



JATI TINGGI GROUP BERHAD

(Registration No. 202101043655) (1443955-H)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED
31 AUGUST 2023**

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 AUGUST 2023

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

| | Note | QUARTER ENDED | | YEAR-TO-DATE ENDED | |
|--|------|-----------------------------------|--|-----------------------------------|--|
| | | Unaudited 31.08.2023 RM'000 | Unaudited 31.08.2022 ⁽²⁾ RM'000 | Unaudited 31.08.2023 RM'000 | Unaudited 31.08.2022 ⁽²⁾ RM'000 |
| Revenue | A9 | 33,053 | N/A | 79,056 | N/A |
| Cost of sales | | (30,069) | N/A | (66,686) | N/A |
| Gross profit | | 2,984 | N/A | 12,370 | N/A |
| Other income | | 573 | N/A | 991 | N/A |
| Administrative expenses | | (1,813) | N/A | (6,149) | N/A |
| Other expenses | | (218) | N/A | (618) | N/A |
| Operating profit | | 1,526 | N/A | 6,594 | N/A |
| Finance costs | | (535) | N/A | (1,746) | N/A |
| Net impairment gain on financial assets | | 763 | N/A | 138 | N/A |
| Profit before taxation | | 1,754 | N/A | 4,986 | N/A |
| Income tax expense | B5 | (342) | N/A | (1,483) | N/A |
| Profit for the financial period, representing total comprehensive income for the financial period | | 1,412 | N/A | 3,503 | N/A |
| Profit after tax/ Total comprehensive income attributable to: | | | N/A | | N/A |
| Owners of the Company | | 1,412 | N/A | 3,503 | N/A |
| Non-controlling Interest | | - | N/A | - | N/A |
| | | 1,412 | N/A | 3,503 | N/A |
| Earnings per share attributable to owners of the Company (sen) ⁽³⁾ | | | | | |
| Basic/ Diluted | B11 | 0.43 ⁽⁴⁾ | N/A | 1.08 ⁽⁴⁾ | N/A |



Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 30 November 2023 ("**Prospectus**") issued in relation to the initial public offering ("**IPO**") and the accompanying explanatory notes attached to this interim financial report.
 - (2) This is the first interim financial report being announced by the Company in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**"). As such, there are no comparative figures for the preceding year's corresponding quarter and year-to-date.
 - (3) The basic and diluted earnings per share of the Company are the same as the Company does not have any outstanding convertible securities as at the end of the current quarter and financial period under review.
 - (4) Basic/ diluted earnings per share is calculated based on the total number of 325,000,800 ordinary shares in the Company before the IPO as disclosed in Note B11.
- N/A Not applicable

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 AUGUST 2023 (CON'T)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ⁽¹⁾

| | Note | Unaudited As at 31.08.2023 RM'000 | Audited As at 30.11.2022 RM'000 |
|---|------|--|--|
| ASSETS | | | |
| Non-current assets | | | |
| Plant and equipment | | 2,988 | 2,407 |
| Investment property | | - | 8,335 |
| Right-of-use assets | | 682 | 1,994 |
| Intangible assets | | 173 | 270 |
| Total non-current assets | | 3,843 | 13,006 |
| Current assets | | | |
| Inventories | | 460 | 19 |
| Trade and other receivables | | 84,361 | 84,724 |
| Current tax assets | | 323 | - |
| Cash and cash equivalents | | 14,675 | 17,283 |
| Total current assets | | 99,819 | 102,026 |
| Assets classified as held for sale | | 8,249 | - |
| TOTAL ASSETS | | 111,911 | 115,032 |
| EQUITY AND LIABILITIES | | | |
| Equity attributable to owners of the Group | | | |
| Share capital | | 26,000 | * |
| Invested capital | | - | 1,000 |
| Merger deficit | | (25,000) | - |
| Retained earnings | | 37,589 | 34,086 |
| TOTAL EQUITY | | 38,589 | 35,086 |
| Non-current liabilities | | | |
| Lease liabilities | B8 | 689 | 1,135 |
| Loans and borrowings | B8 | 7,307 | 7,688 |
| Total non-current liabilities | | 7,996 | 8,823 |
| Current liabilities | | | |
| Trade and other payables | | 41,470 | 52,547 |
| Lease liabilities | B8 | 983 | 968 |
| Loans and borrowings | B8 | 22,873 | 17,255 |
| Current tax liabilities | | - | 353 |
| Total current liabilities | | 65,326 | 71,123 |
| TOTAL LIABILITIES | | 73,322 | 79,946 |
| TOTAL EQUITY AND LIABILITIES | | 111,911 | 115,032 |
| Number of ordinary shares in issue ('000) before | | | |
| Public Issue ⁽²⁾ | | 325,001 | 325,001 |
| Net assets per share attributable to owners of | | | |
| the Company (RM) ⁽²⁾ | | 0.12 | 0.11 |



JATI TINGGI GROUP BERHAD

(Incorporated in Malaysia)

(Registration No. 202101043655) (1443955-H)

Notes:

- * Refers to the allotment and issuance of 50 subscribers' shares in our Company at RM1 each upon incorporation of our Company on 21 December 2021, with an issued share capital of RM50. Subsequently, the Company completed the subdivision of 50 ordinary shares in the Company into 800 ordinary shares on the basis of 16 new ordinary shares for every 1 existing ordinary share.
- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus issued in relation to the IPO and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per share is calculated based on the total number of 325,000,800 ordinary shares in the Company before the IPO.
- N/A Not applicable

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 AUGUST 2023 (CON'T)

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

| | Share capital RM'000 | Invested capital RM'000 | Merger deficit RM'000 | Retained earnings RM'000 | Total equity RM'000 |
|---|-------------------------|-------------------------------|--------------------------|--------------------------------|------------------------|
| As at 1 December 2022 (Audited) | * | 1,000 | - | 34,086 | 35,086 |
| Profit after tax for the financial period | - | - | - | 3,503 | 3,503 |
| Profit for the financial period, representing total comprehensive income for the financial period | * | 1,000 | - | 37,589 | 38,589 |
| Contributions by and distributions to owners of the Company: | | | | | |
| - Issuance of ordinary shares pursuant to acquisition of a subsidiary | 26,000 | (1,000) | (25,000) | - | - |
| As at 31 August 2023 (Unaudited) | 26,000 | - | (25,000) | 37,589 | 38,589 |

Notes:

- * Refers to the allotment and issuance of 50 subscribers' shares in our Company at RM1 each upon incorporation of our Company on 21 December 2021, with an issued share capital of RM50.
- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus issued in relation to the IPO and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the first interim financial report being announced by the Company in compliance with the Listing Requirements. As such, there are no comparative figures for the preceding year's corresponding quarter.

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 AUGUST 2023 (CON'T)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾

| | Current Year To-Date 31.08.2023 RM'000 | Preceding Year To-Date 31.08.2022 ⁽²⁾ RM'000 |
|---|---|--|
| Cash flows from/(for) operating activities | | |
| Profit before taxation | 4,986 | N/A |
| Adjustments for: | | |
| Amortisation of intangible assets | 97 | N/A |
| Depreciation of plant and equipment | 584 | N/A |
| Depreciation of investment property | 86 | N/A |
| Depreciation of rights-of-use assets | 539 | N/A |
| Net impairment gain on financial assets | (138) | N/A |
| Interest expense | 1,746 | N/A |
| Interest income | (65) | N/A |
| | 7,835 | N/A |
| Operating profit before working capital changes | | |
| Changes in working capital: | | |
| Change in inventories | (442) | N/A |
| Change in trade and other receivables | (716) | N/A |
| Change in trade and other payables | (9,859) | N/A |
| | (3,182) | N/A |
| Cash for operations | | |
| Income tax paid | (2,158) | N/A |
| | (5,340) | N/A |
| Net cash flows for operating activities | | |
| Cash flows from/(for) investing activities | | |
| Purchase of plant and equipment | (392) | N/A |
| Increased in pledged fixed deposits with licensed banks | (150) | N/A |
| Interest received | 65 | N/A |
| | (477) | N/A |
| Net cash flows for investing activities | | |
| Cash flows from/(for) financing activities | | |
| Repayment of lease liabilities | (432) | N/A |
| Net drawdown of loans and borrowings | 5,666 | N/A |
| Interest paid | (1,746) | N/A |
| | 3,488 | N/A |
| Net cash flows from financing activities | | |
| Net decrease in cash and cash equivalents | (2,329) | N/A |
| Cash and cash equivalents at beginning of the financial period | 13,377 | N/A |
| Cash and cash equivalents at end of the financial period | 11,048 | N/A |

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 AUGUST 2023 (CON'T)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CON'T)

| | Current Year To-Date 31.08.2023 RM'000 | Preceding Year To-Date 31.08.2022 ⁽²⁾ RM'000 |
|--|---|--|
| <u>Cash and cash equivalents at end of the financial period comprises:</u> | | |
| Fixed deposits with licensed banks | 3,637 | N/A |
| Less: Pledged fixed deposits with licensed banks | <u>(3,627)</u> | <u>N/A</u> |
| | 10 | N/A |
| Cash and bank balances | 11,038 | N/A |
| Bank overdraft | <u>-</u> | <u>N/A</u> |
| | <u>11,048</u> | <u>N/A</u> |

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus issued in relation to the IPO and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the first interim financial report being announced by the Company in compliance with the Listing Requirements. As such, there are no comparative figures for the preceding year's corresponding quarter.
- N/A Not applicable

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PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134: INTERIM FINANCIAL REPORTING

A1 Basis of preparation

This interim financial report of Jati Tinggi Group Berhad (“**Jati Tinggi**” or the “**Company**”) and its subsidiary (“**Group**”) are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and Rule 9.22 of the Listing Requirements.

This is the first interim financial report for the third quarter ended 31 August 2023 announced by the Group in compliance with the Listing Requirements. As such, there are no comparative figures for the preceding corresponding quarter and year-to-date.

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

A2 Significant accounting policies

The accounting policies and presentations adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 30 November 2022 as disclosed in the Accountants’ Report in the Prospectus.

| MFRSs and/or IC Interpretations (including the consequential amendments) | Effective Date |
|---|-----------------------|
| MFRS 17: Insurance Contracts | 1 January 2023 |
| Amendments to MFRS 17: Insurance Contracts | 1 January 2023 |
| Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information | 1 January 2023 |
| Amendments to MFRS 101: Disclosure of Accounting Policies | 1 January 2023 |
| Amendments to MFRS 112: International Tax Reform - Pillar Two Model Rules | 1 January 2023 |
| Amendments to MFRS 108: Definition of Accounting Estimates | 1 January 2023 |
| Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction | 1 January 2023 |
| 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 |
| Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Deferred |

The adoption of the above accounting standards and/ or interpretations (including the consequential amendments, if any) is not expected to have any material impact on the Group’s financial statements upon their initial application.



A3 Auditors' report of preceding annual financial statements

Jati Tinggi was incorporated on 21 December 2021 under the Companies Act 2016. The Company completed the acquisition of its subsidiary, Jati Tinggi Holding Sdn Bhd (“**JTHSB**”) on 13 July 2023.

There was no auditors' report on the Group for preceding annual financial statements. In addition, the auditor's reports for the financial year ended 30 November 2022 of the Company and JTHSB were not subject to any qualification.

The preceding audited financial statements are prepared based on combination or aggregation of all of the audited financial statements of the respective companies of the Group.

A4 Seasonal or cyclical factors

The business operations of the Group were not materially affected by seasonal or cyclical factors.

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current financial quarter and financial year-to-date.

A6 Material changes in estimates

There were no material changes in estimates for the current financial quarter and financial year-to-date.

A7 Debt and equity securities

On 13 July 2023, the Company completed the acquisition of the entire equity interest of JTHSB for a purchase consideration of RM26,000,000 which was fully satisfied via the issuance of 325,000,000 new ordinary shares of the Company at an issue price of RM0.08 each.

Save as disclosed above, there were no issuances, cancellations, repurchases, resale or repayments of debt and equity securities during the current financial quarter and financial year-to-date.

A8 Dividend paid

No dividends have been declared or paid in the current financial quarter and financial year-to-date.

A9 Segment information

No geographical segment information is presented as all of the Group's revenue are derived from Malaysia.

The Group prepared the following segment information based on the internal reports of the Group's business units which are regularly reviewed by the directors for the purpose of making decision about resource allocation and performance assessment. The 2 main reportable operating segments are as follows:

- (i) provision of underground utilities engineering services and solutions; and
- (ii) provision of substation engineering, procurement, construction and commissioning (“**EPCC**”) services, trading of equipment for substations and street lighting services



| | QUARTER ENDED | | YEAR-TO-DATE ENDED | |
|--|-----------------------------------|--|-----------------------------------|--|
| | Unaudited 31.08.2023 RM'000 | Unaudited 31.08.2022 ⁽¹⁾ RM'000 | Unaudited 31.08.2023 RM'000 | Unaudited 31.08.2022 ⁽¹⁾ RM'000 |
| Revenue: | | | | |
| Provision of underground utilities engineering services and solutions | 32,962 | N/A | 78,134 | N/A |
| Provision of substation EPCC services, trading of equipment for substations and street lighting services | 91 | N/A | 922 | N/A |
| | 33,053 | N/A | 79,056 | N/A |
| Segment profit: | | | | |
| Provision of underground utilities engineering services and solutions | 2,976 | N/A | 12,577 | N/A |
| Provision of substation EPCC services, trading of equipment for substations and street lighting services | 8 | N/A | (207) | N/A |
| Gross profit for the financial quarter/ period (" GP ") | 2,984 | N/A | 12,370 | N/A |

Notes:

(1) *This is the first interim financial report being announced by the Company in compliance with the Listing Requirements. As such, there are no comparative figures for the preceding year's corresponding quarter and year-to-date.*

N/A *Not applicable*

A10 Valuation of investment property

The Company appointed an independent property valuer to appraise the market value of the investment property of the Group on 15 August 2023. The market value of the investment property on the basis that the title is free of all encumbrances and with vacant possession is RM16.00 million. Please refer to B6 for the status of the disposal of the said investment property.

A11 Material subsequent events

In conjunction with its Listing, the Company had on 30 November 2023 issued the Prospectus for its IPO which entailed the following:

- (1) public issue of 66,800,000 new ordinary shares in Jati Tinggi ("**Public Issue Shares**") in the following manner:
- 19,600,000 Public Issue Shares made available for application by the Malaysian public;
 - 10,000,000 Public Issue Shares made available for application by its eligible Directors, employees and persons who have contributed to the success of the Group;



- 23,200,000 Public Issue Shares made available by way of private placement to selected investors; and
- 14,000,000 Public Issue Shares made available by way of private placement to selected Bumiputera investors approved by the Ministry of Investment, Trade and Industry (*formerly known as Ministry of International Trade and Industry*) (“MITI”);

(2) offer for sale of 35,000,000 existing ordinary shares in Jati Tinggi (“**Offer Shares**”) by way of private placement to selected Bumiputera investors approved by MITI,

at an issue/ offer price of RM0.27 per Public Issue Share/ Offer Share payable in full upon application.

Upon completion of the IPO, the Company is expected to be admitted to the Official List of Bursa Securities and the Company’s entire enlarged issued share capital of 391,800,800 shares shall be listed and quoted on the ACE Market of Bursa Securities.

Save as disclosed above, there is no other material event subsequent to the end of the current financial quarter and financial year-to-date which has not been reflected in this interim financial report as at the date of this report.

A12 Changes in the composition of the Group

Save as disclosed in A7, there were no changes in the composition of the Group during the current financial quarter and financial year-to-date.

A13 Contingent assets and contingent liabilities

Save for the contingent liabilities disclosed below, there are no contingent liabilities as at the date of this interim financial report which upon becoming enforceable, may have a material effect on the Group’s business, financial results and financial position:

| | Unaudited As at 31.08.2023 RM’000 | Audited As at 31.11.2022 RM’000 |
|---|--|--|
| Performance guarantee extended to third parties | 35,094 | 28,472 |

There are no contingent assets as at the date of this interim report.

A14 Capital commitments

There were no material capital commitments in respect of property, plant and equipment as at the end of the current financial quarter.



A15 Significant related party transaction

Save as disclosed below, there were no significant related party transactions during the current financial quarter and financial year-to-date:

| | <u>QUARTER ENDED</u> | | <u>YEAR-TO-DATE ENDED</u> | |
|--|--|--|--|--|
| | <u>Unaudited</u> <u>31.08.2023</u> <u>RM'000</u> | <u>Unaudited</u> <u>31.08.2022⁽¹⁾</u> <u>RM'000</u> | <u>Unaudited</u> <u>31.08.2023</u> <u>RM'000</u> | <u>Unaudited</u> <u>31.08.2022⁽¹⁾</u> <u>RM'000</u> |
| Purchase of materials and services | 95 | N/A | 747 | N/A |
| Office leases paid or payable to the directors and persons connected to them | 99 | N/A | 297 | N/A |

Notes:

(1) *This is the first interim financial report being announced by the Company in compliance with the Listing Requirements. As such, there are no comparative figures for the preceding year's corresponding quarter and year-to-date.*

N/A *Not applicable*

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PART B - EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS

B1 Review of performance

- (a) Performance of the current quarter against the same quarter in the preceding year

| | QUARTER ENDED | | Variance | |
|------------------------|-----------------------------------|--|----------|-----|
| | Unaudited 31.08.2023 RM'000 | Unaudited 31.08.2022 ⁽¹⁾ RM'000 | RM'000 | % |
| Revenue | 33,053 | N/A | N/A | N/A |
| Profit before taxation | 1,754 | N/A | N/A | N/A |
| Profit after taxation | 1,412 | N/A | N/A | N/A |

Notes:

- (1) This is the first interim financial report announced by the Company in compliance with the Listing Requirements. As such, there are no comparative figures for the preceding year's corresponding quarter.

N/A Not applicable

The Group recorded revenue of RM33.05 million for the current financial quarter ended 31 August 2023.

The Group's revenue was principally derived from the provision of underground utilities engineering services and solutions segment, contributing approximately 99.72% of the total revenue for the current financial quarter ended 31 August 2023.

The Group registered a profit before tax and profit after tax of RM1.75 million and RM1.41 million, respectively in the current financial quarter under review.

- (b) Performance of the current financial year to date against the immediate preceding financial year to date

| | YEAR-TO-DATE ENDED | | Variance | |
|------------------------|-----------------------------------|--|----------|-----|
| | Unaudited 31.08.2023 RM'000 | Unaudited 31.08.2022 ⁽¹⁾ RM'000 | RM'000 | % |
| Revenue | 79,056 | N/A | N/A | N/A |
| Profit before taxation | 4,986 | N/A | N/A | N/A |
| Profit after taxation | 3,503 | N/A | N/A | N/A |

Notes:

- (1) This is the first interim financial report announced by the Company in compliance with the Listing Requirements. As such, there are no comparative figures for the preceding year's corresponding year-to-date.

N/A Not applicable

The Group recorded revenue of RM79.06 million for the year-to-date financial ended 31 August 2023.



The Group's revenue was principally derived from the provision of underground utilities engineering services and solutions segment, contributing approximately 98.73% of the total revenue for the year-to-date financial ended 31 August 2023.

The Group registered a profit before tax and profit after tax of RM4.99 million and RM3.50 million, respectively in the financial year-to-date ended 31 August 2023.

B2 Comparison with immediate preceding quarter's results

This is the first interim financial report being announced by the Company in compliance with the Listing Requirements. As such, there are no comparative figures for the immediate preceding quarter.

B3 Prospects

As disclosed in the Prospectus dated 30 November 2023, the outlook of the power infrastructure utilities market in Malaysia remains positive whereby, amongst others:

- The power infrastructure utilities market in Malaysia, based on the capital expenditure incurred for recurring electricity generation, transmission and distribution, rose from RM5.7 billion in 2016 to RM9.2 billion in 2022 at a compound annual growth rate (“CAGR”) of 8.3%.
- Between 2022 and 2024, an estimated RM20.0 billion will be allocated in capital expenditure for recurring electricity generation, transmission and distribution in Peninsular Malaysia and Sabah. In February 2023, it was announced that a capital expenditure allocation of RM12.8 billion, from which RM7.0 billion will be for regulated capital expenditure (including energy transition related capital expenditure of RM1.0 billion) while the remaining RM5.8 billion will be allocated for other major projects. In August 2023, it was announced that an additional RM35.0 billion between 2025 to 2030 towards upgrading Malaysia's power grid, to ensure the infrastructure does not become an obstacle in the nation's energy transition endeavours.
- In 2024, the Federal allocation for the development of Sarawak will increase to RM5.8 billion from RM5.6 billion. Meanwhile, for Sabah, the allocation will increase to RM6.6 billion compared to RM6.5 billion. To increase the effectiveness of the allocation, the Federal Government has also delegated the authority to implement development projects valued under RM50.0 million to technical agencies in Sabah and Sarawak.
- To ensure stability and reduce electricity supply disruptions in Sabah, especially in the eastern area, the Federal Government will support the implementation of hybrid solar energy generation as well as the construction of a network of electricity transmission lines in southern Sabah.
- Malaysia recorded a total of RM264.6 billion worth of approved investments in the manufacturing, services and primary sectors in 2022 across 4,454 projects, which such investments are important contributors for the country's economic growth. As such, investment in infrastructure and properties are crucial to support the investment prospect of Malaysia.
- Malaysia's renewable energy generation targets create opportunities for investments in power infrastructure.

Premised on the above, the Group's intention to participate in more large-scaled projects, establish its presence as a main contractor and expand its business into East Malaysia is expected to augur well with the overall positive outlook of the industry. The Group is optimistic of its prospects.



B4 Variance from actual profit from profit forecast and profit guarantee

The Group did not issue any profit forecast or profit guarantee in the current financial quarter and financial year-to-date.

B5 Income tax expense

| | QUARTER ENDED | | YEAR-TO-DATE ENDED | |
|---------------------------------------|-----------------------------------|--|-----------------------------------|--|
| | Unaudited 31.08.2023 RM'000 | Unaudited 31.08.2022 ⁽¹⁾ RM'000 | Unaudited 31.08.2023 RM'000 | Unaudited 31.08.2022 ⁽¹⁾ RM'000 |
| Current tax expense | (342) | N/A | (1,483) | N/A |
| Deferred tax expense | - | N/A | - | N/A |
| Total income tax expense | (342) | N/A | (1,483) | N/A |
| Effective tax rate (%) ⁽²⁾ | 19.50 | N/A | 29.74 | N/A |
| Statutory tax rate (%) ⁽²⁾ | 24.00 | N/A | 24.00 | N/A |

Notes:

(1) *This is the first interim financial report being announced by the Company in compliance with the Listing Requirements. As such, there are no comparative figures for the preceding year's corresponding quarter and year-to-date.*

(2) *Our effective tax rate for the quarter was lower than the statutory rate mainly due to non-taxable income i.e. net impairment gain on financial assets.*

Our effective tax rate for year-to-date was higher than the statutory rate mainly due to add back of expenses not deductible for tax purpose i.e., mainly depreciation for non-qualifying expenditure, under provision of the previous year's current taxation and deferred tax assets not recognised.

N/A *Not applicable*

B6 Status of corporate proposals

Save for the IPO as disclosed in Note A11 and below, there were no other corporate proposals announced but not implemented as at 8 December 2023 (a date being not be earlier than 7 days from the date of this interim financial report) ("LPD"):

(i) Disposal of property

JTHSB had on 17 August 2023 entered into a conditional sale and purchase agreement ("SPA") with Bread History Sdn Bhd ("BHSB") for the disposal of a freehold land held under HSD No. 39381, PT No. 4533, Mukim Semenyih, Daerah Ulu Langat, Negeri Selangor measuring approximately 4,832.04 sq. m. in area together with buildings erected thereon bearing postal address No. 25, Jalan P4/6, Bandar Teknologi Kajang, 43500 Semenyih, Selangor Darul Ehsan, for a cash consideration of RM16,000,000 ("Disposal of Property"). On 5 October 2023, the conditions precedent as stated in the SPA have been complied. As at the LPD, the Disposal of Property is pending completion. The Group expects the Disposal of Property to be completed by the 1st quarter of 2024.



B7 Utilisation of proceeds raised from the IPO

The gross proceeds from the IPO amounting to RM18.04 million is intended to be utilised in the following manner:

| Details of utilisation | Proposed utilisation | Actual utilisation | Estimated time frame for utilisation from the date of listing ⁽¹⁾ |
|---|----------------------|--------------------|--|
| | RM'000 | RM'000 | |
| Repayment of bank borrowings | 7,000 | N/A | Within 12 months |
| General working capital | 7,336 | N/A | Within 18 months |
| Capital expenditure | 200 | N/A | Within 12 months |
| Estimated listing expenses ⁽²⁾ | 3,500 | N/A | Within 3 months |
| | 18,036 | N/A | |

Notes:

(1) From the date of listing of the Company on the ACE Market of Bursa Securities. The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus. As at the date of this interim report, the IPO is pending completion.

(2) As at the date of this interim financial report, approximately RM1.98 million listing expenses has been incurred.

N/A Not applicable

B8 Borrowings

The details of the Group's borrowings are as follows:

| | Unaudited As at 31.08.2023 RM'000 | Audited As at 30.11.2022 RM'000 |
|------------------------------|--|--|
| Non-current: | | |
| Term loans | 7,307 | 7,688 |
| Lease liabilities | 689 | 1,135 |
| | <u>7,996</u> | <u>8,823</u> |
| Current: | | |
| Trade financing | 14,717 | 11,112 |
| Bank overdraft | - | 429 |
| Banker's acceptances | 7,849 | 5,580 |
| Term loans | 307 | 134 |
| Lease liabilities | 983 | 968 |
| | <u>23,855</u> | <u>18,223</u> |
| Total bank borrowings | <u>31,851</u> | <u>27,046</u> |

All the borrowings are secured and denominated in Ringgit Malaysia.

B9 Material litigation

Save as disclose below, as at the LPD, the Group is not engaged in any material litigation, claim and/ or arbitration, whether as plaintiff or defendant, which might materially and adversely affect the Group's business or financial position, and there are no legal proceedings, pending or threatened, or of any fact likely to give rise to any legal proceeding which may materially and adversely affect the Group's business or financial position:

(i) Session Court of Petaling Jaya ("**Court**") suit no. BB-A52NCvC-151-07/2023 between LTF Energy Sdn Bhd ("**Plaintiff**") and JTHSB ("**Defendant**")



- (a) The Plaintiff filed a writ of summons and a statement of claims on 20 July 2023 alleging the following:
- (aa) the Defendant had via a letter of award dated 22 November 2022 offered and the Plaintiff had accepted the offer for works to be done for HDD 11kV works (“**Awarded Works**”) amounting to RM201,850.00 which was then revised to RM204,245.00 vide a variation order dated 20 December 2022;
 - (bb) the Plaintiff had commenced and completed the Awarded Works and had issued several invoices to claim a total of RM204,245.00 from the Defendant and the Defendant had also issued a Final Account Statement (FAS) dated 21 December 2022 to verify that the Awarded Works have been completed by the Plaintiff up to their satisfaction; and
 - (cc) the Defendant had then paid to the Plaintiff a sum amounting to RM26,518.10 for the Awarded Works.
- (b) the Plaintiff is claiming for judgement against the Defendant for the sum of RM177,726.90 (“**Sum Claimed**”), interest on the Sum Claimed at the rate of 6% per annum from the date of the judgement up to the date of payment, costs for the legal action and whatever ancillary actions and/ or judgements that the Court deems fit.
- (c) the Defendant had on 28 August 2023 filed its statement of defence and counterclaim alleging that the Plaintiff had damaged some cables and fibre optics channels during the Awarded Works and had failed, neglected and/ or refused to inform the Defendant on the damages. The Defendant counterclaimed the Plaintiff for the below reliefs:
- (aa) a sum of RM431,406.45 only for the damage to the fibre optics cables and channels on works done for the proposed 132kV double circuit underground cable installation from Kuala Lumpur South substation to Kuchai Lama switching station, Kuala Lumpur and connectivity to bulk supply station (“**Kuchai Lama Project**”);
 - (bb) a sum of RM76,342.62 only for the damage caused on the main pipe on works done for a project known as HDD 11kV Zon Timur Tanjung Mas (“**Tanjung Mas Project**”);
 - (cc) an order which states that the Defendant is allowed to set-off a sum of RM151,761.77 with the balance of payment as claimed by the Plaintiff amounting to RM177,726.90 for a HDD 11kV works for a project known as Unit Pembangunan Aset Johor Cadangan Bekalan Elektrik on Lot PTD 182919, Bukit Indah, Iskandar Puteri, Mukim Pulau, Daerah Johor Bahru (“**Bukit Indah Project**”);
 - (dd) general damages to be assessed by the Court;
 - (ee) interest at the rate of 5% per annum on (aa), (bb) and (dd) above from the date of judgment to the date of full settlement;
 - (ff) costs; and
 - (gg) whatever other reliefs the Court deems fit.



The Plaintiff had on 20 September 2023 submitted a reply to the Defence. An e-Review case management was set on 4 January 2024.

The solicitor-in-charge of the abovementioned suit is of the view that JTHSB is entitled to counterclaim against the Plaintiff for all the defects and/or damage that has occurred. The solicitor-in-charge further opines that the likely outcome is that the Court would rule in favour of JTHSB for a judgment sum of RM507,749.07 against the Plaintiff, along with any other relief that the Court deems appropriate.

B10 Dividends proposed

No dividend has been declared or proposed during the current financial quarter and financial year-to-date.

B11 Earnings per share (“EPS”)

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

| | QUARTER ENDED | | YEAR-TO-DATE ENDED | |
|--|-------------------------|--|-------------------------|--|
| | Unaudited 31.08.2023 | Unaudited 31.08.2022 ⁽¹⁾ | Unaudited 31.08.2023 | Unaudited 31.08.2022 ⁽¹⁾ |
| PAT attributable to owners of the Company (RM'000) | 1,412 | N/A | 3,503 | N/A |
| Number of ordinary shares in issue ('000) ⁽²⁾ | 325,001 | N/A | 325,001 | N/A |
| Basic/ Diluted EPS (sen) ⁽³⁾⁽⁴⁾ | 0.43 | N/A | 1.08 | N/A |

Notes:

- (1) *This is the first interim financial report being announced by the Company in compliance with the Listing Requirements. As such, there are no comparative figures for the preceding year's corresponding quarter and year-to-date.*
 - (2) *Number of ordinary shares before the IPO.*
 - (3) *Basic and diluted EPS is calculated based on the PAT attributable to owners of the Company divided by 325,000,800 ordinary shares in the Company before the IPO.*
 - (4) *Basic and diluted EPS are the same as the Company does not have any outstanding convertible securities as at the end of the current financial quarter.*
- N/A *Not applicable*

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

Profit for the current financial quarter and financial year-to-date were arrived at after charging/ (crediting) the following:

| | QUARTER ENDED | | YEAR-TO-DATE ENDED | |
|---|-----------------------------------|--|-----------------------------------|--|
| | Unaudited 31.08.2023 RM'000 | Unaudited 31.08.2022 ⁽¹⁾ RM'000 | Unaudited 31.08.2023 RM'000 | Unaudited 31.08.2022 ⁽¹⁾ RM'000 |
| Amortisation of intangible assets | 32 | N/A | 97 | N/A |
| Depreciation of plant and equipment | 210 | N/A | 584 | N/A |
| Depreciation of investment property | 29 | N/A | 86 | N/A |
| Depreciation of right-of-use assets | 180 | N/A | 539 | N/A |
| Interest expense | 535 | N/A | 1,746 | N/A |
| Realised gain on foreign exchange | - | N/A | (71) | N/A |
| Net impairment gain on financial assets | (763) | N/A | (138) | N/A |
| Interest income | (22) | N/A | (65) | N/A |
| Rental income | - | N/A | (115) | N/A |

Notes:

(1) This is the first interim financial report being announced by the Company in compliance with the Listing Requirements. As such, there are no comparative figures for the preceding year's corresponding quarter and year-to-date.

N/A Not applicable

Save as disclosed above, the other disclosure items pursuant to Appendix 9B, Note 16 of the Listing Requirements are not applicable.

B13 DERIVATIVES

The Group did not enter into any derivatives during the current financial quarter and financial year-to-date.

B14 AUTHORISATION FOR ISSUE

The interim financial report was authorised for issue by the Board of Directors of the Company in accordance with a resolution passed by the Board of Directors on 15 December 2023.

**BY ORDER OF THE BOARD
JATI TINGGI GROUP BERHAD
15 DECEMBER 2023**