



# **JATI TINGGI GROUP BERHAD**

(Registration No. 202101043655) (1443955-H)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED  
31 MAY 2024**

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 MAY 2024**

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

	Note	QUARTER ENDED		YEAR-TO-DATE ENDED	
		Unaudited 31.05.2024 RM'000	Unaudited 31.05.2023 <sup>(2)</sup> RM'000	Unaudited 31.05.2024 RM'000	Audited 31.05.2023 <sup>(2)</sup> RM'000
Revenue	A9	34,521	N/A	63,536	46,003
Cost of sales		(31,151)	N/A	(56,342)	(36,617)
<b>Gross profit</b>		<b>3,370</b>	<b>N/A</b>	<b>7,194</b>	<b>9,386</b>
Other income		202	N/A	7,835	394
Administrative expenses		(1,842)	N/A	(4,126)	(4,336)
Other expenses		(194)	N/A	(410)	(400)
<b>Operating profit</b>		<b>1,536</b>	<b>N/A</b>	<b>10,493</b>	<b>5,044</b>
Finance income		64	N/A	153	25
Finance costs		(422)	N/A	(804)	(1,212)
Net impairment loss on financial assets		(193)	N/A	(677)	(625)
<b>Profit before taxation</b>	B12	<b>985</b>	<b>N/A</b>	<b>9,165</b>	<b>3,232</b>
Income tax expense	B5	(250)	N/A	(1,191)	(1,141)
<b>Profit for the financial period, representing total comprehensive income for the financial period</b>		<b>735</b>	<b>N/A</b>	<b>7,974</b>	<b>2,091</b>
<b>Profit after tax ("PAT")/ Total comprehensive income attributable to:</b>					
Owners of the Company		735	N/A	7,974	2,091
Non-controlling Interest		-	N/A	-	-
		<b>735</b>	<b>N/A</b>	<b>7,974</b>	<b>2,091</b>
<b>Earnings per share attributable to owners of the Company (sen) <sup>(3)</sup></b>					
Basic/ Diluted	B11	0.19 <sup>(4)</sup>	N/A	2.04 <sup>(4)</sup>	0.64 <sup>(5)</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 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 fourth 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. The preceding year's corresponding year-to-date 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**").
  - (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.
  - (5) Basic/ diluted earnings per share 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 as disclosed in Note B11.
- N/A Not applicable

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**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 MAY 2024 (CON'T)**

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

	Note	Unaudited As at 31.05.2024 RM'000	Audited As at 30.11.2023 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment		2,671	2,537
Right-of-use assets		193	529
Intangible assets		76	141
<b>Total non-current assets</b>		<b>2,940</b>	<b>3,207</b>
<b>Current assets</b>			
Inventories		718	441
Trade and other receivables		83,832	95,561
Current tax assets		731	183
Cash and cash equivalents		32,369	23,475
<b>Total current assets</b>		<b>117,650</b>	<b>119,660</b>
<b>Assets classified as held for sale</b>		<b>-</b>	<b>8,249</b>
<b>TOTAL ASSETS</b>		<b>120,590</b>	<b>131,116</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Group</b>			
Share capital		43,064	26,000
Merger deficit		(25,000)	(25,000)
Retained earnings		45,984	38,010
<b>TOTAL EQUITY</b>		<b>64,048</b>	<b>39,010</b>
<b>Non-current liabilities</b>			
Lease liabilities	B8	902	645
<b>Total non-current liabilities</b>		<b>902</b>	<b>645</b>
<b>Current liabilities</b>			
Trade and other payables		40,372	59,243
Lease liabilities	B8	488	791
Loans and borrowings	B8	14,780	31,427
<b>Total current liabilities</b>		<b>55,640</b>	<b>91,461</b>
<b>TOTAL LIABILITIES</b>		<b>56,542</b>	<b>92,106</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>120,590</b>	<b>131,116</b>
Number of ordinary shares in issue ('000) <sup>(2)</sup>		391,801	325,001
Net assets per share attributable to owners of the Company (RM) <sup>(2)</sup>		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 31 May 2024 of 391,800,800 shares (30 November 2023: 325,000,800 shares).

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**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 MAY 2024 (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 2023 (Audited)</b>	26,000	-	(25,000)	38,010	39,010
Profit after tax for the financial period	-	-	-	7,974	7,974
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	7,974	7,974
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)
<b>As at 31 May 2024 (Unaudited)</b>	<b>43,064</b>	<b>-</b>	<b>(25,000)</b>	<b>45,984</b>	<b>64,048</b>
<b>As at 1 December 2022 (Audited)</b>	*	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)	-	-
<b>As at 30 November 2023 (Audited)</b>	<b>26,000</b>	<b>-</b>	<b>(25,000)</b>	<b>38,010</b>	<b>39,010</b>



**JATI TINGGI GROUP BERHAD**

(Incorporated in Malaysia)

(Registration No. 202101043655) (1443955-H)

**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 SECOND QUARTER ENDED 31 MAY 2024 (CON'T)**

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

	Unaudited Current Year To-Date 31.05.2024 RM'000	Audited Preceding Year-To-Date 31.05.2023 <sup>(2)</sup> RM'000
<b>Cash flows from/(for) operating activities</b>		
Profit before taxation	9,165	3,232
Adjustments for:		
Amortisation of intangible assets	65	65
Depreciation of plant and equipment	375	264
Depreciation of investment property	-	57
Depreciation of rights-of-use assets	336	469
Gain on disposal of investment property	(7,372)	-
Gain on disposal of plant and equipment	(116)	-
Net impairment loss on financial assets	677	625
Plant and equipment written off	7	-
Interest expense	804	1,212
Interest income	(153)	(25)
<b>Operating profit before working capital changes</b>	<b>3,788</b>	<b>5,899</b>
Changes in working capital:		
Change in inventories	(277)	(390)
Change in trade and other receivables	11,052	(1,437)
Change in trade and other payables	(18,484)	(18,709)
Change in amount owing to related parties	(388)	387
<b>Cash for operations</b>	<b>(4,309)</b>	<b>(14,250)</b>
Income tax paid	(1,739)	(1,247)
<b>Net cash flows for operating activities</b>	<b>(6,048)</b>	<b>(15,497)</b>
<b>Cash flows from/(for) investing activities</b>		
Purchase of plant and equipment	(516)	(29)
Proceeds from disposal of investment property, net	15,621	-
Proceeds from disposal of plant and equipment, net	116	-
Increase in pledged fixed deposits with licensed banks	(6,430)	(113)
Interest received	153	25
<b>Net cash flows from/(for) investing activities</b>	<b>8,944</b>	<b>(117)</b>
<b>Cash flows from/(for) financing activities</b>		
Repayment of lease liabilities	(46)	(480)
Net (repayment)/drawdown of loans and borrowings	(15,616)	5,285
Proceeds from issuance of shares	17,064	-
Interest paid	(804)	(1,212)
<b>Net cash flows from financing activities</b>	<b>598</b>	<b>3,593</b>



**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 MAY 2024 (CON'T)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CON'T)<sup>(1)</sup>**

	Unaudited Current Year To-Date 31.05.2024 RM'000	Audited Preceding Year-To-Date 31.05.2023 <sup>(2)</sup> RM'000
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3,494</b>	<b>(12,021)</b>
Cash and cash equivalents at beginning of the financial period	18,711	13,377
<b>Cash and cash equivalents at end of the financial period</b>	<b>22,205</b>	<b>1,356</b>
<u>Cash and cash equivalents at end of the financial period comprises:</u>		
Fixed deposits with licensed banks	10,164	3,600
Cash and bank balances	22,205	2,476
Bank overdraft	-	(1,130)
	32,369	4,946
Less: Pledged fixed deposits with licensed banks	(10,164)	(3,590)
	<b>22,205</b>	<b>1,356</b>

**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) The preceding year's corresponding year-to-date should be read in conjunction with the Accountants' Report as disclosed in the Prospectus.

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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 fourth interim financial report for the second quarter and year-to-date ended 31 May 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 as no interim financial report was prepared for the financial period concerned. The preceding year’s corresponding year-to-date should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus.

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.

<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 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**

There were no issuances, cancellations, repurchases, resale or repayments of debt and equity securities during the current financial quarter.

Save as disclosed below, there were no issuances, cancellations, repurchases, resale or repayments of debt and equity securities during the 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 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	Audited
	31.05.2024	31.05.2023 <sup>(1)</sup>	31.05.2024	31.05.2023
	RM'000	RM'000	RM'000	RM'000
<b>Revenue:</b>				
Provision of underground utilities engineering services and solutions	34,413	N/A	63,428	45,753
Provision of substation EPCC services, trading of equipment for substations and street lighting services	108	N/A	108	250
	34,521	N/A	63,536	46,003
<b>Segment profit/(loss):</b>				
Provision of underground utilities engineering services and solutions	3,337	N/A	7,161	9,618
Provision of substation EPCC services, trading of equipment for substations and street lighting services	33	N/A	33	(232)
	3,370	N/A	7,194	9,386
Other income	202	N/A	7,835	394
Administrative and operating expenses	(2,229)	N/A	(5,213)	(5,361)
Finance income	64	N/A	153	25
Finance costs	(422)	N/A	(804)	(1,212)
Income tax expenses	(250)	N/A	(1,191)	(1,141)
PAT for the financial quarter/ period	735	N/A	7,974	2,091



*Notes:*

(1) *This is the fourth 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**

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 25 July 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>31.05.2024</b>	<b>30.11.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Performance guarantee extended to third parties	29,847	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	Unaudited	Unaudited	Audited
	31.05.2024	31.05.2023 <sup>(1)</sup>	31.05.2024	31.05.2023
	RM'000	RM'000	RM'000	RM'000
Purchase of materials and services	43	N/A	279	674
Office leases paid or payable to the directors and persons connected to them	99	N/A	198	198

Notes:

(1) *This is the fourth 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	
	31.05.2024	31.05.2023 <sup>(1)</sup>	RM'000	%	31.05.2024	31.05.2023	RM'000	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	34,521	N/A	N/A	N/A	63,536	46,003	17,533	38.11
Profit before taxation	985	N/A	N/A	N/A	9,165	3,232	5,933	183.57
Profit after taxation	735	N/A	N/A	N/A	7,974	2,091	5,883	281.35

Notes:

(1) This is the fourth 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 RM34.52 million for the second quarter ended 31 May 2024.

The Group's revenue was mainly derived from the provision of underground utilities engineering services and solutions segment, contributing approximately 99.69% and 99.83% of the total revenue for the second quarter ended 31 May 2024 and financial year-to-date ended 31 May 2024 respectively.

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

- (a) 132kV underground cables and fibre optic cables installation from Batu Berendam substation, Melaka;
- (b) 132kV underground cable installation from Bayan Mutiara-Gelugor into The Light, Pulau Pinang;
- (c) 132kV double circuit underground cable works from Tun Razak Exchange substation to Cochrane substation, Kuala Lumpur; 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's revenue increased by RM17.53 million (38.11%) to RM63.54 million for the financial year-to-date ended 31 May 2024 from RM46.00 million for the financial year-to-date ended 31 May 2023. The increase of RM17.53 million in the Group's revenue is mainly due to higher revenue contribution from provision of underground utilities engineering services and solutions segment of RM17.68 million in tandem with the construction activities and progress of the Group's on-going projects.



For the financial year-to-date ended 31 May 2024, the Group's revenue was mainly contributed by:

- (a) 132kV underground cable installation from Bayan Mutiara-Gelugor into The Light, Pulau Pinang;
- (b) 132kV underground cables and fibre optic cables installation from Batu Berendam substation, Melaka;
- (c) 132kV double circuit underground cable works from Tun Razak Exchange substation to Cochrane substation, Kuala Lumpur; 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 RM0.99 million and RM0.74 million, respectively for the second quarter ended 31 May 2024.

The Group's profit before tax increased by RM5.93 million (183.57%) to RM9.17 million for the financial year-to-date ended 31 May 2024 from RM3.23 million for the financial year-to-date ended 31 May 2023 mainly due to the following:

- increase in other income to RM7.84 million (financial year-to-date ended 31 May 2023: RM0.39 million) mainly due to the gain on disposal of investment property of RM7.37 million; and
- decrease in interest expense to RM0.80 million (financial year-to-date ended 31 May 2023: RM1.21 million) mainly due to lower interest expense for term loan, with the repayment of term loan attributable to the investment property. However, this was offset by the higher interest expense for trade financing due to higher utilisation to finance the working capital of the Group.
- Notwithstanding the above, the gross profit decreased to RM7.19 million (financial year-to-date ended 31 May 2023: RM9.39 million) while the gross profit margin decreased to 11.32% (financial year-to-date ended 31 May 2023: 20.40%), mainly due to:
  - more on-going transmission-related underground utilities engineering projects (i.e., 132kV and above projects) which involve the supply (i.e., procurement) of cables during the financial year-to-date ended 31 May 2024 as compared to financial year-to-date ended 31 May 2023; and
  - the increase in copper price which has affected the Group's material cost.

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

	QUARTER ENDED		Variance RM'000	%
	Unaudited 31.05.2024	Unaudited 29.02.2024		
	RM'000	RM'000		
Revenue	34,521	29,014	5,507	18.98
Profit before taxation	985	8,178	(7,193)	(87.96)
Profit after taxation	735	7,237	(6,502)	(89.84)

The Group recorded revenue of RM34.52 million in the second quarter ended 31 May 2024 as compared to RM29.01 million in the preceding quarter ended 29 February 2024 which represents an increase of RM5.51 million or 18.98%.

The increase of RM5.51 million which was in tandem with the construction activities and progress of the Group's on-going projects was mainly from the projects 132kV underground cables and fibre optic cables installation from Batu Berendam substation, Melaka which contributed a revenue of RM12.74 million in current quarter, as compared to RM1.99 million in preceding quarter.

The Group registered a lower profit before taxation and profit after taxation of RM0.99 million and RM0.74 million for the second quarter ended 31 May 2024. The lower profit before taxation and profit after taxation in the second quarter ended 31 May 2024 was mainly due to the gain on disposal of investment property recognised in the preceding quarter.

**B3 Prospects**

The Malaysian economy grew at a higher rate of 4.2% in the first quarter ("Q1") of 2024 (fourth quarter ("Q4") of 2023: 2.9%), driven by stronger private expenditure and positive turnaround in exports. Household spending was higher amid continued growth in employment and wages. Better investment activities were supported by higher capital spending by both the private and public sectors. Exports rebounded amid higher external demand. On the supply side, most sectors registered higher growth. The manufacturing sector was lifted by a rebound across both the electrical and electronic (E&E) and non-E&E industries. The stronger growth in the services sector was driven by higher retail trade activities and continued support from the transport and storage subsector. On a quarter-on-quarter seasonally-adjusted basis, the economy expanded by 1.4% (Q4 2023: -1%).

*(Source: Economic and Financial Developments in Malaysia in the First Quarter of 2024, Bank Negara Malaysia)*

For 2024, the economy is projected to grow within the range of 4% to 5%. The growth is envisaged to be broad-based, led by the services sector as intermediate and final services groups are anticipated to rise further driven by sustained domestic consumption and improved export activities. The retail trade, accommodation and restaurants as well as communication segments are expected to increase in line with consumption trend, while the wholesale trade segment and transport and storage subsector will benefit from higher trade-related activities.



The construction sector is forecast to increase by 6.8% in 2024 following better performance in all subsectors. Civil engineering subsector continues to be bolstered by strategic infrastructure and utilities projects which include ongoing projects such as the Central Spine Road (CSR), the Pan Borneo Sabah Highway and acceleration of projects under the Twelfth Malaysia Plan, 2021 – 2025 (Twelfth Plan). Furthermore, a new solar power plant project under the Corporate Green Power Programme will support the subsector's growth. The implementation of New Industrial Master Plan (NIMP) 2030 is expected to further strengthen the performance of non-residential buildings subsector as the plan will provide a platform to attract more investments into the country. In addition, the residential buildings subsector is projected to improve further in line with the Government's effort to increase more affordable houses as outlined under the mid-term review of the Twelfth Plan and the MADANI Neighbourhood scheme, as well as new launching by the private sector.

*(Source: Budget 2024, Macroeconomic Outlook, Ministry of Finance 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 secure 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. In June 2024, Jati Tinggi Holding Sdn Bhd ("**JTHSB**"), a wholly-owned subsidiary of the Company, together with Worktime Engineering Sdn Bhd ("**WESB**"), via an unincorporated joint venture, secured a project awarded by Tenaga Nasional Berhad ("**TNB**") to perform contract works to lay 132kV underground cable double circuit for a semiconductor production factory located in Kuala Lumpur. In July 2024, JTHSB secured a contract worth RM20.05 million from WESB to lay 33kV underground cables and accessories at southern region of Malaysia. 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.



**B5 Income tax expense**

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	Unaudited 31.05.2024 RM'000	Unaudited 31.05.2023 <sup>(1)</sup> RM'000	Unaudited 31.05.2024 RM'000	Audited 31.05.2023 RM'000
Current tax expense	(250)	N/A	(530)	(1,141)
Real Property Gains Tax	-	N/A	(661)	-
Deferred tax expense	-	N/A	-	-
<b>Total income tax expense</b>	<b>(250)</b>	<b>N/A</b>	<b>(1,191)</b>	<b>(1,141)</b>
Effective tax rate (%)	25.38 <sup>(2)</sup>	N/A	13.00 <sup>(3)</sup>	35.30 <sup>(2)</sup>
Statutory tax rate (%)	24.00 <sup>(2)</sup>	N/A	24.00 <sup>(3)</sup>	24.00 <sup>(2)</sup>

*Notes:*

- (1) *This is the fourth 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.*
- (3) *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.

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**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 31 May 2024 is as follows:

<b>Details of utilisation</b>	<b>Proposed utilisation RM'000</b>	<b>Actual utilisation RM'000</b>	<b>Balance RM'000</b>	<b>Estimated time frame for utilisation from the date of listing<sup>(1)</sup></b>
Repayment of bank borrowings	7,000	6,487	513	Within 12 months
General working capital	7,336	6,981	355	Within 18 months
Capital expenditure	200	-	200	Within 12 months
Estimated listing expenses	3,500	3,500	-	Within 3 months
	<b>18,036</b>	<b>16,968</b>	<b>1,068</b>	

*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.*

**B8 Borrowings**

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

	<b>Unaudited As at 31.05.2024 RM'000</b>	<b>Audited As at 30.11.2023 RM'000</b>
<b>Non-current:</b>		
Lease liabilities	902	645
<b>Current:</b>		
Trade financing	10,152	15,520
Bank overdraft	-	1,031
Banker's acceptances	4,628	7,315
Term loans	-	7,561
Lease liabilities	488	791
	<b>15,268</b>	<b>32,218</b>
<b>Total bank borrowings</b>	<b>16,170</b>	<b>32,863</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**");



- (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 31.05.2024	Unaudited 31.05.2023 <sup>(1)</sup>	Unaudited 31.05.2024	Audited 31.05.2023
PAT attributable to owners of the Company (RM'000)	735	N/A	7,974	2,091
Number of ordinary shares in issue ('000)	391,801	N/A	391,801	325,001
Basic/ Diluted EPS (sen) <sup>(2)</sup>	0.19 <sup>(3)</sup>	N/A	2.04 <sup>(3)</sup>	0.64 <sup>(4)</sup>

*Notes:*

- (1) *This is the fourth 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) *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.*
- (3) *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.*
- (4) *Basic/ 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.*
- 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 31.05.2024 RM'000	Unaudited 31.05.2023 <sup>(1)</sup> RM'000	Unaudited 31.05.2024 RM'000	Audited 31.05.2023 RM'000
Amortisation of intangible assets	33	N/A	65	65
Depreciation of investment property	-	N/A	-	57
Depreciation of plant and equipment	192	N/A	375	264
Depreciation of right-of-use assets	168	N/A	336	469
Interest expense	422	N/A	804	1,212
Interest income	(64)	N/A	(153)	(25)
Gain on disposal of investment property	-	N/A	(7,372)	-
Gain on disposal of plant and equipment	(116)	N/A	(116)	-
Net impairment loss on financial assets	193	N/A	677	625
Plant and equipment written off	7	N/A	7	-
Realised loss/(gain) on foreign exchange	-	N/A	39	(71)
Rental income	-	N/A	-	(115)

Notes:

(1) *This is the fourth 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 July 2024.

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