



# **JATI TINGGI GROUP BERHAD**

(Registration No. 202101043655) (1443955-H)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED  
30 NOVEMBER 2023**

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 NOVEMBER 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME <sup>(1)</sup>**

	Note	QUARTER ENDED		YEAR-TO-DATE ENDED	
		Unaudited	Unaudited	Unaudited	Audited
		30.11.2023	30.11.2022 <sup>(2)</sup>	30.11.2023	30.11.2022
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	35,984	N/A	115,040	234,612
Cost of sales		(32,787)	N/A	(99,473)	(217,212)
<b>Gross profit</b>		<b>3,197</b>	<b>N/A</b>	<b>15,567</b>	<b>17,400</b>
Other income		918	N/A	1,845	2,618
Administrative expenses		(2,358)	N/A	(8,507)	(8,922)
Other expenses		(218)	N/A	(836)	(710)
<b>Operating profit</b>		<b>1,539</b>	<b>N/A</b>	<b>8,069</b>	<b>10,386</b>
Finance income		27	N/A	91	80
Finance costs		(558)	N/A	(2,304)	(1,412)
Net impairment (loss)/gain on financial assets		(62)	N/A	76	2,159
<b>Profit before taxation</b>	B12	<b>946</b>	<b>N/A</b>	<b>5,932</b>	<b>11,213</b>
Income tax expense	B5	(517)	N/A	(2,000)	(2,081)
<b>Profit for the financial period, representing total comprehensive income for the financial period</b>		<b>429</b>	<b>N/A</b>	<b>3,932</b>	<b>9,132</b>
<b>Profit after tax/ Total comprehensive income attributable to:</b>					
Owners of the Company		429	N/A	3,932	9,132
Non-controlling Interest		-	N/A	-	-
		429	N/A	3,932	9,132
<b>Earnings per share attributable to owners of the Company (sen) <sup>(3)</sup></b>					
Basic/ Diluted	B11	0.13 <sup>(4)</sup>	N/A	1.21 <sup>(4)</sup>	2.81 <sup>(4)</sup>



**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 second 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 the Company was only listed on the ACE Market of Bursa Securities on 20 December 2023, there are no comparative figures for the preceding year's corresponding quarter as no interim financial report was prepared for the financial period concerned.
  - (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 year-to-date.
  - (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 FOURTH QUARTER ENDED 30 NOVEMBER 2023  
(CON'T)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION <sup>(1)</sup>**

	Note	Unaudited As at 30.11.2023 RM'000	Audited As at 30.11.2022 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment		2,537	2,407
Investment property		-	8,335
Right-of-use assets		529	1,994
Intangible assets		141	270
<b>Total non-current assets</b>		<b>3,207</b>	<b>13,006</b>
<b>Current assets</b>			
Inventories		441	19
Trade and other receivables		92,603	84,724
Current tax assets		183	-
Cash and cash equivalents		23,475	17,283
<b>Total current assets</b>		<b>116,702</b>	<b>102,026</b>
<b>Assets classified as held for sale</b>		<b>8,249</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>128,158</b>	<b>115,032</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Group</b>			
Share capital		26,000	*
Invested capital		-	1,000
Merger deficit		(25,000)	-
Retained earnings		38,018	34,086
<b>TOTAL EQUITY</b>		<b>39,018</b>	<b>35,086</b>
<b>Non-current liabilities</b>			
Lease liabilities	B8	645	1,135
Loans and borrowings	B8	-	7,688
<b>Total non-current liabilities</b>		<b>645</b>	<b>8,823</b>
<b>Current liabilities</b>			
Trade and other payables		56,277	52,547
Lease liabilities	B8	791	968
Loans and borrowings	B8	31,427	17,255
Current tax liabilities		-	353
<b>Total current liabilities</b>		<b>88,495</b>	<b>71,123</b>
<b>TOTAL LIABILITIES</b>		<b>89,140</b>	<b>79,946</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>128,158</b>	<b>115,032</b>
Number of ordinary shares in issue ('000) before Public Issue <sup>(2)</sup>		325,001	325,001
Net assets per share attributable to owners of the Company (RM) <sup>(2)</sup>		0.12	0.11



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**Notes:**

- \* Refers to the allotment and issuance of 50 subscribers' shares in the Company at RM1 each upon incorporation of the 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.

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**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 NOVEMBER 2023 (CON'T)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY <sup>(1)</sup>**

	Share capital RM'000	Invested capital RM'000	Merger deficit RM'000	Retained earnings RM'000	Total equity RM'000
<b>As at 1 December 2022 (Audited)</b>	*	1,000	-	34,086	35,086
Profit after tax for the financial year	-	-	-	3,932	3,932
Profit for the financial period, representing total comprehensive income for the financial year	*	1,000	-	38,018	39,018
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)	-	-
<b>As at 30 November 2023 (Unaudited)</b>	<b>26,000</b>	<b>-</b>	<b>(25,000)</b>	<b>38,018</b>	<b>39,018</b>
<b>As at 1 December 2021 (Audited)</b>	-	1,000	-	24,954	25,954
Profit after tax for the financial year	-	-	-	9,132	9,132
Profit for the financial period, representing total comprehensive income for the financial year	-	1,000	-	34,086	35,086
Contributions by and distributions to owners of the Company:					
- Incorporation of the Company	*	-	-	-	*
<b>As at 30 November 2022 (Audited)</b>	<b>-</b>	<b>1,000</b>	<b>-</b>	<b>34,086</b>	<b>35,086</b>



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**Notes:**

- \* Refers to the allotment and issuance of 50 subscribers' shares in the Company at RM1 each upon incorporation of the 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.

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**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 NOVEMBER 2023  
(CON'T)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS <sup>(1)</sup>**

	Unaudited Current Year To-Date 30.11.2023 RM'000	Audited Preceding Year To-Date 30.11.2022 RM'000
<b>Cash flows from/(for) operating activities</b>		
Profit before taxation	5,932	11,213
Adjustments for:		
Amortisation of intangible assets	130	130
Depreciation of plant and equipment	767	437
Depreciation of investment property	86	115
Depreciation of rights-of-use assets	687	467
Loss on disposal of plant and equipment	72	*
Net impairment gain on financial assets	(76)	(2,159)
Gain on lease modification	(1)	(2)
Interest expense	2,304	1,412
Interest income	(91)	(80)
<b>Operating profit before working capital changes</b>	<b>9,810</b>	<b>11,533</b>
Changes in working capital:		
Change in inventories	(422)	354
Change in trade and other receivables	(7,803)	(18,094)
Change in trade and other payables	3,729	19,611
<b>Cash from operations</b>	<b>5,314</b>	<b>13,404</b>
Income tax paid	(2,536)	(3,164)
<b>Net cash flows from operating activities</b>	<b>2,778</b>	<b>10,240</b>
<b>Cash flows from/(for) investing activities</b>		
Purchase of plant and equipment	(396)	(1,548)
Addition of right-of-use assets	6	(22)
Proceeds from disposal of plant and equipment	199	*
Increase in pledged fixed deposits with licensed banks	(247)	(1,256)
Interest received	91	80
<b>Net cash flows for investing activities</b>	<b>(347)</b>	<b>(2,746)</b>
<b>Cash flows from/(for) financing activities</b>		
Repayment of lease liabilities	(667)	(476)
Net drawdown of loans and borrowings	5,883	6,176
Proceeds from issuance of shares	-	*^
Interest paid	(2,304)	(1,412)
<b>Net cash flows from financing activities</b>	<b>2,912</b>	<b>4,288</b>
<b>Net increase in cash and cash equivalents</b>	<b>5,343</b>	<b>11,782</b>
Cash and cash equivalents at beginning of the financial year	13,377	1,595
<b>Cash and cash equivalents at end of the financial year</b>	<b>18,720</b>	<b>13,377</b>



**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 NOVEMBER 2023  
(CON'T)**

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

	<b>Unaudited Current Year To-Date 30.11.2023 RM'000</b>	<b>Audited Preceding Year To-Date 30.11.2022 RM'000</b>
<u>Cash and cash equivalents at end of the financial year comprises:</u>		
Fixed deposits with licensed banks	3,734	3,487
Less: Pledged fixed deposits with licensed banks	<u>(3,724)</u>	<u>(3,477)</u>
	10	10
Cash and bank balances	19,741	13,796
Bank overdraft	<u>(1,031)</u>	<u>(429)</u>
	<b><u>18,720</u></b>	<b><u>13,377</u></b>

**Notes:**

- \* Less than RM500.
- ^ Refers to the allotment and issuance of 50 subscribers' shares in the Company at RM1 each upon incorporation of the Company on 21 December 2021, with an issued share capital of RM50.
- (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.

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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 and Appendix 9B of the Listing Requirements of Bursa Securities.

This is the second interim financial report for the fourth quarter and year-to-date ended 30 November 2023 announced by the Group in compliance with Listing Requirements. As the Company was only listed on the ACE Market of Bursa Securities on 20 December 2023, there are no comparative figures for the preceding year’s corresponding quarter as no interim financial report was prepared for the financial period concerned.

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.

<b>MFRSs and/or IC Interpretations (including the consequential amendments)</b>	<b>Effective Date</b>
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.

On 20 December 2023, in conjunction with the Company's listing on the ACE Market of Bursa Securities, the Company has undertaken an IPO comprising:

- (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.



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.

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	QUARTER ENDED		YEAR-TO-DATE ENDED	
	Unaudited 30.11.2023 RM'000	Unaudited 30.11.2022 <sup>(1)</sup> RM'000	Unaudited 30.11.2023 RM'000	Audited 30.11.2022 RM'000
<b>Revenue:</b>				
Provision of underground utilities engineering services and solutions	35,954	N/A	114,087	227,539
Provision of substation EPCC services, trading of equipment for substations and street lighting services	30	N/A	953	7,073
	<u>35,984</u>	<u>N/A</u>	<u>115,040</u>	<u>234,612</u>
<b>Segment profit:</b>				
Provision of underground utilities engineering services and solutions	3,187	N/A	15,700	16,675
Provision of substation EPCC services, trading of equipment for substations and street lighting services	10	N/A	(133)	725
	<u>3,197</u>	<u>N/A</u>	<u>15,567</u>	<u>17,400</u>
Other income	918	N/A	1,845	2,618
Unallocated expenses	(2,638)	N/A	(9,267)	(7,473)
Finance income	27	N/A	91	80
Finance costs	(558)	N/A	(2,304)	(1,412)
Income tax expenses	(517)	N/A	(2,000)	(2,081)
Profit for the financial quarter/year ("PAT")	<u>429</u>	<u>N/A</u>	<u>3,932</u>	<u>9,132</u>

**Notes:**

(1) This is the second interim financial report being announced by the Company in compliance with the Listing Requirements. As the Company was only listed on the ACE Market of Bursa Securities on 20 December 2023, there are no comparative figures for the preceding year's corresponding quarter as no interim financial report was prepared for the financial period concerned.

N/A Not applicable

**A10 Valuation of property, plant and equipment**

There was no valuation of the property, plant and equipment in the current financial quarter.



**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 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 MITI;
- (2) offer for sale of 35,000,000 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.

On 20 December 2023, the Company was admitted to the Official List of Bursa Securities and the Company's entire enlarged issued share capital of 391,800,800 shares was listed and quoted on the ACE Market of Bursa Securities.

Save as disclosed above, there were 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.

**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 25 January 2024 (a date being not earlier than 7 days from the date of this interim financial report) ("LPD") which upon becoming enforceable, may have a material effect on the Group's business, financial results and financial position:

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>30.11.2023</b>	<b>30.11.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Performance guarantee extended to third parties	33,200	28,472

There are no contingent assets as at the LPD.

**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:

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	Unaudited 30.11.2023 RM'000	Unaudited 30.11.2022 <sup>(1)</sup> RM'000	Unaudited 30.11.2023 RM'000	Audited 30.11.2022 RM'000
Purchase of materials and services	303	N/A	1,050	2,361
Office leases paid or payable to the directors and persons connected to them	99	N/A	396	294

*Notes:*

(1) *This is the second interim financial report being announced by the Company in compliance with the Listing Requirements. As the Company was only listed on the ACE Market of Bursa Securities on 20 December 2023, there are no comparative figures for the preceding year's corresponding quarter as no interim financial report was prepared for the financial period concerned.*

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**

	QUARTER ENDED				YEAR-TO-DATE ENDED			
	Unaudited	Unaudited	Variance		Unaudited	Audited	Variance	
	30.11.2023	30.11.2022 <sup>(1)</sup>	RM'000	%	30.11.2023	30.11.2022	RM'000	%
Revenue	35,984	N/A	N/A	N/A	115,040	234,612	(119,572)	(50.97)
Profit before taxation	946	N/A	N/A	N/A	5,932	11,213	(5,281)	(47.10)
Profit after taxation	429	N/A	N/A	N/A	3,932	9,132	(5,200)	(56.94)

Notes:

(1) This is the second interim financial report being announced by the Company in compliance with the Listing Requirements. As the Company was only listed on the ACE Market of Bursa Securities on 20 December 2023, there are no comparative figures for the preceding year's corresponding quarter as no interim financial report was prepared for the financial period concerned.

N/A Not applicable

The Group recorded revenue of RM35.98 million for the fourth quarter ended 30 November 2023.

The Group's revenue was principally derived from the provision of underground utilities engineering services and solutions segment, contributing approximately 99.92% of the total revenue for the fourth quarter ended 30 November 2023.

For the current financial quarter, the Group's revenue was mainly contributed by:

- (a) 132kV underground cable installation from Bayan Mutiara-Gelugor into The Light, Pulau Pinang;
- (b) double circuit underground cable installation from Danga Bay substation to Perling substation, Johor ("**Danga Bay Project**");
- (c) Installation, testing and commissioning of 33kV underground cables and accessories from Keteri South substation to Chuping Valley Industrial Area (CVIA) substation, Perlis; and
- (d) 11kv single circuit cable installation works located at Putrajaya.

The Group registered a profit before tax and profit after tax of RM0.95 million and RM0.43 million, respectively in the fourth quarter ended 30 November 2023.

The Group's revenue decreased by RM119.57 million (50.97%) to RM115.04 million for the financial year ended 30 November 2023 from RM234.61 million for the financial year ended 30 November 2022. The decrease of RM119.57 million in the Group's revenue is mainly due to lower revenue contribution from:

- provision of underground utilities engineering services and solutions segment of RM113.45 million; and





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- provision of substation EPCC services, trading of equipment for substations and street lighting services segment of RM6.12 million.

The decrease in the provision of underground utilities engineering services and solutions segment for the financial year ended 30 November 2023 was in tandem with the construction activities and progress of the Group's on-going projects.

For the financial year ended 30 November 2023, the Group's revenue was mainly contributed by:

- (a) double circuit underground cable installation work from Farlim substation to Sungai Ara substation, Pulau Pinang ("**Farlim Project**");
- (b) Danga Bay Project;
- (c) 132kV underground cable installation from Bayan Mutiara-Gelugor into The Light, Pulau Pinang; and
- (d) cable tunnel construction works for 275kV and 132kV underground cable route to Prince Court substation, Kuala Lumpur.

The Group's revenue was principally derived from the provision of underground utilities engineering services and solutions segment, contributing approximately 99.17% and 96.99% of the total revenue for the financial years ended 30 November 2023 and 30 November 2022, respectively.

The Group's profit before tax decreased by RM5.28 million (47.10%) to RM5.93 million for the financial year ended 30 November 2023 from RM11.21 million for the financial year ended 30 November 2022 mainly due to the following:

- decrease in revenue as set out above;
- decrease in other income to RM1.85 million (financial year ended 30 November 2022: RM2.62 million) mainly due to lower rental income generated as the tenancy agreement ended in February 2023 and was not renewed. Further, the Group had entered into a conditional sale and purchase agreement for the disposal of the said property as disclosed in Note B6;
- increase in interest expense to RM2.30 million (financial year ended 30 November 2022: RM1.41 million) because of higher utilisation of bank facilities to finance working capital of the Group; and
- decrease in net impairment gain on financial assets to RM0.08 million (financial year ended 30 November 2022: RM2.16 million).

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**B2 Comparison with immediate preceding quarter's results**

	QUARTER ENDED		Variance	
	Unaudited	Unaudited		
	30.11.2023	31.08.2023	RM'000	%
Revenue	35,984	33,053	2,931	8.87
Profit before taxation	946	1,754	(808)	(46.07)
Profit after taxation	429	1,412	(983)	(69.62)

The Group recorded revenue of RM35.98 million in the current quarter of 2023 as compared to RM33.05 million in the preceding quarter which represents an increase of RM2.93 million or 8.87%.

The increase of RM2.93 million was mainly derived from the increase in provision of underground utilities engineering services and solutions segment by RM2.99 million or 9.07% from RM32.96 million in the preceding quarter to RM35.95 million in the current quarter, in tandem with the construction activities and progress of the Group's on-going projects.

The Group registered a profit before taxation and profit after taxation of RM0.95 million and RM0.43 million for the fourth quarter ended 30 November 2023. A lower profit before taxation and profit after taxation in fourth quarter mainly due to the absence of the reversal of impairment gain of financial assets, higher administrative expenses due to the legal fees incurred relating to new banking facilities obtained by the Group and higher provision of taxation.

**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.



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- 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.

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**B5 Income tax expense**

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	Unaudited 30.11.2023 RM'000	Unaudited 30.11.2022 <sup>(1)</sup> RM'000	Unaudited 30.11.2023 RM'000	Audited 30.11.2022 RM'000
Current tax expense	(517)	N/A	(2,000)	(2,081)
Deferred tax expense	-	N/A	-	-
<b>Total income tax expense</b>	<b>(517)</b>	<b>N/A</b>	<b>(2,000)</b>	<b>(2,081)</b>
Effective tax rate (%)	54.65 <sup>(2)</sup>	N/A	33.72 <sup>(2)</sup>	18.56 <sup>(3)</sup>
Statutory tax rate (%)	24.00 <sup>(2)</sup>	N/A	24.00 <sup>(2)</sup>	24.00 <sup>(3)</sup>

*Notes:*

- (1) *This is the second interim financial report being announced by the Company in compliance with the Listing Requirements. As the Company was only listed on the ACE Market of Bursa Securities on 20 December 2023, there are no comparative figures for the preceding year's corresponding quarter as no interim financial report was prepared for the financial period concerned.*
- (2) *The Group's effective tax rate 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.*
- (3) *The Group's effective tax rate was lower than the statutory rate mainly due to over provision of previous year's current taxation in the previous financial year and utilisation of deferred tax assets previously not recognised.*

N/A *Not applicable*

**B6 Status of corporate proposals**

Save as disclosed below, there are no other corporate proposals announced but not implemented as at the LPD:

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 1<sup>st</sup> quarter of 2024.



**B7 Utilisation of proceeds raised from the IPO**

The gross proceeds from the IPO amounting to RM18.04 million and the status of utilisation of proceeds as at 30 November 2023 is intended to be utilised in the following manner:

Details of utilisation	Proposed utilisation RM'000	Actual utilisation RM'000	Estimated time frame for utilisation from the date of listing <sup>(1)</sup>
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 <sup>(2)</sup>	3,500	N/A	Within 3 months
	<b>18,036</b>	<b>N/A</b>	

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.

(2) As at the LPD, approximately RM3.5 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 30.11.2023 RM'000	Audited As at 30.11.2022 RM'000
<b>Non-current:</b>		
Term loans	-	7,688
Lease liabilities	645	1,135
	<u>645</u>	<u>8,823</u>
<b>Current:</b>		
Trade financing	15,520	11,112
Bank overdraft	1,031	429
Banker's acceptances	7,315	5,580
Term loans	7,561	134
Lease liabilities	791	968
	<u>32,218</u>	<u>18,223</u>
<b>Total bank borrowings</b>	<b>32,863</b>	<b>27,046</b>

All the borrowings are secured and denominated in Ringgit Malaysia.



**B9 Material litigation**

Save as disclosed 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**");



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- (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 Pulai, 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 court fixed the trial date from 12 August 2024 to 15 August 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.

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**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 30.11.2023	Unaudited 30.11.2022 <sup>(1)</sup>	Unaudited 30.11.2023	Audited 30.11.2022
PAT attributable to owners of the Company (RM'000)	429	N/A	3,932	9,132
Number of ordinary shares in issue ('000) <sup>(2)</sup>	325,001	N/A	325,001	325,001
Basic/ Diluted EPS (sen) <sup>(3)(4)</sup>	0.13	N/A	1.21	2.81

*Notes:*

- (1) *This is the second interim financial report being announced by the Company in compliance with the Listing Requirements. As the Company was only listed on the ACE Market of Bursa Securities on 20 December 2023, there are no comparative figures for the preceding year's corresponding quarter as no interim financial report was prepared for the financial period concerned.*
- (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 30.11.2023 RM'000	Unaudited 30.11.2022 <sup>(1)</sup> RM'000	Unaudited 30.11.2023 RM'000	Audited 30.11.2022 RM'000
Amortisation of intangible assets	33	N/A	130	130
Depreciation of investment property	-	N/A	86	115
Depreciation of plant and equipment	183	N/A	767	437
Depreciation of right-of-use assets	148	N/A	687	467
Gain on lease modification	(1)	N/A	(1)	(2)
Interest expense	558	N/A	2,304	1,412
Interest income	(27)	N/A	(91)	(80)
Loss on disposal of plant and equipment	72	N/A	72	*
Net impairment loss/(gain) on financial assets	62	N/A	(76)	(2,159)
Realised gain on foreign exchange	-	N/A	(71)	-
Rental income	-	N/A	(115)	(549)

Notes:

\* Less than RM500.

(1) This is the second interim financial report being announced by the Company in compliance with the Listing Requirements. As the Company was only listed on the ACE Market of Bursa Securities on 20 December 2023, there are no comparative figures for the preceding year's corresponding quarter as no interim financial report was prepared for the financial period concerned.

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 31 January 2024.

**BY ORDER OF THE BOARD  
JATI TINGGI GROUP BERHAD  
31 JANUARY 2024**