



# **JATI TINGGI GROUP BERHAD**

(Registration No. 202101043655) (1443955-H)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED  
31 AUGUST 2024**

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 AUGUST 2024**

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

	Note	QUARTER ENDED		YEAR-TO-DATE ENDED	
		Unaudited 31.08.2024 RM'000	Unaudited 31.08.2023 RM'000	Unaudited 31.08.2024 RM'000	Unaudited 31.08.2023 RM'000
Revenue	A9	27,360	33,053	90,896	79,056
Cost of sales		(21,669)	(30,069)	(78,011)	(66,686)
<b>Gross profit</b>		<b>5,691</b>	<b>2,984</b>	<b>12,885</b>	<b>12,370</b>
Other income		123	551	7,958	926
Administrative expenses		(2,362)	(1,813)	(6,488)	(6,149)
Other expenses		(179)	(218)	(589)	(618)
<b>Operating profit</b>		<b>3,273</b>	<b>1,504</b>	<b>13,766</b>	<b>6,529</b>
Finance income		67	22	220	65
Finance costs		(556)	(535)	(1,360)	(1,746)
Net impairment (loss)/gain on financial assets		(817)	763	(1,494)	138
<b>Profit before taxation</b>	B12	<b>1,967</b>	<b>1,754</b>	<b>11,132</b>	<b>4,986</b>
Income tax expense	B5	(682)	(342)	(1,873)	(1,483)
<b>Profit for the financial period, representing total comprehensive income for the financial period</b>		<b>1,285</b>	<b>1,412</b>	<b>9,259</b>	<b>3,503</b>
<b>Profit after tax ("PAT")/ Total comprehensive income attributable to:</b>					
Owners of the Company		1,285	1,412	9,259	3,503
Non-controlling Interest		-	-	-	-
		<u>1,285</u>	<u>1,412</u>	<u>9,259</u>	<u>3,503</u>
<b>Earnings per share attributable to owners of the Company (sen) <sup>(2)</sup></b>					
Basic/ Diluted	B11	<u>0.33 <sup>(3)</sup></u>	<u>0.43 <sup>(4)</sup></u>	<u>2.36 <sup>(3)</sup></u>	<u>1.08 <sup>(4)</sup></u>



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**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) 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 financial quarter and financial year-to-date.
- (3) 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.
- (4) 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 initial public offering (“IPO”) as disclosed in Note B11.

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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 AUGUST 2024 (CON'T)**

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

	Note	Unaudited As at 31.08.2024 RM'000	Audited As at 30.11.2023 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment		2,481	2,537
Right-of-use assets		40	529
Intangible assets		43	141
<b>Total non-current assets</b>		<b>2,564</b>	<b>3,207</b>
<b>Current assets</b>			
Inventories		796	441
Trade and other receivables		98,863	95,561
Current tax assets		543	183
Cash and cash equivalents		23,434	23,475
<b>Total current assets</b>		<b>123,636</b>	<b>119,660</b>
<b>Assets classified as held for sale</b>		<b>-</b>	<b>8,249</b>
<b>TOTAL ASSETS</b>		<b>126,200</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		47,269	38,010
<b>TOTAL EQUITY</b>		<b>65,333</b>	<b>39,010</b>
<b>Non-current liabilities</b>			
Lease liabilities	B8	801	645
<b>Total non-current liabilities</b>		<b>801</b>	<b>645</b>
<b>Current liabilities</b>			
Trade and other payables		40,353	59,243
Lease liabilities	B8	344	791
Loans and borrowings	B8	19,369	31,427
<b>Total current liabilities</b>		<b>60,066</b>	<b>91,461</b>
<b>TOTAL LIABILITIES</b>		<b>60,867</b>	<b>92,106</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>126,200</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>		0.17	0.12



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**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 August 2024 of 391,800,800 shares (30 November 2023: 325,000,800 shares).

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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 AUGUST 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	-	-	-	9,259	9,259
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	9,259	9,259
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 August 2024 (Unaudited)</b>	<b>43,064</b>	<b>-</b>	<b>(25,000)</b>	<b>47,269</b>	<b>65,333</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 year, 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>



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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 THIRD QUARTER ENDED 31 AUGUST 2024 (CON'T)**

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

	Unaudited Current Year To-Date 31.08.2024 RM'000	Unaudited Preceding Year-To-Date 31.08.2023 RM'000
<b>Cash flows for operating activities</b>		
Profit before taxation	11,132	4,986
Adjustments for:		
Amortisation of intangible assets	97	97
Depreciation of plant and equipment	576	584
Depreciation of investment property	-	86
Depreciation of rights-of-use assets	488	539
Gain on disposal of plant and equipment	(116)	-
Gain on disposal of investment property	(7,372)	-
Net impairment loss/(gain) on financial assets	1,494	(138)
Plant and equipment written off	7	-
Interest expense	1,360	1,746
Interest income	(220)	(65)
<b>Operating profit before working capital changes</b>	<b>7,446</b>	<b>7,835</b>
Changes in working capital:		
Change in inventories	(355)	(442)
Change in trade and other receivables	(4,796)	(716)
Change in trade and other payables	(18,452)	(9,638)
Change in amount owing to related parties	(437)	(221)
<b>Cash for operations</b>	<b>(16,594)</b>	<b>(3,182)</b>
Income tax paid	(2,233)	(2,158)
<b>Net cash flows for operating activities</b>	<b>(18,827)</b>	<b>(5,340)</b>
<b>Cash flows from/(for) investing activities</b>		
Purchase of plant and equipment	(526)	(392)
Proceeds from disposal of plant and equipment, net	116	-
Proceeds from disposal of investment property, net	15,621	-
Increase in pledged fixed deposits with licensed banks	(7,675)	(150)
Interest received	220	65
<b>Net cash flows from/(for) investing activities</b>	<b>7,756</b>	<b>(477)</b>
<b>Cash flows from financing activities</b>		
Repayment of lease liabilities	(291)	(432)
Net (repayment)/drawdown of loans and borrowings	(11,517)	5,666
Proceeds from issuance of shares	17,064	-
Interest paid	(1,360)	(1,746)
<b>Net cash flows from financing activities</b>	<b>3,896</b>	<b>3,488</b>



**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 AUGUST 2024 (CON'T)**

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

	Unaudited Current Year To-Date 31.08.2024 RM'000	Unaudited Preceding Year-To-Date 31.08.2023 RM'000
<b>Net decrease in cash and cash equivalents</b>	<b>(7,175)</b>	<b>(2,329)</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>11,536</b>	<b>11,048</b>
<u>Cash and cash equivalents at end of the financial period comprises:</u>		
Fixed deposits with licensed banks	11,410	3,637
Cash and bank balances	12,024	11,038
Bank overdraft	(488)	-
	22,946	14,675
Less: Pledged fixed deposits with licensed banks	(11,410)	(3,627)
	<b>11,536</b>	<b>11,048</b>

**Note:**

- (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.

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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 ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”).

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 ("**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 31.08.2024 RM'000	Unaudited 31.08.2023 RM'000	Unaudited 31.08.2024 RM'000	Unaudited 31.08.2023 RM'000
<b>Revenue:</b>				
Provision of underground utilities engineering services and solutions	27,280	32,962	90,708	78,134
Provision of substation EPCC services, trading of equipment for substations and street lighting services	80	91	188	922
	<u>27,360</u>	<u>33,053</u>	<u>90,896</u>	<u>79,056</u>
<b>Segment profit:</b>				
Provision of underground utilities engineering services and solutions	5,683	2,976	12,844	12,577
Provision of substation EPCC services, trading of equipment for substations and street lighting services	8	8	41	(207)
	<u>5,691</u>	<u>2,984</u>	<u>12,885</u>	<u>12,370</u>
Other income	123	551	7,958	926
Administrative and operating expenses	(3,358)	(1,268)	(8,571)	(6,629)
Finance income	67	22	220	65
Finance costs	(556)	(535)	(1,360)	(1,746)
Income tax expenses	(682)	(342)	(1,873)	(1,483)
PAT for the financial quarter/ period	<u>1,285</u>	<u>1,412</u>	<u>9,259</u>	<u>3,503</u>



**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 financial quarter and financial year-to-date which has not been reflected in this interim financial report as at the date of this report.

**A12 Changes in the composition of the Group**

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 24 October 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>31.08.2024</b>	<b>30.11.2023</b>
	<b>RM’000</b>	<b>RM’000</b>
Performance guarantee extended to third parties	37,661	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:

	<b>QUARTER ENDED</b>		<b>YEAR-TO-DATE ENDED</b>	
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
	<b>31.08.2024</b>	<b>31.08.2023</b>	<b>31.08.2024</b>	<b>31.08.2023</b>
	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>
Purchase of materials and services	12	95	291	747
Office leases paid or payable to the directors and persons connected to them	99	99	297	297

**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			Unaudited	Unaudited		
	31.08.2024	31.08.2023	Variance		31.08.2024	31.08.2023	Variance	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	27,360	33,053	(5,693)	(17.22)	90,896	79,056	11,840	14.98
Profit before taxation	1,967	1,754	213	12.14	11,132	4,986	6,146	123.27
Profit after taxation	1,285	1,412	(127)	(8.99)	9,259	3,503	5,756	164.32

The Group recorded revenue of RM27.36 million for the third quarter ended 31 August 2024.

The Group's revenue was mainly derived from the provision of underground utilities engineering services and solutions segment, contributing approximately 99.71% and 99.79% of the total revenue for the third quarter ended 31 August 2024 and financial year-to-date ended 31 August 2024 respectively.

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

- (a) 132kilovolt ("kV") underground cable installation from Bayan Mutiara-Gelugor into The Light, Pulau Pinang;
- (b) 132kV bulk supply to a semiconductor production factory located In Kuala Lumpur (Interim Supply);
- (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) 132kV underground cables and fibre optic cables installation from Batu Berendam substation, Melaka.

The Group's revenue increased by RM11.84 million (14.98%) to RM90.90 million for the financial year-to-date ended 31 August 2024 from RM79.06 million for the financial year-to-date ended 31 August 2023. The increase of RM11.84 million in the Group's revenue is mainly due to higher revenue contribution from the provision of underground utilities engineering services and solutions segment which increased by RM12.57 million.

For the financial year-to-date ended 31 August 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 RM1.97 million and RM1.29 million, respectively for the third quarter ended 31 August 2024.

The Group's profit before tax increased by RM6.15 million (123.27%) to RM11.13 million for the financial year-to-date ended 31 August 2024 from RM4.99 million for the financial year-to-date ended 31 August 2023 mainly due to the following:

- (a) increase in other income to RM7.96 million (financial year-to-date ended 31 August 2023: RM0.93 million) mainly due to the gain on disposal of investment property of RM7.37 million;
- (b) decrease in interest expense to RM1.36 million (financial year-to-date ended 31 August 2023: RM1.75 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; and
- (c) offset with the net impairment loss of RM1.49 million (financial year-to-date ended 31 August 2023: net impairment gain of RM0.14 million).

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

	<b>QUARTER ENDED</b>			
	<b>Unaudited</b>	<b>Unaudited</b>		
	<b>31.08.2024</b>	<b>31.05.2024</b>	<b>Variance</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	27,360	34,521	(7,161)	(20.74)
Profit before taxation	1,967	985	982	99.70
Profit after taxation	1,285	735	550	74.83

The Group recorded revenue of RM27.36 million in the third quarter ended 31 August 2024 as compared to RM34.52 million in the preceding quarter ended 31 May 2024 which represents a decrease of RM7.16 million or 20.74%.

The decrease of RM7.16 million was mainly due to lower revenue from the project 132kV underground cables and fiber optic cables installation from Batu Berendam substation, Melaka which contributed a revenue of RM1.13 million in current quarter, as compared to RM12.74 million in preceding quarter.

The Group registered a higher profit before taxation and profit after taxation of RM1.97 million and RM1.29 million for the third quarter ended 31 August 2024. The higher profit before taxation and profit after taxation in the third quarter ended 31 August 2024 was mainly due to lower cost of sales for the third quarter ended 31 August 2024. The purchase of materials for the current quarter decreased to RM11.19 million as compared to RM21.20 million in the preceding quarter ended 31 May 2024.



### **B3 Prospects**

During the first half of 2024, Malaysia's economy posted a commendable growth of 5.1% driven by robust domestic demand, combined with further expansion in exports as well as positive growth in all economic sectors. Growth is forecast to continue its momentum in the second half of the year, albeit at a moderate pace.

In 2024, Malaysia's economy is forecast to expand between 4.8% and 5.3%. Growth will be propelled by robust domestic demand and recovery in exports. Consumer spending is expected to remain resilient, supported by improvements in labour market conditions and vibrant tourism-related activities. Investment will be driven by new and ongoing projects by both the private and public sectors, supported by the implementation of key national policies and initiatives, including the National Energy Transition Roadmap (NETR) and the New Industrial Master Plan 2030 (NIMP 2030). From a sectoral perspective, the services and manufacturing sectors remain the primary engines of growth. Meanwhile, the construction sector is projected to achieve stellar performance, supported by a broad-based expansion across all subsectors.

The growth in 2025 is projected between 4.5% and 5.5%, supported by a resilient external sector, benefitting from improved global trade and stronger demand for electrical and electronic goods, leveraging the country's strategic position within the semiconductor supply chain. Additionally, robust domestic demand, fuelled by strong private sector expenditure, will support the expansion, through continued implementation of key national master plans and ongoing initiatives. A pertinent initiative which is Government-Linked Enterprises Activation and Reform Programme (GEAR-uP), will synergise efforts across government-linked entities to catalyse growth in high growth sectors, encompassing energy transition, advanced manufacturing, food security, healthcare, Islamic finance and biopharmaceuticals. The potential investment from this initiative is expected to amount to RM120 billion over the span of five years. On the production side, most sectors are expected to expand, highlighting the resilience and agility of Malaysia's economy.

The construction sector is forecast to register a growth of 9.4% in 2025, largely driven by the acceleration of strategic infrastructure projects. The sector is expected to benefit particularly from civil engineering activities such as LRT3 Phase 2 and Sarawak-Sabah Link Road Phase 2. Similarly, the non-residential buildings subsector is projected to expand further, supported by strong demand for industrial facilities from the realisation of approved investments, coupled with the development of new industrial areas such as the Kerian Integrated Green Industrial Park (KIGIP) and Johor-Singapore Special Economic Zone (JS-SEZ). Furthermore, the residential buildings subsector is anticipated to expand, driven by sustained demand for affordable housing as underlined by the Ekonomi MADANI framework, alongside new development projects by the private sector.

*(Source: Economic Outlook 2025, Ministry of Finance Malaysia)*

From the date of listing of the Company on the ACE Market of Bursa Securities on 20 December 2023 up to September 2024, the Group secured and announced a total of 9 new material contracts with total contract amount of approximately RM269.66 million. The Group secured and announced 5 new material contracts with total contract amount of approximately RM160.37 million for the current financial quarter. The Group is confident of securing more new projects in the near future.

### **B4 Variance from actual profit from profit forecast and profit guarantee**

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





**B5 Income tax expense**

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	Unaudited 31.08.2024 RM'000	Unaudited 31.08.2023 RM'000	Unaudited 31.08.2024 RM'000	Unaudited 31.08.2023 RM'000
Current tax expense	(682)	(342)	(1,212)	(1,483)
Real Property Gains Tax	-	-	(661)	-
Deferred tax expense	-	-	-	-
<b>Total income tax expense</b>	<b>(682)</b>	<b>(342)</b>	<b>(1,873)</b>	<b>(1,483)</b>
Effective tax rate (%)	34.67 <sup>(1)</sup>	19.50 <sup>(2)</sup>	16.83 <sup>(3)</sup>	29.74 <sup>(1)</sup>
Statutory tax rate (%)	24.00 <sup>(1)</sup>	24.00 <sup>(2)</sup>	24.00 <sup>(3)</sup>	24.00 <sup>(1)</sup>

Notes:

- (1) *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 and net impairment loss on financial assets. In the financial year-to-date ended 31 August 2023, there were also under provision of the previous year's current taxation and deferred tax assets not recognised.*
- (2) *The Group's effective tax rate was lower than the statutory rate mainly due to non-taxable income i.e. net impairment gain on financial assets.*
- (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.*

**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 31 August 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 <sup>(1)</sup>
Repayment of bank borrowings	7,000	7,000	-	Within 12 months
General working capital	7,336	7,336	-	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>17,836</b>	<b>200</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 of the Company dated 30 November 2023 ("**Prospectus**").

**B8 Borrowings**

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

	Unaudited As at 31.08.2024 RM'000	Audited As at 30.11.2023 RM'000
<b>Non-current:</b>		
Lease liabilities	801	645
<b>Current:</b>		
Trade financing	13,693	15,520
Bank overdraft	488	1,031
Banker's acceptances	5,188	7,315
Term loans	-	7,561
Lease liabilities	344	791
	<b>19,713</b>	<b>32,218</b>
<b>Total bank borrowings</b>	<b>20,514</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.

In August 2024 prior to the trial date, the parties reached a settlement, and the claim and counterclaim were withdrawn. On 3 September 2024, the Court ordered both the claim and counterclaim to be struck out without cost.

#### **B10 Dividends proposed**

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

#### **B11 Earnings per share (“EPS”)**

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

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	Unaudited 31.08.2024	Unaudited 31.08.2023	Unaudited 31.08.2024	Unaudited 31.08.2023
PAT attributable to owners of the Company (RM'000)	1,285	1,412	9,259	3,503
Number of ordinary shares in issue ('000)	391,801	325,001	391,801	325,001
Basic/ Diluted EPS (sen) <sup>(1)</sup>	0.33 <sup>(2)</sup>	0.43 <sup>(3)</sup>	2.36 <sup>(2)</sup>	1.08 <sup>(3)</sup>

*Notes:*

- (1) *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 and financial year-to-date.*
- (2) *Basic/ 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/ 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.*



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

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

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	Unaudited 31.08.2024 RM'000	Unaudited 31.08.2023 RM'000	Unaudited 31.08.2024 RM'000	Unaudited 31.08.2023 RM'000
Amortisation of intangible assets	32	32	97	97
Depreciation of investment property	-	29	-	86
Depreciation of plant and equipment	201	210	576	584
Depreciation of right-of-use assets	152	180	488	539
Interest expense	556	535	1,360	1,746
Interest income	(67)	(22)	(220)	(65)
Gain on disposal of investment property	-	-	(7,372)	-
Gain on disposal of plant and equipment	-	-	(116)	-
Net impairment loss/(gain) on financial assets	817	(763)	1,494	(138)
Plant and equipment written off	-	-	7	-
Realised loss/(gain) on foreign exchange	-	-	39	(71)
Rental income	-	-	-	(115)

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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**JATI TINGGI GROUP BERHAD**  
(Incorporated in Malaysia)  
(Registration No. 202101043655) (1443955-H)

**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 30 October 2024.

**BY ORDER OF THE BOARD  
JATI TINGGI GROUP BERHAD  
30 OCTOBER 2024**