value. In line with these, the Board is committed to plan and execute activities that ensure risks inherent in its businesses are identified and effectively managed.

Risk management is regarded as an integral part of the Group's philosophy and business practices, and not in isolation. The management of risks is aimed at achieving the appropriate balance between realising opportunities for gains while avoiding or minimising losses to the Group. Consequently, the Group has adopted an Enterprise Risk Management ("**ERM**") framework and put in place processes to facilitate the identification, evaluation, management, and monitoring of risks to enhance the Group's risk management effectiveness and to cultivate a risk awareness culture.

The ERM framework adopted are guided by ISO 31000:2018 Risk Management – Principles and Guidelines which primarily aims to:

- Safeguard the Group's resources, people, finance, property, and reputation in the industry.
- Provide fundamentals of risk management which supports achievement of the Group's business strategic objectives, in line with the Group's Vision and Mission in the context of its corporate values.
- Provide a structured and streamlined approach in identifying, rating, mitigating, managing, and monitoring risks and opportunities.
- Facilitate informed decision making within the Group's risk appetite, including identifying and leveraging on opportunities.
- Advocate a healthy risk culture and environment where staff understand and assume responsibility for managing the risks and opportunities for which they are accountable for as well as to be aware of the controls in place to mitigate those risks and opportunities;
- Set up clear reporting structures and support reporting of relevant and timely information for decision making;
- Warrant independent audit activities to provide assurance to the management that risk management processes and internal controls are in place and are effective.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(Cont'd)

RISK MANAGEMENT FRAMEWORK (Cont'd)

The ERM framework adopted by the Group sets out the risk management governance, guidelines, processes, and control responsibilities with a comprehensive and proactive approach. The framework is a prerequisite in ensuring that risk management is able to facilitate the achievement of business objectives, safeguard business assets as well as create financial sustainability.

Under the Group's ERM framework, significant risks faced by the Group's businesses that may affects the achievement of the Group's business strategic objectives are identified after considering the following factors:

- Significant changes experienced in the country and the industry;
- New regulatory requirements and international best practices;
- Changes in business environment including political atmosphere;
- Growing needs to optimise economic capital and measure performance;
- Protection and enhancement of stakeholders' value.

Risk identification, evaluation and management are undertaken by the Board and senior management from time to time and subsequently reported to the Audit and Risk Management Committee on a periodic basis.

The ongoing risk management process implemented within the Group defines, highlights, reports and manages the key business and operational risks faced by the businesses within the Group.

INTERNAL AUDIT FUNCTION

The Board assisted by senior management personnel, designs and implements an internal control system that manages and reduces risks, promotes corporate governance, as well as ensure continuous compliance with applicable laws and regulatory requirements. Such internal control system is embedded within the Group's operations for effective control and monitoring. The Board is supported by several committees to oversee various aspects of governance, namely the Audit and Risk Management Committee ("**ARMC**"), Nomination Committee, and Remuneration Committee. Each committee has a defined terms of reference outlining their functions and duties as delegated by the Board.

The Group has outsourced its internal audit function to an independent professional services firm to assist the ARMC in undertaking independent, regular reviews on the business processes managing key risks of the Group with the intent of assessing the adequacy and effectiveness of the Group's system of internal control and to enhance its efficacy and coverage where appropriate.

The scope of work of the outsourced internal audit function has been set out in the internal audit plan that has been approved by the ARMC. During the financial year, audit review of key business areas was conducted and the results of such review were reported directly to the ARMC thereby highlighting deficiencies, recommendations for improvements, Management's response, and proposed action plans to rectify such deficiencies.

In addition to the internal audit function, the ARMC also receives reports from the external auditors that primarily communicates audit results as well as the effectiveness of financial reporting controls. Where there are incidents of non-compliances, appropriate corrective actions have been taken to rectify them.

During the current financial year, there were no major internal control weaknesses which could lead to material losses, contingencies or uncertainties that require a separate disclosure in this Annual Report.

OTHER KEY ELEMENTS OF INTERNAL CONTROL SYSTEMS

In addition to the risk management and internal audit function, other key elements of the Group's internal control system and environment are described below:

Lines of Responsibility

The Group has established a clear organisation structure to define the line of responsibility and delegated authority. The day-to-day operation of the business is entrusted to the Board and senior management. Division Heads are empowered with the responsibility of managing their respective division's operations.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(Cont'd)

OTHER KEY ELEMENTS OF INTERNAL CONTROL SYSTEMS (Cont'd)

Standard Operating Policies and Procedures

Internal operating policies and procedures are documented and formally set out. They are being reviewed and revised periodically to meet changes in the business and operating environment as well as to comply with statutory and regulatory requirements.

Integrity and Ethical Value

The Group aims to uphold highest level of integrity and ethical values in its business dealings. In line with such aspirations, the Group has put in place a Code of Ethics and Conduct to cultivate integrity and ethical behaviour in the organisation to educate all employees to maintain the required standards of integrity, ethics, responsibility and professionalism in all business dealings.

Anti-Bribery and Corruption Policy

The Group also adopts a zero-tolerance stance against any form of bribery and corruption. An Anti-Corruption Framework, in line with the Guideline on Adequate Procedures has been put in place and communicated to various stakeholders to demonstrate the Group's commitment toward combating corruption and bribery.

Whistleblowing Policy

The Group has established a whistleblowing policy and a whistleblowing channel which provides an avenue for its employees or third parties to report and raise genuine concerns on potential/ known misconduct, wrongdoings, corruption, fraud, waste, or abuse. The Group continues to encourage the use of whistleblowing channel and is committed to investigate and ensure that appropriate actions are taken to resolve reported misconduct or corruption effectively. The Group further commits to protect the whistle-blower from any retaliation from the Group or its employees.

Safety and Health Management

The Group emphasises on safety and health of employees and stakeholders by enforcing precautionary measures and guidelines at all premises as stipulated by the relevant authorities since the breakout of COVID-19 pandemic.

Assurance Statement by Key Management Team

For the financial year under review and up to the date of this statement, the CEO and CFO monitor the Group's system of risk management and internal control and provides assurances to the Board, to the best of their knowledge, that the Group's system of risk management and internal control are operating adequately and effectively in all material aspects.

Review of this Statement by External Auditor

Pursuant to Rule 15.23 of the ACE LR, the external auditors have reviewed this Statement pursuant to the scope set out in Audit and Assurance Practice Guide 3 ("**AAPG 3**") - Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("**MIA**") and reported to the Board that nothing has come to their attention that causes them to believe that the Statement, in all material aspects, has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is factually inaccurate.

CONCLUSION

The Board is of the opinion that the Group's risk management and internal control is adequate and operating effectively in all material aspects for the financial year under review. The Board shall endeavour to continually undertake reviews on the Group's system of risk management and internal control with a view to safeguard stakeholders' interest preserve the Group's assets and to elevate its status as a public listed group.

The Statement is made in accordance with the resolution of the Board dated 18 April 2024.

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DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

RESULTS

	The Group	The Company
	RM	RM
Profit/(Loss) after taxation for the financial year	6,588,351	(4,261,870)
Attributable to:-		
Owners of the Company	6,460,728	(4,261,870)
Non-controlling interest	127,623	-
	6,588,351	(4,261,870)

DIVIDENDS

No dividend was recommended by the directors for the financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

(a) the Company increased its issued and paid-up share capital from RM50,000,000 to RM85,565,822 by way of:-

  (i) issuance of 400,000,000 new ordinary shares by way of subdivision of 1 existing ordinary share into 5 ordinary shares; and

  (ii) issuance of 106,060,600 new ordinary shares for a cash consideration of RM0.35 each in conjunction with the initial public offering listing exercise on the ACE Market of Bursa Malaysia Securities Berhad as disclosed in Note 17 to the financial statements.

  The new ordinary shares issued rank pari passu in all respects with the existing shares of the Company.

(b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

DIRECTORS' REPORT
(Cont'd)

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

(i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS' REPORT
(Cont'd)

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Yang Kian Lock
Louis Tay Chee Siong
Han Liang Kwang
Tan Sri Datuk Dr. Ir. Ahmad Tajuddin bin Ali
Anita Chew Cheng Im
Kow Hoay Lee
Goik Kenzu *(Appointed on 6.7.2023)*
Wong Yien Kim *(Resigned on 6.7.2023)*

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Cheong Chew Yoke
Chu Wai Lee
Tan Kit Lee
Yu, Yi
Yoong Lai Yee *(Appointed on 7.12.2023)*

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

	← Number of Ordinary Shares →				
	At 1.1.2023	Share Split	Bought/ Allotted	Sold	At 31.12.2023
The Company					
Direct Interests					
Yang Kian Lock	2,134,393	8,537,572	400,000	(10,671,965)	400,000
Louis Tay Chee Siong	2,514,035	10,056,140	-	(12,570,175)	-
Han Liang Kwang	-	-	400,000	-	400,000
Tan Sri Datuk Dr. Ir. Ahmad Tajuddin bin Ali	-	-	1,000,000	-	1,000,000
Anita Chew Cheng Im	-	-	300,000	-	300,000
Kow Hoay Lee	-	-	300,000	-	300,000
Goik Kenzu	-	-	300,000	-	300,000
Indirect Interests					
Yang Kian Lock#	89,696,980	358,787,920	-	-	448,484,900

Deemed interested by virtue of his shareholdings in Prestij Usaha Sdn. Bhd. and Resilient Capital Holdings Sdn. Bhd.

By virtue of his shareholdings in the Company, Yang Kian Lock is deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interest, in accordance with Section 8 of the Companies Act 2016.

DIRECTORS' REPORT
(Cont'd)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 35(b) to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:-

	The Group	The Company
	RM	RM
Fees	360,161	360,161
Salaries, bonuses and other benefits	2,044,301	3,000
Defined contribution benefits	323,642	-
	2,728,104	363,161

The estimated monetary value of benefits-in-kind provided by the Group to the directors of the Company was RM41,825.

INDEMNITY AND INSURANCE COST

During the financial year, there was no indemnity given to or professional indemnity insurance effected for directors, officers or auditors of the Company.

SUBSIDIARIES

The details of the subsidiary name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary are disclosed in Note 5 to the financial statements.

The available auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

DIRECTORS' REPORT
(Cont'd)

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration for the financial year are as follows:-

	The Group	The Company
	RM	RM
Audit fees	187,500	24,000
Non-audit fees	7,500	7,500
	195,000	31,500

Signed in accordance with a resolution of the directors dated 18 April 2024.

Yang Kian Lock

Louis Tay Chee Siong

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of The Companies Act 2016

We, Yang Kian Lock and Louis Tay Chee Siong, being two of the directors of PLYTEC Holding Berhad, state that, in the opinion of the directors, the financial statements set out on pages 86 to 145 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2023 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 18 April 2024.

Yang Kian Lock **Louis Tay Chee Siong**

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of The Companies Act 2016

I, Lim Boon Ping, MIA Membership Number: CA48319, being the officer primarily responsible for the financial management of PLYTEC Holding Berhad, do solemnly and sincerely declare that the financial statements set out on pages 86 to 145 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Lim Boon Ping, NRIC Number: 900506-14-5439
at Kuala Lumpur
in the Federal Territory
on this 18 April 2024

Lim Boon Ping

Before me

Shaiful Hilmi bin Halim
No. W804
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

To the Members of PLYTEC Holding Berhad
(Incorporated in Malaysia)
Registration No: 201801020016 (1282035 - P)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of PLYTEC Holding Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 86 to 145.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT

Key Audit Matters (Cont'd)

We have determined the matters described below to be the key audit matters to be communicated in our report.

Recoverability of Trade Receivables
Refer to Notes 12 and 38.1(b)(iii) to the financial statements

Key Audit Matter	How our audit addressed the key audit matter
As at 31 December 2023, trade receivables that were past due and not impaired amounted to RM52,494,017. The details of the trade receivables and their credit risks are disclosed in Notes 12 and 38.1(b)(iii) to the financial statements. The management recognised the allowance for impairment losses on trade receivables based on the following:- 1. Measure lifetime expected credit losses using simplified approach; 2. Customers' payment and credit history; and 3. Specific known facts or circumstances on customers' ability to pay. We determined this to be a key audit matter due to the significant judgements and level of uncertainty involved in assessing the recoverability of trade receivables.	Our procedures included, amongst others: • Reviewed the ageing analysis of receivables and tested its reliability; • Reviewed and assessed the expected credit losses model and assumptions prepared by the management; • Reviewed subsequent collections for major receivables and overdue amounts; • Made inquiries of management regarding the action plans to recover overdue amounts; • Examined, where applicable, other evidence including customers' correspondences, proposed or existing settlement plans and repayment schedules; and • Evaluated, where applicable, the reasonableness and tested the adequacy of the Group's impairment losses recognised for identified exposure on trade receivables by assessing the relevant assumptions and historical data from the Group's previous collection experience.

Valuation of Inventories
Refer to Note 11 to the financial statements

Key Audit Matter	How our audit addressed the key audit matter
As at 31 December 2023, the carrying value of inventories stood at RM6,266,239. Inventories are carried at the lower of cost or net realisable value. We focused on this area as the assessment of net realisable value and the estimation of allowances for obsolete and slow-moving inventories are areas involved of significant judgement.	Our procedures included, amongst others: • Obtained an understanding of the Group's process for measuring the amount of inventories write down; • Attended the year-end inventory count to identify slow moving and obsolete inventories; • Reviewed the net realisable value of the inventories; • Reviewed the ageing analysis of inventories and tested its reliability; and • Evaluated the reasonableness and adequacy of the allowance for obsolete and slow-moving inventories recognised for identified exposure.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITORS' REPORT

To the Members of PLYTEC Holding Berhad
(Incorporated in Malaysia)
Registration No: 201801020016 (1282035 - P)
(Cont'd)

Information Other than the Financial Statements and Auditors' Report Thereon (Cont'd)

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As a part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT

To the Members of PLYTEC Holding Berhad
(Incorporated in Malaysia)
Registration No: 201801020016 (1282035 - P)
(Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Tan Keng Chiew
03709/01/2025 J
Chartered Accountant

Kuala Lumpur

18 April 2024

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

	Note	The Group 2023 RM	The Group 2022 RM	The Company 2023 RM	The Company 2022 RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	53,587,399	54,387,399
Property, plant and equipment	6	103,086,085	72,535,075	-	-
Investment properties	7	2,419,564	1,842,162	-	-
Right-of-use assets	8	3,020,108	3,130,286	-	-
Other investments	9	573,245	607,721	78,000	89,500
Goodwill	10	1,955,898	1,955,898	-	-
		111,054,900	80,071,142	53,665,399	54,476,899
CURRENT ASSETS					
Inventories	11	6,266,239	5,856,507	-	-
Trade receivables	12	74,326,297	58,930,862	-	-
Other receivables, deposits and prepayments	13	5,748,771	9,988,159	1,000	1,639,107
Amount owing by subsidiaries	14	-	-	22,528,000	1,398,000
Current tax assets		647,746	40,000	-	-
Fixed deposits with licensed banks	15	20,761,922	19,839,913	-	-
Cash and bank balances		14,018,191	3,482,723	11,499,329	11,679
		121,769,166	98,138,164	34,028,329	3,048,786
Asset classified as held for sale	16	479,498	-	-	-
TOTAL ASSETS		233,303,564	178,209,306	87,693,728	57,525,685

The annexed notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023
(Cont'd)

	Note	The Group 2023 RM	The Group 2022 RM	The Company 2023 RM	The Company 2022 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	17	85,565,822	50,000,000	85,565,822	50,000,000
Merger deficit	18	(38,490,399)	(38,490,399)	-	-
Retained profits/(Accumulated loss)		78,442,069	71,981,341	(3,868,152)	393,718
Equity attributable to owners of the Company		125,517,492	83,490,942	81,697,670	50,393,718
Non-controlling interest	5	497,104	369,481	-	-
TOTAL EQUITY		126,014,596	83,860,423	81,697,670	50,393,718
NON-CURRENT LIABILITIES					
Lease liabilities	19	253,165	323,777	-	-
Hire purchase payables	20	14,975,387	4,090,615	-	-
Term loans	21	5,053,236	11,783,533	-	-
Deferred tax liabilities	22	2,358,209	1,865,209	-	-
		22,639,997	18,063,134	-	-
CURRENT LIABILITIES					
Trade payables	23	15,742,997	15,874,324	-	-
Other payables and accruals	24	15,700,539	13,161,211	87,058	515,967
Amount owing to subsidiaries	14	-	-	5,874,000	6,616,000
Lease liabilities	19	70,612	67,450	-	-
Hire purchase payables	20	11,699,100	5,550,207	-	-
Short-term borrowings	25	40,112,001	34,893,858	-	-
Term loans	21	1,147,662	2,875,404	-	-
Bank overdrafts	26	-	3,108,535	-	-
Current tax liabilities		176,060	754,760	35,000	-
		84,648,971	76,285,749	5,996,058	7,131,967
TOTAL LIABILITIES		107,288,968	94,348,883	5,996,058	7,131,967
TOTAL EQUITY AND LIABILITIES		233,303,564	178,209,306	87,693,728	57,525,685

The annexed notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
For the Financial Year Ended 31 December 2023

		The Group		The Company	
		2023	2022	2023	2022
	Note	RM	RM	RM	RM
REVENUE	27	164,773,654	158,090,724	-	3,490,500
COST OF SALES		(125,252,729)	(115,796,869)	-	-
GROSS PROFIT		39,520,925	42,293,855	-	3,490,500
OTHER INCOME		1,095,845	1,567,055	154,804	-
		40,616,770	43,860,910	154,804	3,490,500
SELLING AND DISTRIBUTION EXPENSES		(1,483,270)	(1,433,540)	-	-
ADMINISTRATIVE EXPENSES		(21,818,809)	(18,074,279)	(3,570,174)	(480,994)
OTHER EXPENSES		(2,143,347)	(1,997,776)	(811,500)	(138,500)
FINANCE COSTS		(4,501,791)	(3,200,548)	-	-
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS	28	(555,169)	(407,605)	-	-
PROFIT/(LOSS) BEFORE TAXATION	29	10,114,384	18,747,162	(4,226,870)	2,871,006
INCOME TAX EXPENSE	30	(3,526,033)	(5,009,654)	(35,000)	(6)
PROFIT/(LOSS) AFTER TAXATION/TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL YEAR		6,588,351	13,737,508	(4,261,870)	2,871,000
PROFIT/(LOSS) AFTER TAXATION/TOTAL COMPREHENSIVE INCOME/(EXPENSES) ATTRIBUTABLE TO:-					
Owners of the Company		6,460,728	13,688,316	(4,261,870)	2,871,000
Non-controlling interest		127,623	49,192	-	-
		6,588,351	13,737,508	(4,261,870)	2,871,000
EARNINGS PER SHARE					
- Basic (Sen)	31	1.26	2.74		
- Diluted (Sen)	31	1.26	2.74		

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2023

	Note	Share Capital	Non-Distributable Merger Deficit	Distributable Retained Profits	Attributable to the Owners of the Company	Non-controlling Interest	Total Equity
		RM	RM	RM	RM	RM	RM
The Group							
Balance at 1.1.2022		50,000,000	(38,490,399)	60,793,025	72,302,626	72,789	72,375,415
Profit after taxation/ Total comprehensive income for the financial year		-	-	13,688,316	13,688,316	49,192	13,737,508
Distribution to owners of the Company:							
- Dividends	32	-	-	(2,500,000)	(2,500,000)	-	(2,500,000)
Issuance of shares to non-controlling interest by a subsidiary		-	-	-	-	247,500	247,500
Balance at 31.12.2022/ 1.1.2023		50,000,000	(38,490,399)	71,981,341	83,490,942	369,481	83,860,423
Profit after taxation/ Total comprehensive income for the financial year		-	-	6,460,728	6,460,728	127,623	6,588,351
Contributions by owners of the Company:							
- Issuance of shares		37,121,210	-	-	37,121,210	-	37,121,210
Share issuance expenses		(1,555,388)	-	-	(1,555,388)	-	(1,555,388)
Balance at 31.12.2023		85,565,822	(38,490,399)	78,442,069	125,517,492	497,104	126,014,596

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2023
(Cont'd)

	Note	Share Capital	Retained Profits/ (Accumulated Loss)	Total Equity
		RM	RM	RM
The Company				
Balance at 1.1.2022		50,000,000	22,718	50,022,718
Profit after taxation/Total comprehensive income for the financial year		-	2,871,000	2,871,000
Distribution to owners of the Company:				
- Dividends	32	-	(2,500,000)	(2,500,000)
Balance at 31.12.2022/1.1.2023		50,000,000	393,718	50,393,718
Contributions by owners of the Company:				
- Issuance of shares		37,121,210	-	37,121,210
Share issuance expenses		(1,555,388)	-	(1,555,388)
Loss after taxation/Total comprehensive expenses for the financial year		-	(4,261,870)	(4,261,870)
Balance at 31.12.2023		85,565,822	(3,868,152)	81,697,670

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2023

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
Profit/(Loss) before taxation	10,114,384	18,747,162	(4,226,870)	2,871,006
Adjustments for:-				
Bad debts written off	1,438	-	-	-
Depreciation of investment properties	30,506	13,141	-	-
Depreciation of property, plant and equipment	10,921,915	7,569,694	-	-
Depreciation of right-of-use assets	110,178	91,597	-	-
Fair value loss on other investments	33,976	323,471	11,500	85,500
Impairment losses on trade receivables	592,618	407,605	-	-
Impairment losses on other investments	500	8,000	-	-
Impairment losses on investment in subsidiaries	-	-	800,000	53,000
Share issuance expenses	2,707,940	-	2,707,940	-
Gain on disposal of property, plant and equipment	(103,833)	(395)	-	-
Reversal of impairment losses on trade receivables	(37,449)	-	-	-
Interest expense	4,474,327	3,162,246	-	-
Property, plant and equipment written off	132,576	28,398	-	-
Dividend income	(1,456)	(9,467)	-	(3,490,500)
Interest income	(616,588)	(311,044)	(154,804)	-
Operating profit/(loss) before working capital changes	28,361,032	30,030,408	(862,234)	(480,994)
Decrease in inventories	1,029,547	8,384,278	-	-
(Increase)/Decrease in trade and other receivables	(11,712,654)	(14,121,782)	1,638,107	(1,583,607)
(Increase)/Decrease in amount owing by subsidiaries	-	-	(21,130,000)	660,000
Increase/(Decrease) in trade and other payables	2,408,001	8,760,879	(428,909)	493,077
Decrease in amount owing to a director	-	(3,000)	-	-
Decrease in amount owing to subsidiaries	-	-	(742,000)	(7,500)
CASH FROM/(FOR) OPERATIONS	20,085,926	33,050,783	(21,525,036)	(919,024)
Interest paid	(406,273)	(260,775)	-	-
Income tax paid	(4,219,479)	(3,911,233)	-	(6)
Income tax refunded	-	9,190	-	-
Interest received	158,519	-	154,804	-
NET CASH FROM/(FOR) OPERATING ACTIVITIES	15,618,693	28,887,965	(21,370,232)	(919,030)

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2023
(Cont'd)

	Note	The Group		The Company	
		2023	2022	2023	2022
		RM	RM	RM	RM
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Addition to right-of-use assets	33(a)	-	(220,874)	-	-
Dividend received		1,456	9,467	-	3,490,500
Increase in pledged fixed deposits with licensed banks		(463,940)	(708,809)	-	-
Proceeds from disposal of property, plant and equipment		125,500	12,000	-	-
Proceeds from issuance of shares to non-controlling interest		-	247,500	-	-
Purchase of investment properties		(1,087,406)	(518,988)	-	-
Purchase of other investments		-	(150,000)	-	(150,000)
Purchase of property, plant and equipment	33(a)	(16,859,913)	(9,719,605)	-	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(18,284,303)	(11,049,309)	-	3,340,500
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Drawdown of bankers' acceptances	33(b)	108,317,012	81,534,000	-	-
Drawdown of hire purchase	33(b)	370,454	-	-	-
Drawdown of revolving credits	33(b)	41,746,681	26,503,419	-	-
Drawdown of term loans	33(b)	164,215	164,215	-	-
Dividends paid	32	-	(2,500,000)	-	(2,500,000)
Interest paid	33(b)	(4,068,054)	(2,901,471)	-	-
Proceeds from issuance of ordinary shares		37,121,210	-	37,121,210	-
Repayment of bankers' acceptances	33(b)	(106,397,012)	(86,094,000)	-	-
Repayment of lease liabilities	33(b)	(67,450)	(48,597)	-	-
Repayment of hire purchase	33(b)	(9,543,323)	(6,389,595)	-	-
Repayment of revolving credits	33(b)	(38,448,538)	(24,867,153)	-	-
Repayment of term loans	33(b)	(8,622,254)	(2,757,347)	-	-
Payment of share issuance expenses		(4,263,328)	-	(4,263,328)	-
NET CASH FROM/(FOR) FINANCING ACTIVITIES		16,309,613	(17,356,529)	32,857,882	(2,500,000)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		13,644,003	482,127	11,487,650	(78,530)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		374,188	(107,939)	11,679	90,209
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	33(d)	14,018,191	374,188	11,499,329	11,679

The annexed notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2023

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur.
Principal place of business	:	No. 19, Jalan Meranti Permai 3, Meranti Permai Industrial Park, Batu 15, Jalan Puchong, 47100 Puchong, Selangor.

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 18 April 2024.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

3.1 During the current financial year, the Group and the Company have adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts

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

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

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

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

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2023
(Cont'd)

3. BASIS OF PREPARATION (Cont'd)

3.2 The Group and the Company have not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and of the Company upon their initial application.

4. MATERIAL ACCOUNTING POLICY INFORMATION

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Depreciation of Property, Plant and Equipment and Investment Properties

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment and investment properties are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment and investment properties will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amounts of property, plant and equipment and investment properties as at the reporting date are disclosed in Notes 6 and 7 to the financial statements respectively.

(b) Impairment of Goodwill

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at the reporting date and the key assumptions is disclosed in Note 10 to the financial statements.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

Key Sources of Estimation Uncertainty (Cont'd)

(c) Impairment of Property, Plant and Equipment, Investment Properties and Right-of-use Assets

The Group determines whether an item of its property, plant and equipment, investment properties and right-of-use assets is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. The carrying amounts of property, plant and equipment, investment properties and right-of-use assets as at the reporting date are disclosed in Notes 6, 7 and 8 to the financial statements respectively.

(d) Write down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 11 to the financial statements.

(e) Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables. The carrying amount of trade receivables as at the reporting date is disclosed in Note 12 to the financial statements.

(f) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group and the Company to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group and the Company use judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of other receivables and amount owing by subsidiaries as at the reporting date are disclosed in Notes 13 and 14 to the financial statements respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2023
(Cont'd)

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

Key Sources of Estimation Uncertainty (Cont'd)

(g) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made. The carrying amounts of current tax assets and current tax liabilities of the Group and of the Company as at the reporting date are as follows:-

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Current tax assets	647,746	40,000	-	-
Current tax liabilities	176,060	754,760	35,000	-

(h) Discount Rates used in Leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the accounting policies of the Group and of the Company which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

4.2 FINANCIAL INSTRUMENTS

(a) Financial Assets

Financial Assets Through Profit or Loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

Financial Assets at Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

(b) Financial Liabilities

Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

(c) Equity

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

(d) Financial Guarantee Contracts

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to the initial recognition, the financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the reimbursement is recognised as a liability and measured at the higher of the amount of loss allowance determined using the expected credit loss model and the amount of financial guarantee initially recognised less cumulative amortisation.

4.3 BASIS OF CONSOLIDATION

The Group applies the acquisition method of accounting for those business combinations which business combinations which were accounted for using merger method of accounting.

Under the merger method of accounting, the assets and liabilities of the merger entities are reflected in the consolidated financial statements at their carrying amounts reported in the individual financial statements. The consolidated statement of profit or loss and other comprehensive income reflects the results of the merger entities for the full reporting period (irrespective of then the combination takes place) and comparatives are presented as if the entities had always been combined since the date for which the entities had come under common control.

The difference between the cost of the merger and the share capital of the merger entities is reflected within equity as merger reserve or merger deficit, as appropriate.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2023
(Cont'd)

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

4.4 GOODWILL

Goodwill is initially measured at cost. Subsequent to the initial recognition, the goodwill is measured at cost less accumulated impairment losses, if any. A bargain purchase gain is recognised in profit or loss immediately.

4.5 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

4.6 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost.

Subsequent to the initial recognition, all property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

Freehold buildings	2%
Leasehold buildings	2%
Warehouse buildings	10%
Computers and software	10% - 20%
Formworks	12.50% - 20%
Furniture and fittings	10% - 20%
Motor vehicles	20%
Office and store equipment	10% - 20%
Plant and machinery	10% - 20%
Signboard	10% - 20%
Renovation	10% - 20%

Capital work-in-progress represent factory buildings under construction. They are not depreciated until such time when the asset is available for use.

4.7 INVESTMENT PROPERTIES

Investment properties are initially measured at cost. Subsequent to the initial recognition, the investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated using the straight-line method to allocate the depreciable amounts over the estimated useful lives. The estimated useful lives of the investment property is 50 years.

Property under construction is not depreciated until such time when the asset is available for use.

4.8 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Short-term Leases and Leases of Low-value Assets

The Group apply the "short-term lease" and "lease of low-value assets" recognition exemption. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

4.8 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Cont'd)

(b) Right-of-use Assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

(c) Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

4.9 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out method and comprises all costs of purchase plus other costs incurred in bringing the inventories to their present location and condition.

4.10 OTHER INVESTMENTS

Other investment is not classified as financial assets, financial liabilities or equity instruments in accordance with the definitions stated under MFRS 132 due to the substance of the contractual arrangement definitions in MFRS 132.

In general, contracts purchased for own use are not accounted for as financial instruments.

4.11 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2023
(Cont'd)

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

4.11 REVENUE FROM CONTRACTS WITH CUSTOMERS (Cont'd)

(a) Sale of Products

Revenue from sale of goods is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(b) Rendering of Services

Revenue from providing services is recognised over time in the period in which the services are rendered. As a practical expedient, the Group recognises revenue on a straight-line method over the period of service.

Customers are invoiced on a monthly basis and consideration is payable when invoiced.

(c) Rental Income

Rental income is accounted for on a straight-line method over the lease term.

4.12 REVENUE FROM OTHER SOURCES AND OTHER OPERATING INCOME

(a) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

(b) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2023	2022
	RM	RM
Unquoted shares, at cost:-		
At 1 January	55,240,399	54,497,899
Additions during the financial year	-	742,500
	55,240,399	55,240,399
Accumulated impairment losses	(1,653,000)	(853,000)
At 31 December	53,587,399	54,387,399

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2023
(Cont'd)

5. INVESTMENTS IN SUBSIDIARIES (Cont'd)

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2023	2022	
		%	%	
Subsidiaries of the Company				
PLYTEC Formwork System Industries Sdn. Bhd.	Malaysia	100	100	Trading in and rental of temporary formworks equipment and safety protection equipment and related transportation services. Involved also in the provision of engineering services.
Sudut Swasta Sdn. Bhd.	Malaysia	100	100	Trading and distribution of building materials and related transportation services.
BIM Engineering Solution & Technology Sdn. Bhd. ("BEST")	Malaysia	100	100	Provision of Building Information Modelling (BIM) and engineering services.
PC Forging Malaysia Sdn. Bhd. ("PCFM")	Malaysia	75	75	Trading in prefabricated structural components, lifting and connection accessories and provision of engineering services.
PLYTEC IBS System MFG Sdn. Bhd.	Malaysia	100	100	Manufacture, design and assemble of Industrialised Building System products and provision of warehouse management services.
Sudut Swasta Property Sdn. Bhd.	Malaysia	100	100	Investment holding and property investment.
PLYTEC Fencing System Industries Sdn. Bhd.	Malaysia	100	100	Trading in fencing system.
Subsidiary of BEST				
Integrated BIM Academy (M) Sdn. Bhd.	Malaysia	100	100	Providing architectural and engineering activities and related technical consultancy and education.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2023
(Cont'd)

5. INVESTMENTS IN SUBSIDIARIES (Cont'd)

(a) During the financial year, the Company has carried out a review of the recoverable amounts of its investments in certain subsidiaries that had been persistently making losses. A total impairment losses of RM800,000 (2022 - RM53,000), representing the write-down of the investments to their recoverable amounts, was recognised in "Other Expenses" line item of the statement of profit or loss and other comprehensive income.

(b) In the previous financial year, the Company subscribed for additional 742,500 shares in PCFM through capitalisation of the amount owing to the Company amounting to RM742,500. There was no change in the equity interest held by the Company.

(c) The non-controlling interest at the end of the reporting period comprise the following:-

	Effective Equity Interest		The Group	
	2023	2022	2023	2022
	%	%	RM	RM
PCFM	25	25	497,104	369,481

(d) Summarised financial information of non-controlling interest has not been presented as the non-controlling interest of the subsidiary is not material to the Group.

6. PROPERTY, PLANT AND EQUIPMENT

	At 1.1.2023	Additions	Disposal	Transfer to Inventories	Write Off	Depreciation Charges	At 31.12.2023
	RM	RM	RM	RM	RM	RM	RM
The Group							
2023							
Carrying Amount							
Freehold land and buildings	29,886,944	-	-	-	-	(59,240)	29,827,704
Leasehold buildings	5,969,755	-	-	-	-	(161,495)	5,808,260
Warehouse buildings	359,391	-	-	-	-	(61,043)	298,348
Computers and software	728,427	102,576	-	-	-	(265,499)	565,504
Formworks	25,760,362	38,138,937	-	(1,439,279)	(132,576)	(8,454,162)	53,873,282
Furniture and fittings	1,056,730	38,363	-	-	-	(205,336)	889,757
Motor vehicles	1,075,596	2,259,883	(21,667)	-	-	(713,956)	2,599,856
Office and store equipment	759,270	32,169	-	-	-	(157,578)	633,861
Plant and machinery	1,371,976	336,810	-	-	-	(395,847)	1,312,939
Signboard	32,545	-	-	-	-	(6,488)	26,057
Renovation	3,043,134	27,078	-	-	-	(441,271)	2,628,941
Capital work-in-progress	2,490,945	2,130,631	-	-	-	-	4,621,576
	72,535,075	43,066,447	(21,667)	(1,439,279)	(132,576)	(10,921,915)	103,086,085

6. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	At 1.1.2022	Additions	Disposal	Transfer to Inventories	Write Off	Depreciation Charges	At 31.12.2022
	RM	RM	RM	RM	RM	RM	RM
The Group							
2022							
Carrying Amount							
Freehold land and buildings	29,935,610	10,470	-	-	-	(59,136)	29,886,944
Leasehold buildings	6,124,628	6,500	-	-	-	(161,373)	5,969,755
Warehouse buildings	234,241	170,690	-	-	-	(45,540)	359,391
Computers and software	669,641	422,280	(11,605)	-	-	(351,889)	728,427
Formworks	24,356,414	11,995,930	-	(5,138,126)	(28,398)	(5,425,458)	25,760,362
Furniture and fittings	1,086,347	161,506	-	-	-	(191,123)	1,056,730
Motor vehicles	1,074,466	486,403	-	-	-	(485,273)	1,075,596
Office and store equipment	618,957	267,766	-	-	-	(127,453)	759,270
Plant and machinery	610,543	1,064,821	-	-	-	(303,388)	1,371,976
Signboard	233	35,580	-	-	-	(3,268)	32,545
Renovation	3,188,321	270,606	-	-	-	(415,793)	3,043,134
Capital work-in-progress	1,795,811	695,134	-	-	-	-	2,490,945
	69,695,212	15,587,686	(11,605)	(5,138,126)	(28,398)	(7,569,694)	72,535,075

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2023
(Cont'd)

6. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	At Cost	Accumulated Depreciation	Carrying Amount
	RM	RM	RM
The Group			
2023			
Freehold land and buildings	30,073,401	(245,697)	29,827,704
Leasehold buildings	8,074,630	(2,266,370)	5,808,260
Warehouse buildings	610,436	(312,088)	298,348
Computers and software	2,568,571	(2,003,067)	565,504
Formworks	76,909,543	(23,036,261)	53,873,282
Furniture and fittings	2,005,145	(1,115,388)	889,757
Motor vehicles	6,950,140	(4,350,284)	2,599,856
Office and store equipment	1,280,999	(647,138)	633,861
Plant and machinery	3,484,666	(2,171,727)	1,312,939
Signboard	39,080	(13,023)	26,057
Renovation	4,188,094	(1,559,153)	2,628,941
Capital work-in-progress	4,621,576	-	4,621,576
	140,806,281	(37,720,196)	103,086,085
2022			
Freehold land and buildings	30,073,401	(186,457)	29,886,944
Leasehold buildings	8,074,630	(2,104,875)	5,969,755
Warehouse buildings	610,436	(251,045)	359,391
Computers and software	2,465,995	(1,737,568)	728,427
Formworks	41,875,619	(16,115,257)	25,760,362
Furniture and fittings	1,966,782	(910,052)	1,056,730
Motor vehicles	5,750,146	(4,674,550)	1,075,596
Office and store equipment	1,248,829	(489,559)	759,270
Plant and machinery	3,147,856	(1,775,880)	1,371,976
Signboard	39,080	(6,535)	32,545
Renovation	4,161,016	(1,117,882)	3,043,134
Capital work-in-progress	2,490,945	-	2,490,945
	101,904,735	(29,369,660)	72,535,075

(a) The freehold land and buildings and certain leasehold buildings of the Group have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Notes 21, 25 and 26 to the financial statements.

(b) Included in the property, plant and equipment were computers and software, formworks, motor vehicles and plant and machinery held under hire purchase arrangements with a total carrying amount of RM34,857,267 (2022 - RM13,834,060). These assets have had been pledged as security for the hire purchase payables of the Group as disclosed in Note 20 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2023
(Cont'd)

7. INVESTMENT PROPERTIES

	The Group	
	2023	2022
	RM	RM
Cost:-		
At 1 January	1,855,303	1,336,315
Additions	1,087,406	518,988
Property classified as held for sale	(486,800)	-
At 31 December	2,455,909	1,855,303
Accumulated depreciation:-		
At 1 January	(13,141)	-
Depreciation during the financial year	(30,506)	(13,141)
Property classified as held for sale	7,302	-
At 31 December	(36,345)	(13,141)
	2,419,564	1,842,162
Represented by:-		
Freehold building, at cost	1,914,246	659,577
Freehold building under construction, at cost	505,318	1,182,585
	2,419,564	1,842,162
Fair value	2,475,318	1,822,585

The fair values of the investment properties are within level 2 of the fair value hierarchy and are arrived at by reference to market evidence of transaction prices for similar properties and are performed by registered valuers having appropriate recognised professional qualification and recent experience in the locations and category of properties being valued. The most significant input into this valuation approach is the price per square foot of comparable properties. Adjustments are then made for differences in location, size, facilities available, market conditions and other factors in order to arrive at a common basis.

8. RIGHT-OF-USE ASSETS

	At 1.1.2023	Depreciation Charges	At 31.12.2023
	RM	RM	RM
The Group			
2023			
Carrying Amount			
Leasehold land	2,745,440	(36,874)	2,708,566
Office	384,846	(73,304)	311,542
	3,130,286	(110,178)	3,020,108

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2023
(Cont'd)

8. RIGHT-OF-USE ASSETS (Cont'd)

	At 1.1.2022	Additions	Depreciation Charges	At 31.12.2022
	RM	RM	RM	RM
The Group				
2022				
Carrying Amount				
Leasehold land	2,561,185	220,874	(36,619)	2,745,440
Office	-	439,824	(54,978)	384,846
	2,561,185	660,698	(91,597)	3,130,286

(a) The Group leases leasehold land and an office of which the leasing activities are summarised below:-

Leasehold land	The Group has entered into 4 (2022 - 4) non-cancellable operating lease agreements for the use of land. The leases are for a period range from 75 to 96 (2022 - 75 to 96) years with no renewal or purchase option included in the agreements.
Office	The Group has an office that run for 3 (2022 - 3) years, with an option to renew the lease after that date. The Group is not allowed to sublease the office.

(b) The Group also has leases with lease terms of 12 months or less and leases of office equipment with low value. The Group has applied the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

(c) Certain leasehold land of the Group has been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Notes 21, 25 and 26 to the financial statements.

9. OTHER INVESTMENTS

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Club membership, at cost	238,000	238,000	-	-
Accumulated impairment losses	(26,000)	(25,500)	-	-
	212,000	212,500	-	-
Quoted shares, at fair value	361,245	395,221	78,000	89,500
	573,245	607,721	78,000	89,500

10. GOODWILL

	The Group	
	2023	2022
	RM	RM
Cost:-		
At 31 December/1 January	1,955,898	1,955,898

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2023
(Cont'd)

10. GOODWILL (Cont'd)

(a) The carrying amount of goodwill is allocated to BEST, a cash-generating unit.

(b) The Group has assessed the recoverable amount of goodwill allocated. The recoverable amount of the cash-generating unit is determined using the value in use approach, and this is derived from the present value of the future cash flows from each cash-generating unit computed based on the projections of financial budgets approved by management covering a period of 5 years.

The key assumptions used in the determination of the recoverable amount are as follows:-

	Gross Margins		Growth Rates		Discount Rates	
	2023	2022	2023	2022	2023	2022
	%	%	%	%	%	%
BEST	72 - 75	77	5	10 - 38	13.42	6.88

(i) Budgeted gross margins — The basis used to determine the value assigned to the budgeted gross profit margin is the average gross profit margin based on past performance.

(ii) Growth rates — Based on the expected projection of the type of business. There is no growth rate in perpetuity to arrive at terminal value.

(iii) Pre-tax discount rates — The rate reflects specific risks relating to the cash-generating unit.

The values assigned to the key assumptions represent management's assessment of future trends in the cash-generating unit and is based on both external sources and internal historical data.

(c) Management believes that there is no reasonably possible change in the above key assumptions applied that is likely to materially cause the respective cash-generating unit carrying amount to exceed its recoverable amount.

11. INVENTORIES

	The Group	
	2023	2022
	RM	RM
Finished goods	6,266,239	5,856,507
Recognised in profit or loss:-		
Inventories recognised as cost of sales	94,589,893	98,747,672

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2023
(Cont'd)

12. TRADE RECEIVABLES

	The Group	
	2023	2022
	RM	RM
Trade receivables	75,121,991	59,622,661
Retention sums	168,850	125,181
	75,290,841	59,747,842
Allowance for impairment losses	(964,544)	(816,980)
	74,326,297	58,930,862
Allowance for impairment losses:-		
At 1 January	816,980	4,061,936
Addition during the financial year	592,618	407,605
Reversal during the financial year	(37,449)	-
Written off during the financial year	(407,605)	(3,652,561)
At 31 December	964,544	816,980

(a) The Group's normal trade credit terms range from cash on delivery ("COD") to 60 (2022 - COD to 60) days. Other credit terms are assessed and approved on a case-by-case basis.

(b) The retention sums are expected to be recovered within the periods ranging from 12 to 24 (2022 - 12 to 24) months.

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Other receivables:-				
Third parties	1,473,111	1,529,773	-	-
Goods and services tax recoverable	20,303	20,303	-	-
	1,493,414	1,550,076	-	-
Deposits	454,130	363,104	1,000	-
Prepayments	3,801,227	8,074,979	-	1,639,107
	5,748,771	9,988,159	1,000	1,639,107

14. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	The Company	
	2023	2022
	RM	RM
Amount owing by:-		
Non-trade balances	22,528,000	1,398,000

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2023
(Cont'd)

14. AMOUNTS OWING BY/(TO) SUBSIDIARIES (Cont'd)

	The Company	
	2023	2022
	RM	RM
Amount owing to:-		
Non-trade balances	(5,874,000)	(6,616,000)

The non-trade balances represent unsecured interest-free advances and payments made on behalf. These amounts owing are repayable on demand and are to be settled in cash.

15. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 2.00% to 2.90% (2022 - 1.30% to 2.65%) per annum. The fixed deposits have maturity periods ranging from 30 to 365 (2022 - 30 to 365) days.

The fixed deposits with licensed banks of the Group at the end of the reporting period have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Notes 21, 25 and 26 to the financial statements.

16. ASSET CLASSIFIED AS HELD FOR SALE

On 29 February 2024, the Group has entered into a sales and purchase agreement for the disposal of an investment property located at Kuala Lumpur for a total cash consideration of RM500,000. Accordingly, the carrying amount of this property has been classified as asset held for sale.

17. SHARE CAPITAL

	The Group/The Company			
	2023	2022	2023	2022
	Number Of Shares		RM	RM
Issued and Fully Paid-Up				
Ordinary Shares				
At 1 January	100,000,000	100,000,000	50,000,000	50,000,000
Share split	400,000,000	-	-	-
Issuance of new shares for cash	106,060,600	-	37,121,210	-
Share issuance expenses	-	-	(1,555,388)	-
At 31 December	606,060,600	100,000,000	85,565,822	50,000,000

(a) (i) On 1 August 2023, the Company undertook a subdivision of one (1) existing ordinary share into five (5) ordinary shares to enhance the liquidity of the Company's ordinary shares at the time of admission to the official list and listing of and quotation for the entire enlarged issued share capital of the Company on ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing"). Following the completion of the share split, the total issued share capital increased to 500,000,000 ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2023
(Cont'd)

17. SHARE CAPITAL (Cont'd)

(a) (ii) On 15 November 2023, the Company increased its issued and paid-up share capital from RM50,000,000 to RM85,565,822 by way of the issuance of 106,060,600 new ordinary shares at an issue price of RM0.35 per share pursuant to the Listing for a total cash consideration of RM37,121,210. The listing expenses arising from the issuance of new ordinary shares amounting to RM1,555,388 are offset against share capital and the remaining listing expenses of RM2,707,940 are expensed off to profit or loss.

The new ordinary shares issued rank equally in all respects with the existing ordinary shares of the Company.

(b) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

18. MERGER DEFICIT

The merger deficit arose from the difference between the carrying value of the investment and the nominal value of the shares of the subsidiaries upon consolidation under the merger accounting principles.

19. LEASE LIABILITIES

	The Group	
	2023	2022
	RM	RM
At 1 January	391,227	-
Addition	-	439,824
Interest expense recognised in profit or loss	16,550	14,403
Repayment of principal	(67,450)	(48,597)
Repayment of interest expense	(16,550)	(14,403)
At 31 December	323,777	391,227
Analysed by:-		
Current liabilities	70,612	67,450
Non-current liabilities	253,165	323,777
	323,777	391,227

20. HIRE PURCHASE PAYABLES

	The Group	
	2023	2022
	RM	RM
Current liabilities	11,699,100	5,550,207
Non-current liabilities	14,975,387	4,090,615
	26,674,487	9,640,822

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2023
(Cont'd)

20. HIRE PURCHASE PAYABLES (Cont'd)

(a) The hire purchase payables of the Group are secured by:-

(i) certain property, plant and equipment of the Group as disclosed in Note 6 to the financial statements;
(ii) a joint and several guarantee by certain directors of the Group and a shareholder; and
(iii) a corporate guarantee by the Company.

(b) The interest rate profile of the hire purchase payables of the Group is summarised below:-

	The Group	
	2023	2022
	%	%
Fixed rate	2.18 - 3.55	2.18 - 3.50

21. TERM LOANS

	The Group	
	2023	2022
	RM	RM
Current liabilities	1,147,662	2,875,404
Non-current liabilities	5,053,236	11,783,533
	6,200,898	14,658,937

(a) The term loans of the Group are secured by:-

(i) a legal charge over certain properties of the Group as disclosed in Notes 6 and 8 to the financial statements;
(ii) a joint and several guarantee by certain directors of the Group and a shareholder;
(iii) fixed deposits with licensed banks of the Group as disclosed in Note 15 to the financial statements;
(iv) a corporate guarantee by the Company;
(v) a corporate guarantee by Syarikat Jaminan Pembiayaan Perniagaan Berhad; and
(vi) a guarantee by an individual third party which has been discharged in the previous financial year.

(b) The interest rate profile of the term loans is summarised below:-

	Effective Interest Rate		The Group	
	2023	2022	2023	2022
	%	%	RM	RM
Fixed rate term loan	3.00	3.00	605,552	803,750
Floating rate term loans	4.70 - 7.20	4.32 - 6.89	5,595,346	13,855,187
			6,200,898	14,658,937

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2023
(Cont'd)

22. DEFERRED TAX LIABILITIES

	2023	2022
	RM	RM
The Group		
At 1 January	1,865,209	1,008,288
Recognised in profit or loss (Note 30)	493,000	856,921
At 31 December	2,358,209	1,865,209

The deferred tax liabilities relates to temporary differences between depreciation and capital allowances on qualifying cost of plant and equipment.

23. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 60 (2022 - 30 to 90) days.

24. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Other payables:-				
Third parties	1,453,113	1,966,178	57,233	490,534
Goods and services tax payable	1,469	1,469	-	-
Sales and service tax payable	194,189	185,820	-	-
	1,648,771	2,153,467	57,233	490,534
Accruals	2,931,271	3,098,980	29,825	25,433
Deposits received	11,120,497	7,908,764	-	-
	15,700,539	13,161,211	87,058	515,967

25. SHORT-TERM BORROWINGS

		The Group	
		2023	2022
	Note	RM	RM
Bankers' acceptances	(a)	27,637,000	25,717,000
Revolving credits	(b)	12,475,001	9,176,858
		40,112,001	34,893,858

(a) The bankers' acceptances of the Group are secured by:-

(i) a legal charge over certain properties of the Group as disclosed in Notes 6 and 8 to the financial statements;
(ii) a joint and several guarantee by certain directors of the Group and a shareholder;
(iii) fixed deposits with licensed banks of the Group as disclosed in Note 15 to the financial statements;

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2023
(Cont'd)

25. SHORT-TERM BORROWINGS (Cont'd)

(a) The bankers' acceptances of the Group are secured by (Cont'd):-

(iv) a corporate guarantee by the Company; and
(v) a guarantee by an individual third party which has been discharged in the previous financial year.

The bankers' acceptances of the Group at the end of the reporting period bore effective interest rates ranging from 3.33% to 4.70% (2022 - 3.86% to 5.16%) per annum.

(b) The revolving credits of the Group are secured by:-

(i) a legal charge over a piece of freehold land of the Group as disclosed in Note 6 to the financial statements;
(ii) a joint and several guarantee by certain directors of the Group and a shareholder; and
(iii) a corporate guarantee by the Company.

The revolving credits of the Group at the end of the reporting period bore effective interest rates ranging from 5.42% to 6.31% (2022 - 5.33% to 5.90%) per annum.

26. BANK OVERDRAFTS

(a) In the previous financial year, the bank overdrafts of the Group were secured by:-

(i) a legal charge over certain properties of the Group as disclosed in Notes 6 and 8 to the financial statements;
(ii) a joint and several guarantee by certain directors of the Group and a shareholder;
(iii) fixed deposits with licensed banks of the Group as disclosed in Note 15 to the financial statements; and
(iv) a corporate guarantee by the Company.

(b) In the previous financial year, the bank overdrafts of the Group at the end of the reporting period bore floating interest rates ranging from 7.51% to 8.24% per annum.

27. REVENUE

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Revenue from Contracts with Customers				
Revenue recognised at a point in time				
Sales of goods	117,463,195	129,808,679	-	-
Revenue recognised over time				
Design consultancy and architecture works	6,040,253	7,118,982	-	-
Rental income	41,270,206	21,162,563	-	-
Revenue from Other Sources				
Dividend income	-	500	-	3,490,500
	164,773,654	158,090,724	-	3,490,500

The information on the disaggregation of revenue by geographical market is disclosed in Note 36.2 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2023
(Cont'd)

28. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	The Group	
	2023	2022
	RM	RM
Impairment losses on trade receivables	592,618	407,605
Reversal of impairment losses on trade receivables	(37,449)	-
	555,169	407,605

29. PROFIT/(LOSS) BEFORE TAXATION

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Profit/(Loss) before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration:				
- audit fees:				
- current financial year	187,500	175,000	24,000	25,000
- (over)/underprovision in the previous financial year	(9,000)	-	5,000	-
- non-audit fees	7,500	-	7,500	-
Bad debts written off	1,438	-	-	-
Depreciation:				
- property, plant and equipment	10,921,915	7,569,694	-	-
- investment properties	30,506	13,141	-	-
- right-of-use assets	110,178	91,597	-	-
Directors' fee (Note 34(a))	360,161	225,000	360,161	225,000
Directors' non-fee emoluments (Note 34(a))	2,367,943	2,295,604	3,000	-
Direct operating expenses on investment properties	12,674	5,595	-	-
Fair value loss on financial assets measured at fair value through profit or loss mandatorily:				
- other investments	33,976	323,471	11,500	85,500
Impairment losses:				
- investments in subsidiaries	-	-	800,000	53,000
- other investments	500	8,000	-	-
Initial public offering ("IPO") listing expenses	2,707,940	-	2,707,940	-
Interest expense on lease liabilities	16,550	14,403	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2023
(Cont'd)

29. PROFIT/(LOSS) BEFORE TAXATION (Cont'd)

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Profit/(Loss) before taxation is arrived at after charging/(crediting) (Cont'd):-				
Interest expense on financial liabilities that are not at fair value through profit or loss:				
- bank overdrafts	406,273	260,775	-	-
- bankers' acceptances	1,488,028	1,191,781	-	-
- hire purchase	1,112,413	561,968	-	-
- revolving credits	732,896	360,580	-	-
- term loans	718,167	772,739	-	-
Lease expenses:				
- short-term leases	96,800	147,006	-	-
- low-value assets	68,929	62,127	-	-
Property, plant and equipment written off	132,576	28,398	-	-
Staff costs:				
- salaries, bonuses, allowances and other benefits	11,400,240	9,807,119	-	-
- defined contribution benefits	1,266,846	1,078,243	-	-
Dividend income	(1,456)	(9,467)	-	-
Gain on disposal of property, plant and equipment	(103,833)	(395)	-	-
Interest income on financial assets measured at amortised cost:				
- fixed deposits with licensed banks	(458,069)	(311,044)	-	-
- cash and bank balances	(158,519)	-	(154,804)	-
Loss/(Gain) on realised foreign exchange	53,098	(272,065)	-	-
Lease income from property	(19,200)	(15,760)	-	-
Reversal of bad debts written off	-	(560)	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2023
(Cont'd)

30. INCOME TAX EXPENSE

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Current tax expense	3,370,300	4,358,000	35,000	-
(Over)/Underprovision in the previous financial year	(337,267)	(205,267)	-	6
	3,033,033	4,152,733	35,000	6
Deferred tax (Note 22)				
- origination and reversal of temporary differences	493,000	856,921	-	-
	3,526,033	5,009,654	35,000	6

A reconciliation of income tax expense applicable to the profit/(loss) before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Profit/(Loss) before taxation	10,114,384	18,747,162	(4,226,870)	2,871,006
Tax at the statutory tax rate of 24% (2022 - 24%)	2,427,452	4,499,319	(1,014,449)	689,041
Tax effects of:-				
Non-deductible expenses	1,471,328	1,083,464	1,049,449	148,679
Non-taxable income	(24,920)	(73,478)	-	(837,720)
Utilisation of deferred tax assets previously not recognised	(10,560)	(294,384)	-	-
(Over)/Underprovision of current tax in the previous financial year	(337,267)	(205,267)	-	6
	3,526,033	5,009,654	35,000	6

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2022 - 24%) of the estimated assessable profit for the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2023
(Cont'd)

30. INCOME TAX EXPENSE (Cont'd)

The temporary difference attributable to the deferred tax assets which are not recognised in respect of the following:-

	The Group	
	2023	2022
	RM	RM
Unabsorbed capital allowances	158,000	73,000
Unused tax losses:		
- expired in the year of assessment 2028	2,700	2,700
- expired in the year of assessment 2029	300	37,300
- expired in the year of assessment 2030	62,800	479,800
- expired in the year of assessment 2031	30,500	30,500
- expired in the year of assessment 2032	311,500	310,700
- expired in the year of assessment 2033	324,200	-
	890,000	934,000

Based on the current legislation, the unused tax losses up to the year of assessment 2018 can be carried forward until the year of assessment 2028 and the unused tax losses for 2019 onwards are allowed to be utilised for 10 consecutive years of assessment immediately following that year of assessment; whereas, the unabsorbed capital allowances are allowed to be carried forward indefinitely.

31. EARNINGS PER SHARE

(a) Basic Earnings Per Share

The basic earnings per share is calculated by dividing the consolidated profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	The Group	
	2023	2022
	RM	RM
Profit after taxation attributable to owners of the Company (RM)	6,460,728	13,688,316
Weighted average number of ordinary shares in issue	513,657,118	500,000,000*
Basic earnings per share (Sen)	1.26	2.74*

* *The comparative figures have been restated to reflect the adjustments arising from share split undertaken by the Company, which was completed on 1 August 2023.*

(b) Diluted Earnings Per Share

The Company has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basic earnings per share.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2023
(Cont'd)

32. DIVIDENDS

	The Group/ The Company	
	2023	2022
	RM	RM
Single tier dividend of Nil (2022 - 1.00) sen per ordinary share in respect of the previous financial year	-	1,000,000
Single tier dividend of Nil (2022 - 0.50) sen per ordinary share in respect of the previous financial year	-	500,000
Single tier interim dividend of Nil (2022 - 1.00) sen per ordinary share in respect of the current financial year	-	1,000,000
	-	2,500,000

33. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of property, plant and equipment and the addition of right-of-use assets are as follows:-

	The Group	
	2023	2022
	RM	RM
Property, plant and equipment		
Cost of property, plant and equipment purchased (Note 6)	43,066,447	15,587,686
Less: Acquired through hire purchase arrangements	(26,206,534)	(5,868,081)
	16,859,913	9,719,605
Right-of-use assets		
Cost of right-of-use assets acquired (Note 8)	-	660,698
Less: Additions of new lease liabilities	-	(439,824)
	-	220,874

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2023
(Cont'd)

33. CASH FLOW INFORMATION (Cont'd)

(b) The reconciliations of liabilities arising from financing activities are as follows:-

	Hire Purchase Payables	Lease Liabilities	Bankers' Acceptances	Revolving Credits	Term Loans	Total
	RM	RM	RM	RM	RM	RM
The Group						
2023						
At 1 January	9,640,822	391,227	25,717,000	9,176,858	14,658,937	59,584,844
Changes in Financing Cash Flows						
Proceeds from drawdown	370,454	-	108,317,012	41,746,681	164,215	150,598,362
Repayment of principal	(9,543,323)	(67,450)	(106,397,012)	(38,448,538)	(8,622,254)	(163,078,577)
Repayment of interests	(1,112,413)	(16,550)	(1,488,028)	(732,896)	(718,167)	(4,068,054)
	(10,285,282)	(84,000)	431,972	2,565,247	(9,176,206)	(16,548,269)
Other Changes						
New hire purchase (Note 33 (a))	26,206,534	-	-	-	-	26,206,534
Interest expense recognised in profit or loss (Note 29)	1,112,413	16,550	1,488,028	732,896	718,167	4,068,054
	27,318,947	16,550	1,488,028	732,896	718,167	30,274,588
At 31 December	26,674,487	323,777	27,637,000	12,475,001	6,200,898	73,311,163

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2023
(Cont'd)

33. CASH FLOW INFORMATION (Cont'd)

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

	Hire Purchase Payables	Lease Liabilities	Bankers' Acceptances	Revolving Credits	Term Loans	Total
	RM	RM	RM	RM	RM	RM
The Group						
2022						
At 1 January	10,162,336	-	30,277,000	7,540,592	17,252,069	65,231,997
Changes in Financing Cash Flows						
Proceeds from drawdown	-	-	81,534,000	26,503,419	164,215	108,201,634
Repayment of principal	(6,389,595)	(48,597)	(86,094,000)	(24,867,153)	(2,757,347)	(120,156,692)
Repayment of interests	(561,968)	(14,403)	(1,191,781)	(360,580)	(772,739)	(2,901,471)
	(6,951,563)	(63,000)	(5,751,781)	1,275,686	(3,365,871)	(14,856,529)
Other Changes						
Acquisition of new leases:						
- Right-of-use assets capitalised during the financial year (Note 33 (a))	-	439,824	-	-	-	439,824
New hire purchase (Note 33 (a))	5,868,081	-	-	-	-	5,868,081
Interest expense recognised in profit or loss (Note 29)	561,968	14,403	1,191,781	360,580	772,739	2,901,471
	6,430,049	454,227	1,191,781	360,580	772,739	9,209,376
At 31 December	9,640,822	391,227	25,717,000	9,176,858	14,658,937	59,584,844

(c) The total cash outflows for leases as a lessee are as follows:-

	The Group	
	2023	2022
	RM	RM
Payment of short-term leases	96,800	147,006
Payment of low-value assets	68,929	62,127
Interest paid on lease liabilities	16,550	14,403
Payment of lease liabilities	67,450	48,597
	249,729	272,133

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2023
(Cont'd)

33. CASH FLOW INFORMATION (Cont'd)

(d) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Fixed deposits with licensed banks	20,761,922	19,839,913	-	-
Cash and bank balances	14,018,191	3,482,723	11,499,329	11,679
Bank overdrafts	-	(3,108,535)	-	-
	34,780,113	20,214,101	11,499,329	11,679
Less: Fixed deposits pledged to licensed banks (Note 15)	(20,761,922)	(19,839,913)	-	-
	14,018,191	374,188	11,499,329	11,679

34. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year are as follows:-

(a) Directors of the Company

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Short-term employee benefits:				
- fees	360,161	225,000	360,161	225,000
- salaries, bonuses and other benefits	2,044,301	1,989,044	3,000	-
	2,404,462	2,214,044	363,161	225,000
Defined contribution benefits	323,642	306,560	-	-
Total directors' remuneration	2,728,104	2,520,604	363,161	225,000

The estimated monetary value of benefits-in-kind provided by the Group to the directors of the Company was RM41,825 (2022 - RM11,875).

(b) Other Key Management Personnel

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Short-term employee benefits	1,213,497	903,283	-	-
Defined contribution benefits	145,124	105,510	-	-
Total compensation for other key management personnel	1,358,621	1,008,793	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2023
(Cont'd)

35. RELATED PARTY DISCLOSURES

(a) Subsidiaries

The subsidiaries are disclosed in Note 5 to the financial statements.

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following transactions with the related parties during the financial year:-

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Subsidiaries				
Advances from	-	-	-	742,000
Advances to	-	-	21,130,000	540,000
Dividend from	-	-	-	3,490,000
Increase in share capital	-	-	-	740,000
Related Parties				
Purchase from	315,880	325,254	-	-
Short-term leases expenses paid or payables to	38,400	62,800	-	-

The outstanding balances of the related parties together with their terms and conditions are disclosed in the respective notes to the financial statements.

36. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Board of Directors as its chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products and services provided. In addition, the businesses are also considered from a geographical perspective.

The Group is organised into four areas of businesses:-

(i) Construction method engineering solutions - provision of new and refurbished temporary works equipment for sale and rental together with the provision of solutions that support the forming and erection of concrete structures.

(ii) Trading and distribution of building materials - trade and distribute building materials for construction projects.

(iii) Digital design and engineering solutions - provision of digital construction designs and engineering solutions.

(iv) Prefabricated construction solutions - planning, designing, production planning and coordination throughout the manufacturing process of prefabricated components trading of lifting and connection accessories for precast concrete construction.

All other business segments include investment holdings which are not separately reported as the segment's operations are not material to the Group.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

36. OPERATING SEGMENTS (Cont'd)

36.1 BUSINESS SEGMENTS

	Construction Method Engineering Solutions	Trading and Distribution of Building Materials	Digital Design and Engineering Solutions	Prefabricated Construction Solutions	All Other Segments	Consolidation Adjustments	The Group
	RM	RM	RM	RM	RM	RM	RM
2023							
Revenue							
External revenue	64,006,215	92,448,316	5,612,280	2,706,843	-	-	164,773,654
Inter-segment revenue	50,860	1,574,207	182,400	-	540,000	(2,347,467)	-
Total revenue	64,057,075	94,022,523	5,794,680	2,706,843	540,000	(2,347,467)	164,773,654
Results							
Segment profit/(loss)	12,469,149	5,149,632	212,656	681,792	(4,707,922)	810,868	14,616,175
Finance costs	(2,810,551)	(1,657,995)	(30,748)	-	(2,497)	-	(4,501,791)
Profit/(Loss) before taxation	9,658,598	3,491,637	181,908	681,792	(4,710,419)	810,868	10,114,384
Other Information							
Depreciation:							
- property, plant and equipment	9,576,765	901,064	369,096	826	86,164	(12,000)	10,921,915
- right-of-use assets	73,612	21,955	73,304	-	-	(58,693)	110,178
- investment properties	-	-	-	-	30,506	-	30,506
Fair value loss on other investments	-	22,476	-	-	11,500	-	33,976
Impairment losses on investments in subsidiaries	-	-	-	-	800,000	(800,000)	-
Impairment losses on:							
- other investments	-	-	-	-	500	-	500
- trade receivables	400,000	119,618	73,000	-	-	-	592,618

36. OPERATING SEGMENTS (Cont'd)

36.1 BUSINESS SEGMENTS (Cont'd)

	Construction Method Engineering Solutions	Trading and Distribution of Building Materials	Digital Design and Engineering Solutions	Prefabricated Construction Solutions	All Other Segments	Consolidation Adjustments	The Group
	RM	RM	RM	RM	RM	RM	RM
2023							
Other Information (Cont'd)							
Interest expense on financial liabilities that are not at fair value through profit or loss:							
- bank overdrafts	215,940	190,333	-	-	-	-	406,273
- bankers' acceptances	270,652	1,217,376	-	-	-	-	1,488,028
- hire purchase	1,068,555	29,660	14,198	-	-	-	1,112,413
- revolving credits	730,399	-	-	-	2,497	-	732,896
- term loans	511,484	206,683	-	-	-	-	718,167
Interest expense on lease liabilities	-	-	16,550	-	-	-	16,550
IPO listing expenses	-	-	-	-	2,707,940	-	2,707,940
Realised loss/(gain) on foreign exchange	89,881	(25,492)	-	(11,291)	-	-	53,098
Gain on disposal of property, plant and equipment	(42,333)	(61,500)	-	-	-	-	(103,833)
Dividend income	-	(1,456)	-	-	-	-	(1,456)
Reversal of impairment losses on trade receivables	-	(37,449)	-	-	-	-	(37,449)
Interest income on financial assets measured at amortised cost:							
- fixed deposits with licensed banks	(161,681)	(296,388)	-	-	-	-	(458,069)
- cash and bank balances	(146)	(3,052)	(450)	-	(154,871)	-	(158,519)
Income tax expense	2,225,254	1,014,368	80,111	171,300	35,000	-	3,526,033

36. OPERATING SEGMENTS (Cont'd)

36.1 BUSINESS SEGMENTS (Cont'd)

	Construction Method Engineering Solutions	Trading and Distribution of Building Materials	Digital Design and Engineering Solutions	Prefabricated Construction Solutions	All Other Segments	Consolidation Adjustments	The Group
	RM	RM	RM	RM	RM	RM	RM
2023							
Assets							
Segment assets/Consolidated total assets	141,546,908	76,519,903	4,852,315	2,155,187	100,893,355	(92,664,104)	233,303,564
Additions to non-current assets other than financial instruments							
Property, plant and equipment	40,060,679	1,441,758	(4,714)	3,400	1,625,149	(59,825)	43,066,447
Investment properties	-	-	-	-	1,087,406	-	1,087,406
Liabilities							
Segment liabilities/ Consolidated total liabilities	77,812,882	50,931,192	3,609,511	166,774	11,563,183	(36,794,574)	107,288,968

36. OPERATING SEGMENTS (Cont'd)

36.1 BUSINESS SEGMENTS (Cont'd)

	Construction Method Engineering Solutions	Trading and Distribution of Building Materials	Digital Design and Engineering Solutions	Prefabricated Construction Solutions	All Other Segments	Consolidation Adjustments	The Group
	RM	RM	RM	RM	RM	RM	RM
2022							
Revenue							
External revenue	67,724,853	81,655,045	6,816,156	1,894,170	500	-	158,090,724
Inter-segment revenue	221,133	1,307,850	20,952	-	4,030,000	(5,579,935)	-
Total revenue	67,945,986	82,962,895	6,837,108	1,894,170	4,030,500	(5,579,935)	158,090,724
Results							
Segment profits	16,314,157	4,743,699	1,705,828	260,183	2,351,150	(3,427,307)	21,947,710
Finance costs	(1,838,638)	(1,341,981)	(18,276)	-	(1,653)	-	(3,200,548)
Profit before taxation	14,475,519	3,401,718	1,687,552	260,183	2,349,497	(3,427,307)	18,747,162

36. OPERATING SEGMENTS (Cont'd)

36.1 BUSINESS SEGMENTS (Cont'd)

	Construction Method Engineering Solutions RM	Trading and Distribution of Building Materials RM	Digital Design and Engineering Solutions RM	Prefabricated Construction Solutions RM	All Other Segments RM	Consolidation Adjustments RM	The Group RM
2022							
Other Information							
Depreciation:							
- property, plant and equipment	6,301,072	867,027	354,684	105	57,806	(11,000)	7,569,694
- right-of-use assets	73,359	21,953	54,978	-	-	(58,693)	91,597
- investment properties	-	-	-	-	13,141	-	13,141
Fair value loss on other investments	-	237,971	-	-	85,500	-	323,471
Impairment losses on investments in subsidiaries	-	-	-	-	53,000	(53,000)	-
Impairment losses on trade receivables	407,605	-	-	-	-	-	407,605
Interest expense on financial liabilities that are not at fair value through profit or loss:							
- bank overdrafts	100,063	160,712	-	-	-	-	260,775
- bankers' acceptances	262,100	929,681	-	-	-	-	1,191,781
- hire purchase	546,994	11,101	3,873	-	-	-	561,968
- revolving credits	358,927	-	-	-	1,653	-	360,580
- term loans	552,909	219,830	-	-	-	-	772,739
Dividend income	-	(8,967)	-	-	(500)	-	(9,467)
Interest expense on lease liabilities	-	-	14,403	-	-	-	14,403
Interest income on financial assets measured at amortised cost:							
- fixed deposits with licensed banks	(105,440)	(205,604)	-	-	-	-	(311,044)
Income tax expense	3,828,072	1,118,120	20	63,416	26	-	5,009,654

36. OPERATING SEGMENTS (Cont'd)

36.1 BUSINESS SEGMENTS (Cont'd)

	Construction Method Engineering Solutions	Trading and Distribution of Building Materials	Digital Design and Engineering Solutions	Prefabricated Construction Solutions	All Other Segments	Consolidation Adjustments	The Group
	RM	RM	RM	RM	RM	RM	RM
2022							
Assets							
Segment assets/Consolidated total assets	104,861,390	66,900,872	4,846,537	1,506,420	67,232,065	(67,137,978)	178,209,306
Additions to non-current assets other than financial instruments							
Property, plant and equipment	13,578,705	57,285	1,105,904	6,280	899,512	(60,000)	15,587,686
Investment properties	-	-	-	-	518,988	-	518,988
Right-of-use assets	220,874	-	439,824	-	-	-	660,698
Liabilities							
Segment liabilities/ Consolidated total liabilities	48,560,708	43,789,430	3,705,530	28,499	8,722,296	(10,457,580)	94,348,883

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2023
(Cont'd)

36. OPERATING SEGMENTS (Cont'd)

36.2 GEOGRAPHICAL INFORMATION

Revenue is based on the country in which the customers are located.

Non-current assets are determined according to the country where these assets are located. The amounts of non-current assets do not include financial instruments.

	Revenue		Non-current Assets	
	2023	2022	2023	2022
	RM	RM	RM	RM
The Group				
Malaysia	158,464,896	156,438,913	110,693,655	79,675,921
Hungary	60,498	-	-	-
Singapore	4,365	72,233	-	-
Thailand	6,243,895	1,579,578	-	-
	164,773,654	158,090,724	110,693,655	79,675,921

The information on the disaggregation of revenue based on geographical region is summarised below:-

	At A Point in Time	Over Time	Total
	RM	RM	RM
The Group			
2023			
Malaysia	111,214,935	47,249,961	158,464,896
Hungary	-	60,498	60,498
Singapore	4,365	-	4,365
Thailand	6,243,895	-	6,243,895
	117,463,195	47,310,459	164,773,654
2022			
Malaysia	128,229,601	28,209,312	156,438,913
Singapore	-	72,233	72,233
Thailand	1,579,578	-	1,579,578
	129,809,179	28,281,545	158,090,724

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2023
(Cont'd)

36. OPERATING SEGMENTS (Cont'd)

36.3 MAJOR CUSTOMER

The following is major customer with revenue equal to or more than 10% of the Group's total revenue:-

	The Group		
	2023	2022	Segment
	RM	RM	
Customer #1	16,811,281	16,327,760	Construction Method Engineering Solutions and Trading and Distribution of Building Materials

37. CAPITAL COMMITMENTS

	The Group	
	2023	2022
	RM	RM
Purchase of investment properties	168,440	716,531
Purchase of property, plant and equipment	6,652,497	12,787,457
Construction of building	19,609,833	21,346,280
	26,430,770	34,850,268

38. FINANCIAL INSTRUMENTS

The activities of the Group and of the Company are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group and of the Company.

38.1 FINANCIAL RISK MANAGEMENT POLICIES

The policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the functional currency of entities within the Group. The currencies giving rise to this risk are primarily Philippine Peso ("PHP"), European Dollar ("EUR"), China Yuan Renminbi ("CNY") and United States Dollar ("USD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2023
(Cont'd)

38. FINANCIAL INSTRUMENTS (Cont'd)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (Cont'd)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

Foreign Currency Exposure

	PHP RM	EUR RM	CNY RM	USD RM	Total RM
The Group					
2023					
Financial Assets					
Trade receivables	-	60,498	-	-	60,498
Cash and bank balances	2,046	-	12,090	971,556	985,692
	2,046	60,498	12,090	971,556	1,046,190
Financial Liability					
Trade payables	-	-	(2,446,597)	-	(2,446,597)
Net Currency Exposure	2,046	60,498	(2,434,507)	971,556	(1,400,407)
2022					
Financial Asset					
Cash and bank balances	-	-	368,203	848,724	1,216,927
Financial Liability					
Trade payables	-	-	(462,345)	(44,047)	(506,392)
Net Currency Exposure	-	-	(94,142)	804,677	710,535

38. FINANCIAL INSTRUMENTS (Cont'd)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (Cont'd)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

	The Group	
	2023	2022
	RM	RM
Effects on Profit After Taxation/Equity		
PHP/RM		
- strengthened by 10%	205	-
- weakened by 10%	(205)	-
EUR/RM		
- strengthened by 10%	6,050	-
- weakened by 10%	(6,050)	-
CNY/RM		
- strengthened by 10%	(243,451)	(9,414)
- weakened by 10%	243,451	9,414
USD/RM		
- strengthened by 10%	97,156	80,468
- weakened by 10%	(97,156)	(80,468)

The Company does not have any transactions or balances denominated in foreign currencies and hence, is not exposed to foreign currency risk.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group adopt a policy of obtaining the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The fixed rate debt instruments of the Group is not subject to interest rate risk since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period are disclosed in Notes 21 and 26 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2023
(Cont'd)

38. FINANCIAL INSTRUMENTS (Cont'd)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (Cont'd)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

Interest Rate Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	The Group	
	2023	2022
	RM	RM
Effects on Profit After Taxation/Equity		
Increase of 100 basis points	(55,953)	(169,637)
Decrease of 100 basis points	55,953	169,637

The Company does not have any interest-bearing borrowings and hence, is not exposed to interest rate risk.

(iii) Equity Price Risk

The exposure to equity price risk arises mainly from changes in quoted investment prices of the Group and of the Company. The Group and the Company manage their exposure to equity price risk by maintaining a portfolio of equities with different risk profiles.

Equity Price Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the prices of the quoted investments classified as fair value through profit or loss at the end of the reporting period, with all other variables held constant:-

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Effects on Profit/(Loss) After Taxation/Equity				
Increase of 10%	36,125	39,522	7,800	8,950
Decrease of 10%	(36,125)	(39,522)	(7,800)	(8,950)

(b) Credit Risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group and the Company manage their exposures to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

38. FINANCIAL INSTRUMENTS (Cont'd)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (Cont'd)

(b) Credit Risk (Cont'd)

Also, the Company's exposure to credit risk includes advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to serve their loans on an individual basis.

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amounts owing by 2 (2022 - 1) customers which constituted approximately 24% (2022 - 15%) of its trade receivables at the end of the reporting period.

(ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries of RM41,299,536 (2022 - RM25,772,354), representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair values on initial recognition were not material.

(iii) Assessment of Impairment Losses

The Group and the Company have an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the receivables. The Group and the Company closely monitor the receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group and the Company evaluate whether any of the financial assets at amortised cost are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficult of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty; or
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2023
(Cont'd)

38. FINANCIAL INSTRUMENTS (Cont'd)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

The Group and the Company consider a receivable to be in default when the receivable is unlikely to repay its debt to the Group and the Company in full or is more than 365 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Trade Receivables

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over 12 (2022 - 12) months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts. The Group has identified the unemployment rate, Gross Domestic Product (GDP) and inflation rate as the key macroeconomic factors of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

	Gross Amount	Lifetime Individual Allowance	Lifetime Collective Allowance	Carrying Amount
	RM	RM	RM	RM
The Group				
2023				
Current (not past due)	21,666,005	-	(2,575)	21,663,430
1 to 30 days past due	11,992,220	-	(2,843)	11,989,377
31 to 60 days past due	7,964,446	-	(2,510)	7,961,936
61 to 90 days past due	7,314,929	-	(3,498)	7,311,431
Over 90 days past due	25,555,595	-	(324,322)	25,231,273
Credit impaired	628,796	(628,796)	-	-
Trade receivables	75,121,991	(628,796)	(335,748)	74,157,447
Retention sums	168,850	-	-	168,850
	75,290,841	(628,796)	(335,748)	74,326,297

38. FINANCIAL INSTRUMENTS (Cont'd)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables (Cont'd)

Allowance for Impairment Losses (Cont'd)

	Gross Amount	Lifetime Individual Allowance	Lifetime Collective Allowance	Carrying Amount
	RM	RM	RM	RM
The Group				
2022				
Current (not past due)	27,231,659	-	-	27,231,659
1 to 30 days past due	10,045,886	-	-	10,045,886
31 to 60 days past due	10,680,704	-	-	10,680,704
61 to 90 days past due	4,778,822	-	-	4,778,822
Over 90 days past due	4,984,587	-	(262,748)	4,721,839
Credit impaired	1,901,003	(554,232)	-	1,346,771
Trade receivables	59,622,661	(554,232)	(262,748)	58,805,681
Retention sums	125,181	-	-	125,181
	59,747,842	(554,232)	(262,748)	58,930,862

The movements in the loss allowances in respect of trade receivables is disclosed in Note 12 to the financial statements.

Other Receivables

Other receivables are also subject to the impairment requirements of MFRS 9. The identified impairment loss was immaterial and hence, it is not provided for.

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group and the Company consider the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group and the Company are of the view that the loss allowance is immaterial and hence, it is not provided for.

Amount Owing by Subsidiaries (Non-trade Balances)

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2023
(Cont'd)

38. FINANCIAL INSTRUMENTS (Cont'd)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Amount Owing by Subsidiaries (Non-trade Balances) (Cont'd)

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

The Company considers advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the advances when they are payables, the Company considers the advances to be in default when the subsidiaries are not able to pay when demanded.

For advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

At the end of the reporting period, there was no indication that the amount owing is not recoverable.

Financial Guarantee Contracts

Corporate guarantees for borrowing facilities granted to subsidiaries are financial guarantee contract.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company closely monitors the subsidiaries' financial strength to reduce the risk of loss.

The Company considers there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. A financial guarantee contract is credit impaired when:

- The subsidiary is unlikely to repay its obligation to the bank in full; or
- The subsidiary is having a deficit in equity and is continuously loss making.

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

Allowance for Impairment Losses

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

38. FINANCIAL INSTRUMENTS (Cont'd)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (Cont'd)

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practise prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Carrying Amount	Contractual Undiscounted Cash Flows	Within 1 Year	1 - 5 Years	Over 5 years
	RM	RM	RM	RM	RM
The Group					
2023					
Non-derivative Financial Liabilities					
Lease liabilities	323,777	357,000	84,000	273,000	-
Hire purchase payables	26,674,487	28,637,198	12,937,763	15,699,435	-
Term loans	6,200,898	7,368,655	1,445,262	3,792,028	2,131,365
Trade payables	15,742,997	15,742,997	15,742,997	-	-
Other payables and accruals	4,384,384	4,384,384	4,384,384	-	-
Bankers' acceptances	27,637,000	27,637,000	27,637,000	-	-
Revolving credits	12,475,001	12,547,427	12,547,427	-	-
	93,438,544	96,674,661	74,778,833	19,764,463	2,131,365
2022					
Non-derivative Financial Liabilities					
Lease liabilities	391,227	441,000	84,000	336,000	21,000
Hire purchase payables	9,640,822	10,279,914	5,964,931	4,314,983	-
Term loans	14,658,937	16,919,680	3,562,107	10,659,842	2,697,731
Trade payables	15,874,324	15,874,324	15,874,324	-	-
Other payables and accruals	5,065,158	5,065,158	5,065,158	-	-
Bank overdrafts	3,108,535	3,108,535	3,108,535	-	-
Bankers' acceptances	25,717,000	25,717,000	25,717,000	-	-
Revolving credits	9,176,858	9,176,858	9,176,858	-	-
	83,632,861	86,582,469	68,552,913	15,310,825	2,718,731

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2023
(Cont'd)

38. FINANCIAL INSTRUMENTS (Cont'd)

38.1 FINANCIAL RISK MANAGEMENT POLICIES (Cont'd)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

	Carrying Amount	Contractual Undiscounted Cash Flows	Within 1 Year
	RM	RM	RM
The Company			
2023			
Non-derivative Financial Liabilities			
Other payables and accruals	87,058	87,058	87,058
Amount owing to subsidiaries	5,874,000	5,874,000	5,874,000
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries	-	41,299,536	41,299,536
	5,961,058	47,260,594	47,260,594
2022			
Non-derivative Financial Liabilities			
Other payables and accruals	515,967	515,967	515,967
Amount owing to subsidiaries	6,616,000	6,616,000	6,616,000
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries	-	25,772,354	25,772,354
	7,131,967	32,904,321	32,904,321

The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair values on initial recognition were not material.

38.2 CAPITAL RISK MANAGEMENT

The Group and the Company manage their capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders value. To achieve this objective, the Group and the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

38. FINANCIAL INSTRUMENTS (Cont'd)

38.2 CAPITAL RISK MANAGEMENT (Cont'd)

The Group and the Company manage their capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group and the Company include within net debt, loans and borrowings from financial institutions less cash and bank balances and fixed deposits with licensed banks. Capital includes equity attributable to the owners of the parent and non-controlling interest. The debt-to-equity ratio of the Group and of the Company at the end of the reporting period are as follows:-

	The Group	
	2023	2022
	RM	RM
Lease liabilities	323,777	391,227
Hire purchase payables	26,674,487	9,640,822
Term loans	6,200,898	14,658,937
Bank overdrafts	-	3,108,535
Bankers' acceptances	27,637,000	25,717,000
Revolving credits	12,475,001	9,176,858
	73,311,163	62,693,379
Less: Cash and bank balances	(14,018,191)	(3,482,723)
Less: Fixed deposits with licensed banks	(20,761,922)	(19,839,913)
Net debt	38,531,050	39,370,743
Total equity	126,014,596	83,860,423
Debt-to-equity ratio	0.31	0.47

The debt-to-equity ratio of the Company is not presented as the Company does not have borrowings.

There were no changes in the Group's approach to capital management during the financial year.

38.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Financial Assets				
Fair Value Through Profit or Loss				
Quoted shares	361,245	395,221	78,000	89,500
Amortised Cost				
Trade receivables	74,157,447	58,805,681	-	-
Other receivables	1,473,111	1,529,773	-	-
Amount owing by subsidiaries	-	-	22,528,000	1,398,000
Fixed deposits with licensed banks	20,761,922	19,839,913	-	-
Cash and bank balances	14,018,191	3,482,723	11,499,329	11,679
	110,410,671	83,658,090	34,027,329	1,409,679

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 December 2023
(Cont'd)

38. FINANCIAL INSTRUMENTS (Cont'd)

38.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (Cont'd)

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Financial Liability				
Amortised Cost				
Hire purchase payables	26,674,487	9,640,822	-	-
Term loans	6,200,898	14,658,937	-	-
Trade payables	15,742,997	15,874,324	-	-
Other payables and accruals	4,384,384	5,065,158	87,058	515,967
Amount owing to subsidiaries	-	-	5,874,000	6,616,000
Bank overdrafts	-	3,108,535	-	-
Bankers' acceptances	27,637,000	25,717,000	-	-
Revolving credits	12,475,001	9,176,858	-	-
	93,114,767	83,241,634	5,961,058	7,131,967

38.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Financial Assets				
Fair Value Through Profit or Loss				
Net losses recognised in profit or loss	(32,520)	(323,471)	(11,500)	(85,500)
Amortised Cost				
Net gain/(losses) recognised in profit or loss	61,568	(96,843)	154,804	-
Financial Liability				
Amortised Cost				
Net losses recognised in profit or loss	(4,512,462)	(2,874,936)	-	-

38. FINANCIAL INSTRUMENTS (Cont'd)

38.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM	RM	RM	RM
The Group								
2023								
Financial Asset								
Other investment:								
- quoted shares	361,245	-	-	-	-	-	361,245	361,245
Financial Liabilities								
Hire purchase payables	-	-	-	-	26,682,182	-	26,682,182	26,674,487
Term loans:								
- fixed rate	-	-	-	-	590,450	-	590,450	605,552
- floating rate	-	-	-	-	5,595,346	-	5,595,346	5,595,346
2022								
Financial Asset								
Other investment:								
- quoted shares	395,221	-	-	-	-	-	395,221	395,221
Financial Liabilities								
Hire purchase payables	-	-	-	-	9,640,822	-	9,640,822	9,640,822
Term loans:								
- fixed rate	-	-	-	-	786,196	-	786,196	803,750
- floating rate	-	-	-	-	13,855,187	-	13,855,187	13,855,187

38. FINANCIAL INSTRUMENTS (Cont'd)

38.5 FAIR VALUE INFORMATION (Cont'd)

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period (Cont'd):-

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM	RM	RM	RM
The Company								
2023								
Financial Asset								
Other investment:								
- quoted shares	78,000	-	-	-	-	-	78,000	78,000
2022								
Financial Asset								
Other investment:								
- quoted shares	89,500	-	-	-	-	-	89,500	89,500

38. FINANCIAL INSTRUMENTS (Cont'd)

38.5 FAIR VALUE INFORMATION (Cont'd)

(a) Fair Value of Financial Instruments Carried at Fair Value

The fair value of quoted equity investments is determined at their quoted closing bid prices at the end of the reporting period.

There were no transfer between level 1 and level 2 during the financial year.

(b) Fair Value of Financial Instruments Not Carried at Fair Value

The fair values, which are for disclosure purposes, have been determined using the following basis:-

(i) The fair value of the term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

(ii) The fair value of hire purchase payables and term loan that carry fixed interest rates are determined by discounting the relevant future contractual cash flows using current market interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:-

	The Group	
	2023	2022
	%	%
Hire purchase payables	2.18 - 3.55	2.18 - 3.50
Term loan (fixed rate)	3.50	3.50

LIST OF TOP 10 PROPERTIES

As at 31 December 2023

No.	Address/Title	Description	Land Area/ Built-up Area	Existing Use	Tenure	Carrying Amount as at 31 December 2023	Approximate Age of Building (Years)	Date of Valuation (V)/ Date of Acquisition (A)
1	GRN 232387, Lot 19 Seksyen 2, Pekan Bukit Changgang, District of Kuala Langat, State of Selangor **Postal address:** No. 1, Jalan 13, Kawasan Perindustrian Olak Lempit, 42700 Banting, Kuala Langat, Selangor Darul Ehsan (referred to as the Olak Lempit Land)	Industrial land	**Land area:** 74,500 square metres **Built-up area:** 1,487 square metres	A warehouse and workshop for refurbishment of the Group's trading inventories and workers accomodation	Freehold	24,598,451	8	26/08/2022 (A)
2	HS(D) 4228, PT 9502, Mukim Dengkil, District of Sepang, State of Selangor **Postal address:** No. 19, Jalan Meranti Permai 3, Meranti Permai Industrial Park, Batu 15, Jalan Puchong, 47100 Puchong, Selangor (referred to as Puchong Land 1)	Industrial land	**Land area:** 3,928 square metres **Built-up area:** 1,745 square metres	Warehouse and office	Leasehold for 99 years expiring on 13 June 2095	6,597,507	21	30/06/2016 (V)
3	(1) GRN 58722, Lot 22476 (2) GRN 58723, Lot 22477 (3) GRN 58724, Lot 22478 (4) GRN 58725, Lot 22479 (5) GRN 58726, Lot 22480 (6) GRN 58728, Lot 22482 (7) GRN 58729, Lot 22483 (8) GRN 58730, Lot 22484 (9) GRN 58731, Lot 22485 Mukim Tanjung Minyak , District of Melaka Tengah, State of Melaka **Postal address:** Jalan Nobat 1 & 4, Taman Bukit Rambai, Melaka	Industrial land	**Land area:** 22,246 square metres **Built-up area:** Not applicable	Currently vacant	Freehold	4,050,347	-	9/11/2012 (A)

LIST OF TOP 10 PROPERTIES

As at 31 December 2023
(Cont'd)

No.	Address/Title	Description	Land Area/ Built-up Area	Existing Use	Tenure	Carrying Amount as at 31 December 2023	Approximate Age of Building (Years)	Date of Valuation (V)/ Date of Acquisition (A)
4	GRN 537263, Lot 159701, Mukim Tebrau, District of Johor Bahru, State of Johor **Postal address:** No. 3, Jalan Perniagaan Setia 1/1, Taman Perniagaan Setia, Setia Business Park II, 81100 Johor Bahru, Johor	A 1½-storey semidetached cluster factory	**Land area:** 1,070 square metres **Built-up area:** 521 square metres	Warehouse and office	Freehold	1,866,938	8	9/5/2013 (A)
5	HS(D) 4226, PT 9500, Mukim Dengkil, District of Sepang, State of Selangor **Postal address:** No. 4, Jalan Meranti Permai 1, Meranti Permai Industrial Park, 47100 Puchong, Selangor (referred to as Puchong Land 2)	Industrial land	**Land area:** 3,080 square metres **Built-up area:** 2,475 square metres	Warehouse and workers accomodation	Leasehold for 99 years expiring on 13 June 2095	1,077,048	27	4/12/2019 (A)
6	Geran 80515, Lot 50086 Seksyen 92, Bandar Kuala Lumpur, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur **Postal address:** B-62-07, Trion@KL Apartment, Jalan Sungai Besi, Off Chan Sow Lin, 55200 Kuala Lumpur	Serviced apartment	**Land area:** Not applicable **Built-up area:** 95 square metres	Currently vacant	Freehold	732,403	-	24/6/2019 (A)
7	Geran 76064/M1B/30/1348, Lot 80012, Mukim Ampang, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur **Postal address:** No. 1-29-17, M City Ampang, No. 326 Jalan Ampang, 50450 Kuala Lumpur	Apartment	**Land area:** Not applicable **Built-up area:** 73 square metres	Currently vacant	Freehold	646,123	1	26/1/2021 (A)

LIST OF TOP 10 PROPERTIES

As at 31 December 2023
(Cont'd)

No.	Address/Title	Description	Land Area/ Built-up Area	Existing Use	Tenure	Carrying Amount as at 31 December 2023	Approximate Age of Building (Years)	Date of Valuation (V)/ Date of Acquisition (A)
8	Geran 321926/M1/1/6, Lot 42126, Section 4, Bandar Cheras District of Hulu Langat, State of Selangor **Postal address:** No. R-06, Blok A, Parkland Residence, Jalan SS 2/2, Batu 11 Cheras, 43200 Cheras, Selangor	Retail shop lot	**Land area:** Not applicable **Built-up area:** 86 square metres	Currently vacant	Freehold	535,720	-	15/3/2023 (A)
9	Geran 80418, Lot 50085 Seksyen 92, Bandar Kuala Lumpur, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur **Postal address:** A-40-01, Trion2@KL Apartment, Jalan Sungai Besi, Off Chan Sow Lin, 55200 Kuala Lumpur	Serviced apartment	**Land area:** Not applicable **Built-up area:** 86 square metres	Currently vacant	Freehold	505,319	-	18/12/2020 (A)
10	Geran Mukim 2623, Lot 201827, Mukim Setapak, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur **Postal address:** A-22-08, Kenwingston Platz Apartment, Jalan Gombak, 53000 Kuala Lumpur	Apartment	**Land area:** Not applicable **Built-up area:** 75 square metres	Currently vacant	Freehold	479,498	-	18/8/2020 (A)
						41,089,354		

ANALYSIS OF SHAREHOLDINGS

As at 29 March 2024

STATISTICS OF SHAREHOLDINGS AS AT 29 MARCH 2024

Class of Shares	:	Ordinary Shares
Total Number of Issued Shares	:	606,060,600
Voting Rights	:	One vote per ordinary share

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
1 – 99	-	-	-	-
100 – 1,000	150	7.68	69,600	0.01
1,001 – 10,000	761	38.94	4,640,800	0.76
10,001 – 100,000	832	42.58	34,348,400	5.67
100,001 – 30,303,029 (*)	209	10.70	118,516,900	19.56
30,303,030 and above (**)	2	0.10	448,484,900	74.00
TOTAL	**1,954**	**100.00**	**606,060,600**	**100.00**

Remarks: * *Less than 5% of Issued Shares*
** *5% and above of Issued Shares*

SUBSTANTIAL SHAREHOLDERS

The substantial shareholders of PLYTEC Holding Berhad and its respective shareholdings based on the Register of Substantial Shareholders of the Company as at 29 March 2024 are as follows:-

	Direct Interest		Indirect Interest	
Directors	No. of Shares Held	%	No. of Shares Held	%
Yang Kian Lock	561,000	0.09	448,484,900[1]	74.00
Resilient Capital Holdings Sdn. Bhd.	250,756,900	41.37	-	-
Prestij Usaha Sdn. Bhd.	197,728,000	32.63	-	-

Note:-

(1) *Deemed interest by virtue of his direct shareholdings in Resilient Capital Holdings Sdn. Bhd. and Prestij Usaha Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.*

ANALYSIS OF SHAREHOLDINGS

As at 29 March 2024
(Cont'd)

DIRECTORS' SHAREHOLDINGS

The Directors' Shareholdings based on the Register of Directors' Shareholdings of the Company as at 29 March 2024 are as follows:-

	Direct Interest		Indirect Interest	
Directors	**No. of Shares Held**	**%**	**No. of Shares Held**	**%**
Tan Sri Datuk Dr. Ir Ahmad Tajuddin bin Ali	1,000,000	0.17	-	-
Yang Kian Lock	561,000	0.09	448,484,900[1]	74.00
Ir. Louis Tay Chee Siong	-	-	-	-
Ir. Han Liang Kwang	400,000	0.07	-	-
Anita Chew Cheng Im	300,000	0.05	-	-
Kow Hoay Lee	300,000	0.05	-	-
Goik Kenzu	300,000	0.05	-	-

Note:-

(1) Deemed interest by virtue of his direct shareholdings in Resilient Capital Holdings Sdn. Bhd. and Prestij Usaha Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS

No.	Shareholders	No. of Shares Held	%
1.	Resilient Capital Holdings Sdn. Bhd.	250,756,900	41.37
2.	Prestij Usaha Sdn. Bhd.	197,728,000	32.63
3.	Chan Wah Kiang	16,499,200	2.72
4.	HLB Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Kuan Ah Hock (Dato')*	3,440,000	0.57
5.	Lee Heuk Ping	3,200,000	0.53
6.	UOBM Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Ahmad Shalimin bin Ahmad Shaffie (PBM)*	3,000,000	0.50
7.	Pua Kock Boon @ Phua Kock Boon	2,827,200	0.47
8.	AMSEC Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Choong See Way*	2,800,000	0.46
9.	M & A Nominee (Tempatan) Sdn. Bhd. *Pledged Securities Account for Tan Wai Quan (M&A)*	2,800,000	0.46
10.	HLB Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Doh Tee Leong*	2,600,000	0.43
11.	Special Flagship Holdings Sdn. Bhd.	2,000,000	0.33
12.	Yong Kian Keong	1,958,000	0.32
13.	Chay Chee Ken	1,900,000	0.31
14.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Chan Han Siong*	1,500,000	0.25
15.	Choo Kok Beng	1,500,000	0.25
16.	Heng Mun Peng	1,408,600	0.23

ANALYSIS OF SHAREHOLDINGS

As at 29 March 2024
(Cont'd)

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS (Cont'd)

No.	Shareholders	No. of Shares Held	%
17.	Leong Kok Peng	1,315,000	0.22
18.	Kuan Ah Hock	1,312,000	0.22
19.	Setia Awan Land Sdn. Bhd.	1,200,000	0.20
20.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. *Pledged Securities Account for Chong Chee Choon (MY3397)*	1,075,000	0.18
21.	Azra bin Kamarudin	1,000,000	0.17
22.	IFAST Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Chew Wai Meng*	1,000,000	0.17
23.	Lee Chee Ming	1,000,000	0.17
24.	Maybank Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Mohd Mokhtar bin Mohd Shariff*	1,000,000	0.17
25.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Ahmad Tajuddin bin Ali*	1,000,000	0.17
26.	Ng Teck Wah	1,000,000	0.17
27.	Yong Chin Hin	1,000,000	0.17
28.	Lim Eng Chai	885,000	0.15
29.	Tay Tan Hong	765,000	0.13
30.	Leong Yuet May	750,000	0.12
	TOTAL	**510,219,900**	**84.24**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Second ("**2nd**") Annual General Meeting ("**AGM**") of the Company will be held on a virtual basis hosted on Securities Services e-Portal at https://sshsb.net.my/ at the broadcast venue, which is the main venue of the AGM, at the Meeting Room of Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan on Thursday, 20 June 2024 at 10:00 a.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and the Auditors thereon. ***(Please refer to Explanatory Note 1)***

2. To approve the payment of Directors' fees amounting to RM372,000/- for the financial year ending 31 December 2024. ***(Resolution 1)***

3. To re-elect the following Directors, who are due to retire pursuant to Clause 21.7 of the Company's Constitution, and being eligible, have offered themselves for re-election:-

   (a) Ir. Han Liang Kwang; and ***(Resolution 2)***
   (b) Ir. Louis Tay Chee Siong. ***(Resolution 3)***

4. To re-elect Mr. Goik Kenzu, who is due to retire pursuant to Clause 21.11 of the Company's Constitution and being eligible, has offered himself for re-election. ***(Resolution 4)***

5. To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting of the Company and to authorise the Directors to fix their remuneration. ***(Resolution 5)***

As Special Business

To consider and if thought fit, with or without any modification, to pass the following Ordinary Resolution: -

6. **ORDINARY RESOLUTION** ***(Resolution 6)***
   - AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016

   "**THAT** pursuant to the Companies Act 2016 ("**the Act**"), ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), the Constitution of the Company, and subject to the approvals of the relevant governmental/regulatory authorities, the Directors of the Company be and are hereby empowered to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors of the Company may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being;

   THAT in connection with the above, pursuant to Section 85 of the Act to be read together with Clause 16.6 of the Constitution of the Company, that approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to the Act.

NOTICE OF ANNUAL GENERAL MEETING
(Cont'd)

AND THAT the Directors of the Company be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities; **AND FURTHER THAT** such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."

7. To transact any other ordinary business of which due notice shall have been given.

By Order of the Board

YEOW SZE MIN (MAICSA 7065735) (SSM PC NO. 201908003120)
YEE KIT YENG (MAICSA 7068292) (SSM PC NO. 202208000022)
Company Secretaries

Kuala Lumpur
Dated: 29 April 2024

Explanatory Notes: -

1. Audited Financial Statements for the financial year ended 31 December 2023

This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the members/shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. Resolutions 2 to 4 - Re-election of Directors

For the purpose of determining the eligibility of the Director to stand for re-election at the 2nd AGM of the Company, the Board of Directors through its Nomination Committee had reviewed and assessed each of the retiring Directors from the annual assessment and evaluation of the Board of Directors for the financial year ended 31 December 2023.

Based on the results of the annual evaluations, the Board of Directors is satisfied with the performance and contributions of the retiring Directors namely, Ir. Han Liang Kwang, Ir. Louis Tay Chee Siong and Mr. Goik Kenzu, and supports the re-election based on the following considerations:

(I) able to meet the Board of Directors' expectations in terms of character, experience, integrity, competency and time commitment in discharging their roles as Directors of the Company;
(II) exercised due care and carried out professional duties proficiently; and
(III) level of independence demonstrated by the Independent Non-Executive Director, where relevant.

The retiring Directors have consented to their re-election and abstained from deliberations and decisions on their own eligibility to stand for re-election at the meetings of the Board and Nomination Committee, where relevant.

The profiles of the retiring Directors are set out in the Annual Report in respect of the financial year ended 31 December 2023.

3. Resolution 6 - Authority to Issue Shares pursuant to the Companies Act 2016

*The proposed Resolution 6 is intended to grant authority to the Directors of the Company pursuant to the Companies Act 2016, to issue and allot new shares in the Company at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares does not exceed 10% of the total number of issued shares of the Company for the time being (hereinafter referred to as the "**General Mandate**"). The General Mandate, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.*

The purpose to seek the General Mandate is to provide flexibility to the Directors of the Company for allotment of shares for any possible fund-raising activities for the purpose of funding future investment project(s), working capital, acquisition(s) and/or such other purposes as the Directors may deem fit without convening a general meeting as it would be both time and cost-consuming to organise a general meeting.

NOTICE OF ANNUAL GENERAL MEETING
(Cont'd)

Pursuant to Section 85 of the Act read together with Clause 16.6 of the Constitution of the Company, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other securities.

That proposed Resolution 6, if passed, would allow the Directors to issue new shares to any person under authority to issue shares pursuant to the Companies Act 2016 without having to offer new shares to be issued equally to all existing shareholders of the Company prior to issuance.

Notes to the Notice of the 2nd AGM:-

1. The 2nd AGM will be conducted on a virtual basis by way of live streaming and online remote voting via the Remote Participation and Voting ("**RPV**") facilities to be provided by SS E Solutions Sdn. Bhd. via Securities Services e-Portal's platform at https://sshsb.net.my. Please read carefully and follow the procedures provided in the Administrative Guide in order to register, participate and vote remotely via the RPV facilities.

2. With the RPV facilities, the members, proxies and/or corporate representatives are strongly encouraged to exercise their rights to participate (including to pose questions to the Chairman, Board of Directors or Management) and vote at the 2nd AGM.

   As guided by the Securities Commission Malaysia's Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers and its subsequent amendments, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members, proxies and/or corporate representatives shall communicate with the main venue of the 2nd AGM via real time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the 2nd AGM as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members, proxies and/or corporate representatives may email their questions to eservices@sshsb.com.my during the 2nd AGM. The questions and/or remarks submitted by the members, proxies and/or corporate representatives will be responded by the Chairman, Board of Directors and/or Management during the Meeting. In the event of any unattended questions and/or remarks submitted, the Company will respond to the said unattended questions and/or remarks after the Meeting via email.

3. In respect of deposited securities, only members whose names appear in the Record of Depositors on 13 June 2024 *(General Meeting Record of Depositors)* shall be eligible to attend, speak and vote at this Meeting.

4. A member of the Company entitled to attend and vote at the Meeting shall be entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead. A member may appoint more than one (1) proxy in relation to a meeting, provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy, failing which the appointment shall be invalid.

5. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the members to attend, participate, speak and vote at the Meeting and upon appointment a proxy shall be deemed to confer authority to demand or join in demanding a poll.

6. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

7. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised in writing.

NOTICE OF ANNUAL GENERAL MEETING
(Cont'd)

8. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at Securities Services (Holdings) Sdn. Bhd. of Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time appointed for holding the Meeting or adjournment thereof:-

Mode of submission	Designated address
Hard copy	Securities Services (Holdings) Sdn. Bhd. of Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan
Electronic means	Through Securities Services e-Portal at https://sshsb.net.my

The lodging of the Form of Proxy does not preclude a member from attending and voting remotely at the 2nd AGM should he subsequently decides to do so, provided a notice of termination of proxy authority in writing is given to the Company and deposited at Securities Services (Holdings) Sdn. Bhd. of Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan prior to the time stipulated for holding the 2nd AGM or any adjournment thereof, and you register for RPV as guided in the Administrative Guide. Please contact the poll administrator, SS E Solutions Sdn. Bhd., at 03-2084 9000 for further assistance.

9. The Administrative Guide on the Conduct of a Virtual General Meeting is available for download at the website of Bursa Securities and the Company's website at https://www.plytec.com.my/corporate-governance-meetings/. Please contact the poll administrator, SS E Solutions Sdn. Bhd., at 03-2084 9000 for further assistance.

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PLYTEC®

PLYTEC HOLDING BERHAD
[Registration No. 201801020016 (1282035-P)]
(Incorporated in Malaysia)

Number of Ordinary Shares Held	CDS Account No.

Contact No.	Email Address

PROXY FORM

I / We, _____
(FULL NAME AND NRIC / PASSPORT NO. / REGISTRATION NO.)

of _____
(FULL ADDRESS)

being a member of **PLYTEC HOLDING BERHAD** hereby appoint:-

***First Proxy "A"**

Full Name (in Block):-	**NRIC/ Passport No.:-**	**Proportion of Shareholdings Represented**	
		No. of Shares	**%**
Full Address:-			

*and

***Second Proxy "B"**

Full Name (in Block):-	**NRIC/ Passport No.:-**	**Proportion of Shareholdings Represented**	
		No. of Shares	**%**
Full Address:-			
			100%

*or failing him/her, the CHAIRMAN OF THE MEETING, as *my / our proxy to attend and vote for *me / us and on *my / our behalf at the Second Annual General Meeting ("**AGM**") of PLYTEC Holding Berhad to be held on a virtual basis hosted on Securities Services e-Portal at https://sshsb.net.my at the broadcast venue, which is the main venue of the AGM, at the Meeting Room of Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan on Thursday, 20 June 2024 at 10:00 a.m. and at any adjournment thereof.

Mark X under 'For' or 'Against' for each Resolution if you wish to direct the proxy on how to vote. If no mark is made, the proxy may vote on the resolution or abstain from voting as the proxy thinks fit. If you appoint two (1) proxies and wish them to vote differently, this should be specified.

My / our proxy / proxies is / are to vote as indicated below:

No.	**Agenda**			
1.	To receive the Audited Financial Statements for the financial year ended 31 March 2023 together with the Reports of the Directors and the Auditors thereon. (Note 1)			
		Resolution	**For**	**Against**
2.	To approve the payment of Directors' fees amounting to RM372,000/- for the financial year ending 31 December 2024.	1		
3(a).	To re-elect Ir. Han Liang Kwang, who is due to retire pursuant to Clause 21.7 of the Company's Constitution.	2		
3(b).	To re-elect Ir. Louis Tay Chee Siong, who is due to retire pursuant to Clause 21.7 of the Company's Constitution.	3		
4.	To re-elect Mr. Goik Kenzu, who is due to retire pursuant to Clause 21.11 of the Company's Constitution.	4		
5.	To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting of the Company and to authorise the Directors to fix their remuneration.	5		
Special Business				
6.	**Ordinary Resolution:** Authority to Issue Shares pursuant to the Companies Act 2016.	6		

* Strike out whichever not applicable

Signed this _____ day of _____ 2024

_____
* Signature of Member/Common Seal

Fold This Flap For Sealing

Notes :-

1. This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the members/shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.
2. The 2nd AGM will be conducted on a virtual basis by way of live streaming and online remote voting via the Remote Participation and Voting ("**RPV**") facilities to be provided by SS E Solutions Sdn. Bhd. via Securities Services e-Portal's platform at https://sshsb.net.my. Please read carefully and follow the procedures provided in the Administrative Guide in order to register, participate and vote remotely via the RPV facilities.
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Then Fold Here

AFFIX
STAMP

The Share Registrar
PLYTEC HOLDING BERHAD
[Registration No. 201801020016 (1282035-P)]

c/o Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur,
Wilayah Persekutuan

1st Fold Here

7. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
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9. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a duly notarised certified copy of that power or authority, shall be deposited at Securities Services (Holdings) Sdn. Bhd. of Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time appointed for holding the Meeting or adjournment thereof:-

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