



JATI TINGGI GROUP BERHAD

(Registration No. 202101043655) (1443955-H)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED
29 FEBRUARY 2024**

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 29 FEBRUARY 2024

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

	Note	QUARTER ENDED		YEAR-TO-DATE ENDED	
		Unaudited	Unaudited	Unaudited	Unaudited
		29.02.2024	28.02.2023 ⁽²⁾	29.02.2024	28.02.2023 ⁽²⁾
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	29,014	N/A	29,014	N/A
Cost of sales		(25,191)	N/A	(25,191)	N/A
Gross profit		3,823	N/A	3,823	N/A
Other income		7,633	N/A	7,633	N/A
Administrative expenses		(2,285)	N/A	(2,285)	N/A
Other expenses		(216)	N/A	(216)	N/A
Operating profit		8,955	N/A	8,955	N/A
Finance income		89	N/A	89	N/A
Finance costs		(382)	N/A	(382)	N/A
Net impairment loss on financial assets		(484)	N/A	(484)	N/A
Profit before taxation	B12	8,178	N/A	8,178	N/A
Income tax expense	B5	(941)	N/A	(941)	N/A
Profit for the financial period, representing total comprehensive income for the financial period		7,237	N/A	7,237	N/A
Profit after tax ("PAT")/ Total comprehensive income attributable to:					
Owners of the Company		7,237	N/A	7,237	N/A
Non-controlling Interest		-	N/A	-	N/A
		7,237	N/A	7,237	N/A
Earnings per share attributable to owners of the Company (sen) ⁽³⁾					
Basic/ Diluted	B11	1.85 ⁽⁴⁾	N/A	1.85 ⁽⁴⁾	N/A



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(Incorporated in Malaysia)

(Registration No. 202101043655) (1443955-H)

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 audited financial statements of the Group (as defined in Note A1) for the financial year ended 30 November 2023 and the accompanying explanatory notes attached to this interim financial report.
 - (2) This is the third 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 and year-to-date 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 PAT attributable to owners of the Company divided by 391,800,800 ordinary shares in issue as disclosed in Note B11.
- N/A Not applicable

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 29 FEBRUARY 2024 (CON'T)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ⁽¹⁾

	Note	Unaudited As at 29.02.2024 RM'000	Audited As at 30.11.2023 RM'000
ASSETS			
Non-current assets			
Plant and equipment		2,361	2,537
Right-of-use assets		361	529
Intangible assets		108	141
Total non-current assets		2,830	3,207
Current assets			
Inventories		577	441
Trade and other receivables		77,338	95,561
Current tax assets		471	183
Cash and cash equivalents		39,643	23,475
Total current assets		118,029	119,660
Assets classified as held for sale		-	8,249
TOTAL ASSETS		120,859	131,116
EQUITY AND LIABILITIES			
Equity attributable to owners of the Group			
Share capital		43,064	26,000
Merger deficit		(25,000)	(25,000)
Retained earnings		45,247	38,010
TOTAL EQUITY		63,311	39,010
Non-current liabilities			
Lease liabilities	B8	568	645
Total non-current liabilities		568	645
Current liabilities			
Trade and other payables		38,978	59,243
Lease liabilities	B8	617	791
Loans and borrowings	B8	17,385	31,427
Total current liabilities		56,980	91,461
TOTAL LIABILITIES		57,548	92,106
TOTAL EQUITY AND LIABILITIES		120,859	131,116
Number of ordinary shares in issue ('000) ⁽²⁾		391,801	325,001
Net assets per share attributable to owners of the Company (RM) ⁽²⁾		0.16	0.12



Notes:

- (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 audited financial statements of the Group (as defined in Note A1) for the financial year ended 30 November 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per ordinary share is calculated based on the Company's ordinary shares in issue as at 29 February 2024 of 391,800,800 shares (30 November 2023: 325,000,800 shares).

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 29 FEBRUARY 2024 (CON'T)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ⁽¹⁾

	Share capital RM'000	Invested capital RM'000	Merger deficit RM'000	Retained earnings RM'000	Total equity RM'000
As at 1 December 2023 (Audited)	26,000	-	(25,000)	38,010	39,010
Profit after tax for the financial period	-	-	-	7,237	7,237
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	7,237	7,237
Contributions by and distributions to owners of the Company:					
Shares issued pursuant to the public issue	18,036	-	-	-	18,036
Shares issuance expenses	(972)	-	-	-	(972)
As at 29 February 2024 (Unaudited)	43,064	-	(25,000)	45,247	63,311
As at 1 December 2022 (Audited)	*	1,000	-	34,086	35,086
Profit after tax for the financial year	-	-	-	3,924	3,924
Profit for the financial period, representing total comprehensive income for the financial year	-	-	-	3,924	3,924
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 30 November 2023 (Audited)	26,000	-	(25,000)	38,010	39,010



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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 audited financial statements of the Group (as defined in Note A1) for the financial year ended 30 November 2023 and the accompanying explanatory notes attached to this interim financial report.

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 29 FEBRUARY 2024 (CON'T)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾

	Current Year To-Date 29.02.2024 RM'000	Preceding Year-To-Date 28.02.2023⁽²⁾ RM'000
Cash flows from/(for) operating activities		
Profit before taxation	8,178	N/A
Adjustments for:		
Amortisation of intangible assets	32	N/A
Depreciation of plant and equipment	183	N/A
Depreciation of rights-of-use assets	168	N/A
Gain on disposal of investment property	(7,372)	N/A
Net impairment loss on financial assets	484	N/A
Interest expense	382	N/A
Interest income	(89)	N/A
Operating profit before working capital changes	1,966	N/A
Changes in working capital:		
Change in inventories	(136)	N/A
Change in trade and other receivables	17,739	N/A
Change in trade and other payables	(19,988)	N/A
Change in amount owing to related parties	(278)	N/A
Cash for operations	(697)	N/A
Income tax paid	(1,228)	N/A
Net cash flows for operating activities	(1,925)	N/A
Cash flows from/(for) investing activities		
Purchase of plant and equipment	(7)	N/A
Proceeds from disposal of investment property, net	15,621	N/A
Increase in pledged fixed deposits with licensed banks	(6,214)	N/A
Interest received	89	N/A
Net cash flows from investing activities	9,489	N/A
Cash flows from/(for) financing activities		
Repayment of lease liabilities	(251)	N/A
Net repayment of loans and borrowings	(13,011)	N/A
Proceeds from issuance of shares	17,064	N/A
Interest paid	(382)	N/A
Net cash flows from financing activities	3,420	N/A
Net increase in cash and cash equivalents	10,984	N/A
Cash and cash equivalents at beginning of the financial period	18,711	N/A
Cash and cash equivalents at end of the financial period	29,695	N/A

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 29 FEBRUARY 2024 (CON'T)

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

	Current Year To-Date 29.02.2024 RM'000	Preceding Year-To-Date 28.02.2023 ⁽²⁾ RM'000
<u>Cash and cash equivalents at end of the financial period comprises:</u>		
Fixed deposits with licensed banks	9,948	N/A
Less: Pledged fixed deposits with licensed banks	<u>(9,948)</u>	<u>N/A</u>
	-	N/A
Cash and bank balances	29,695	N/A
Bank overdraft	<u>-</u>	<u>N/A</u>
	29,695	N/A

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 audited financial statements of the Group (as defined in Note A1) for the financial year ended 30 November 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the third 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 and year-to-date as no interim financial report was prepared for the financial period concerned.
- 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 and Appendix 9B of the Listing Requirements of Bursa Securities.

This is the third interim financial report for the first quarter and year-to-date ended 29 February 2024 announced by the Group 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 and year-to-date as no interim financial report was prepared for the financial period concerned.

This interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 November 2023 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 2023.

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 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 112: International Tax Reform - Pillar Two Model Rules	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

There was no qualification on the audited financial statements of the Group for the financial year ended 30 November 2023.

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

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

On 20 December 2023, in conjunction with the Company's listing on the ACE Market of Bursa Securities, the Company has undertaken an initial public offering ("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.

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	Unaudited	Unaudited	Unaudited
	29.02.2024	28.02.2023 ⁽¹⁾	29.02.2024	28.02.2023 ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Revenue:				
Provision of underground utilities engineering services and solutions	29,014	N/A	29,014	N/A
Provision of substation EPCC services, trading of equipment for substations and street lighting services	-	N/A	-	N/A
	<u>29,014</u>	<u>N/A</u>	<u>29,014</u>	<u>N/A</u>
Segment profit:				
Provision of underground utilities engineering services and solutions	3,823	N/A	3,823	N/A
Provision of substation EPCC services, trading of equipment for substations and street lighting services	-	N/A	-	N/A
	<u>3,823</u>	<u>N/A</u>	<u>3,823</u>	<u>N/A</u>
Other income	7,633	N/A	7,633	N/A
Unallocated expenses	(2,985)	N/A	(2,985)	N/A
Finance income	89	N/A	89	N/A
Finance costs	(382)	N/A	(382)	N/A
Income tax expenses	(941)	N/A	(941)	N/A
PAT for the financial quarter/ period	<u>7,237</u>	<u>N/A</u>	<u>7,237</u>	<u>N/A</u>



Notes:

(1) *This is the third 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 and year-to-date 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

There was no material event subsequent to the end of the current 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

There was no change 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 19 April 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:

	Unaudited	Audited
	As at	As at
	29.02.2024	30.11.2023
	RM'000	RM'000
Performance guarantee extended to third parties	29,778	33,805

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 29.02.2024 RM'000	Unaudited 28.02.2023 ⁽¹⁾ RM'000	Unaudited 29.02.2024 RM'000	Unaudited 28.02.2023 ⁽¹⁾ RM'000
Purchase of materials and services	236	N/A	236	N/A
Office leases paid or payable to the directors and persons connected to them	99	N/A	99	N/A

Notes:

(1) *This is the third 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 and year-to-date 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	Unaudited	Variance	
	29.02.2024	28.02.2023 ⁽¹⁾	RM'000	%	29.02.2024	28.02.2023 ⁽¹⁾	RM'000	%
Revenue	29,014	N/A	N/A	N/A	29,014	N/A	N/A	N/A
Profit before taxation	8,178	N/A	N/A	N/A	8,178	N/A	N/A	N/A
Profit after taxation	7,237	N/A	N/A	N/A	7,237	N/A	N/A	N/A

Notes:

(1) This is the third 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 and year-to-date as no interim financial report was prepared for the financial period concerned.

N/A Not applicable

The Group recorded revenue of RM29.01 million for the first quarter ended 29 February 2024.

The Group's revenue was solely derived from the provision of underground utilities engineering services and solutions segment for the first quarter ended 29 February 2024.

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) 132kV double circuit underground cable works from Tun Razak Exchange substation to Cochrane substation, Kuala Lumpur;
- (c) 132kV underground cables and fibre optic cables installation from Batu Berendam substation, Melaka to Texas Instrument Electronics Malaysia substation, Melaka; and
- (d) Installation, testing and commissioning of 33kV underground cables and accessories from Keteri South substation to Chuping Valley Industrial Area (CVIA) substation, Perlis.

The Group registered a profit before tax and profit after tax of RM8.18 million and RM7.24 million, respectively in the first quarter ended 29 February 2024.

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B2 Comparison with immediate preceding quarter's results

	QUARTER ENDED		Variance RM'000	%
	Unaudited 29.02.2024	Unaudited 30.11.2023		
	RM'000	RM'000		
Revenue	29,014	35,984	(6,970)	(19.37)
Profit before taxation	8,178	946	7,232	764.48
Profit after taxation	7,237	429	6,808	1,586.95

The Group recorded revenue of RM29.01 million in the first quarter ended 29 February 2024 as compared to RM35.98 million in the preceding quarter ended 30 November 2023 which represents a decrease of RM6.97 million or 19.37%.

The decrease of RM6.97 million which was in tandem with the construction activities and progress of the Group's on-going projects was mainly from the projects below:

- (a) double circuit underground cable installation from Danga Bay substation to Perling substation, Johor ("**Danga Bay Project**") which contributed a revenue of RM0.86 million in current quarter, as compared to RM4.94 million in preceding quarter; and
- (b) installation, testing and commissioning of 33kV underground cables and accessories from Keteri South substation to Chuping Valley Industrial Area (CVIA) substation, Perlis which contributed a revenue of RM 1.82 million in current quarter, as compared to RM2.24 million in preceding quarter.

The Group registered a higher profit before taxation and profit after taxation of RM8.18 million and RM7.24 million for the first quarter ended 29 February 2024. The higher profit before taxation and profit after taxation in the first quarter ended 29 February 2024 was mainly due to the gain on disposal of investment property.

B3 Prospects

The Malaysian economy continues to expand in 2023 despite external headwinds. The Malaysian economy grew by 3.7% despite facing challenges stemming from weak external demand, disruptions in commodity production and higher cost of living. Growth was mainly supported by resilient domestic demand and recovery in tourism activities.

The Malaysian economy is projected to grow between 4%-5% in 2024, underpinned by continuing expansion in domestic demand and improvement in external demand. Growth will be driven by resilient domestic expenditure, with additional support from the expected recovery in exports. Tourism is expected to improve further, while the implementation of new and ongoing multi-year projects by both the private and public sectors would support investment activity. Nevertheless, domestic growth remains subject to downside risks from both external and domestic factors. External factors include a weaker-than-expected global growth and further escalation of geopolitical conflict. Domestically, more severe shocks on commodity production and the implementation of subsidy rationalisation could also weigh on the growth outlook, although this could be partially offset by targeted cash assistance from the Government. Greater spillover from the tech upcycle, stronger-than-expected tourism activity, and faster implementation of existing and new investment projects would provide upside risks to the domestic growth.



The construction sector registered a growth of 6.1% in 2023 (2022: 5%) with continued expansion across most subsectors. This was supported by better labour supply conditions and easing of building material costs during the year. The growth was driven by the faster progress of multi-year civil engineering projects, particularly in the transport and utilities segments. Activities in the special trade subsector also provided further support to growth. This includes the ongoing early- and end-stage works as well as continued implementation of small-scale projects. Meanwhile, growth in the residential subsector rebounded as housing demand improved further amid better income and employment conditions. Higher growth is expected in the construction sector in 2024 (6.7%; 2023: 6.1%), driven by continued activities in the civil engineering, special trade and residential subsectors. This will be supported by new and ongoing large infrastructure and small-scale projects under the Budget 2024, New Industrial Master Plan 2030 and National Energy Transition Roadmap. Meanwhile, growth in residential subsector will be driven by new housing launches amid further improvement in housing demand.

Gross fixed capital formation growth (2023: 5.5%; 2022: 6.8%) was driven by private sector capital spending across various industries such as information and communications technology (ICT), and electrical and electronics (E&E). These included investments in data centres and cloud computing as well as capacity expansion by firms. Meanwhile, higher public spending on infrastructure projects further supported investment activity.

Malaysia continues to benefit from the ongoing technological megatrends. This is particularly evident with the rising foreign direct investment into activities related to data centres and cloud services in 2023.

(Source: Economic and Monetary Review 2023, Bank Negara Malaysia)

With the increasing interest in data centres, the Group is poised to secure more data centre projects in Malaysia, which can contribute positively to the Group's future earnings. Benefiting from the increasing interest in data centres and continuing growth in the civil engineering subsector, the Company secured a contract worth RM22.06 million in March 2024, to lay 275kV underground cables for a data centre in the southern region of Peninsular Malaysia.

The Group will continue to focus on its plans to in more large-scaled projects, establish its presence as a main contractor and expand its business into Sabah and Sarawak as well as actively look out for new opportunities to secure new projects. Based on the existing order book, the Group views positively the prospects for the current year, premised on the positive outlook of the Malaysian economy despite the on-going uncertainties in the global economy and political affairs. The Group is cautiously optimistic that the financial results for the financial year ending 30 November 2024 will be favourable.

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	Unaudited	Unaudited	Unaudited
	29.02.2024	28.02.2023 ⁽¹⁾	29.02.2024	28.02.2023 ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Current tax expense	(280)	N/A	(280)	N/A
Real Property Gains Tax	(661)	N/A	(661)	N/A
Deferred tax expense	-	N/A	-	N/A
Total income tax expense	(941)	N/A	(941)	N/A
Effective tax rate (%)	11.51 ⁽²⁾	N/A	11.51 ⁽²⁾	N/A
Statutory tax rate (%)	24.00 ⁽²⁾	N/A	24.00 ⁽²⁾	N/A

Notes:

- (1) *This is the third 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 and year-to-date as no interim financial report was prepared for the financial period concerned.*
- (2) *The Group's effective tax rate was lower than the statutory rate mainly due to lower Real Property Gains Tax of RM0.66 million derived from gain on disposal of investment property of approximately RM7.37 million.*

N/A Not applicable

B6 Status of corporate proposals

There were no corporate proposals announced but not implemented as at the date of this interim financial report.

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 29 February 2024 is as follows:

Details of utilisation	Proposed utilisation RM'000	Actual utilisation RM'000	Balance RM'000	Estimated time frame for utilisation from the date of listing ⁽¹⁾
Repayment of bank borrowings	7,000	5,915	1,085	Within 12 months
General working capital	7,336	4,983	2,353	Within 18 months
Capital expenditure	200	-	200	Within 12 months
Estimated listing expenses	3,500	3,500	-	Within 3 months
	18,036	14,398	3,638	

Note:

- (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 of the Company dated 30 November 2023 ("**Prospectus**").

B8 Borrowings

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

	Unaudited As at 29.02.2024 RM'000	Audited As at 30.11.2023 RM'000
Non-current:		
Lease liabilities	568	645
Current:		
Trade financing	11,892	15,520
Bank overdraft	-	1,031
Banker's acceptances	5,493	7,315
Term loans	-	7,561
Lease liabilities	617	791
	18,002	32,218
Total bank borrowings	18,570	32,863

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 the Company's wholly-owned subsidiary, Jati Tinggi Holding Sdn Bhd ("**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 29.02.2024	Unaudited 28.02.2023 ⁽¹⁾	Unaudited 29.02.2024	Audited 28.02.2023 ⁽¹⁾
PAT attributable to owners of the Company (RM'000)	7,237	N/A	7,237	N/A
Number of ordinary shares in issue ('000)	391,801	N/A	391,801	N/A
Basic/ Diluted EPS (sen) ⁽²⁾⁽³⁾	1.85	N/A	1.85	N/A

Notes:

(1) *This is the third 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 and year-to-date as no interim financial report was prepared for the financial period concerned.*

(2) *Basic and diluted EPS is calculated based on the PAT attributable to owners of the Company divided by 391,800,800 ordinary shares in issue.*

(3) *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 29.02.2024 RM'000	Unaudited 28.02.2023 ⁽¹⁾ RM'000	Unaudited 29.02.2024 RM'000	Unaudited 28.02.2023 ⁽¹⁾ RM'000
Amortisation of intangible assets	32	N/A	32	N/A
Depreciation of plant and equipment	183	N/A	183	N/A
Depreciation of right-of-use assets	168	N/A	168	N/A
Interest expense	382	N/A	382	N/A
Interest income	(89)	N/A	(89)	N/A
Gain on disposal of investment property	(7,372)	N/A	(7,372)	N/A
Net impairment loss on financial assets	484	N/A	484	N/A
Realised loss on foreign exchange	39	N/A	39	N/A

Notes:

(1) *This is the third 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 and year-to-date 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.



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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 25 April 2024.

**BY ORDER OF THE BOARD
JATI TINGGI GROUP BERHAD
25 APRIL 2024**