

**MELATI EHSAN HOLDINGS BERHAD (673293-X)**
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FOURTH QUARTER ENDED 31 AUGUST 2015**

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/08/2015 RM	Preceding Year Corresponding Quarter 31/08/2014 RM	Current Year To-Date 31/08/2015 RM	Preceding Year 31/08/2014 RM
Revenue	24,487,355	70,475,198	178,812,622	323,143,107
Cost of sales	(16,850,322)	(63,796,483)	(154,977,951)	(286,175,376)
Gross profit	<u>7,637,033</u>	<u>6,678,715</u>	<u>23,834,671</u>	<u>36,967,731</u>
Other operating income	768,639	389,522	2,474,351	1,908,137
Administrative expenses	(5,606,007)	(2,991,716)	(15,284,792)	(11,646,833)
Finance costs	(14,183)	(725,711)	(76,026)	(877,667)
Share of results of joint venture	(6,210)	(49)	(89,052)	(49)
Profit before tax	<u>2,779,272</u>	<u>3,350,761</u>	<u>10,859,152</u>	<u>26,351,319</u>
Tax expense	(482,748)	(940,779)	(3,055,020)	(7,026,728)
Profit for the financial period	<u>2,296,524</u>	<u>2,409,982</u>	<u>7,804,132</u>	<u>19,324,591</u>
<b>Other comprehensive income, net of tax</b>	-	-	-	-
Item that may be reclassified subsequently to profit or loss	-	-	-	-
Item that will not be reclassified subsequently to profit or loss	-	-	-	-
Total comprehensive income	<u>2,296,524</u>	<u>2,409,982</u>	<u>7,804,132</u>	<u>19,324,591</u>
Profit attributable to: Owners of the parent	<u>2,296,524</u>	<u>2,409,982</u>	<u>7,804,132</u>	<u>19,324,591</u>
Total comprehensive income attributable to: Owners of the parent	<u>2,296,524</u>	<u>2,409,982</u>	<u>7,804,132</u>	<u>19,324,591</u>
Earnings per ordinary share attributable to equity holders of the Company (sen):				
Basic	<u>1.92</u>	<u>2.01</u>	<u>6.53</u>	<u>16.14</u>
Diluted	<u>1.92</u>	<u>2.01</u>	<u>6.53</u>	<u>16.14</u>

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 August 2014.

**MELATI EHSAN HOLDINGS BERHAD (673293-X)****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2015**

(The figures have not been audited)

	As At 31/08/2015 RM	As At 31/08/2014 RM (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	3,447,427	3,258,631
Land held for property development	63,626,370	65,459,061
Goodwill on consolidation	506,455	506,455
Investment in joint venture	2,360,899	-
Other investment	-	500,000
Deferred tax assets	1,270,545	997,676
Trade receivable	728,687	251,494
<b>Total non-current asset</b>	<u>71,940,383</u>	<u>70,973,317</u>
<b>Current assets</b>		
Property development costs	82,523,967	92,039,616
Trade and other receivables	130,335,891	131,325,302
Current tax assets	1,387,000	403,000
Cash and bank balances	42,436,081	36,799,523
<b>Total current asset</b>	<u>256,682,939</u>	<u>260,567,441</u>
<b>TOTAL ASSETS</b>	<u>328,623,322</u>	<u>331,540,758</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	60,000,217	60,000,217
Treasury shares	(466,539)	(291,333)
Reserves	122,145,321	117,627,583
<b>TOTAL EQUITY</b>	<u>181,678,999</u>	<u>177,336,467</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	35,006	5,280,591
Deferred tax liabilities	1,414,750	1,458,893
<b>Total non-current liabilities</b>	<u>1,449,756</u>	<u>6,739,484</u>
<b>Current liabilities</b>		
Trade and other payables	135,763,482	132,255,971
Borrowings	9,508,085	13,388,836
Current tax liabilities	223,000	1,820,000
<b>Total current liabilities</b>	<u>145,494,567</u>	<u>147,464,807</u>
<b>TOTAL LIABILITIES</b>	<u>146,944,323</u>	<u>154,204,291</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>328,623,322</u>	<u>331,540,758</u>
<b>Net assets per share attributable to the equity holders of the Company (RM)</b>	<u>1.52</u>	<u>1.48</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 August 2014.

**MELATI EHSAN HOLDINGS BERHAD (673293-X)**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FOURTH QUARTER ENDED 31 AUGUST 2015**

(The figures have not been audited)

	----- Non-distributable -----			Distributable		Total equity RM
	Share capital RM	Share premium RM	Reverse acquisition reserves RM	Treasury shares RM	Retained earnings RM	
Balance as at 1 September 2013	60,000,217	19,830,264	(34,450,921)	(174,687)	115,916,280	161,121,153
Profit for the financial year	-	-	-	-	19,324,591	19,324,591
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	19,324,591	19,324,591
<b>Transaction with owners</b>						
Repurchase of own shares	-	-	-	(116,646)	-	(116,646)
Dividend paid	-	-	-	-	(2,992,631)	(2,992,631)
Total transaction with owners	-	-	-	(116,646)	(2,992,631)	(3,109,277)
Balance as at 31 August 2014/ 1 September 2014	60,000,217	19,830,264	(34,450,921)	(291,333)	132,248,240	177,336,467
Profit for the financial year	-	-	-	-	7,804,132	7,804,132
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	7,804,132	7,804,132
<b>Transaction with owners</b>						
Repurchase of own shares	-	-	-	(175,206)	-	(175,206)
Dividend paid	-	-	-	-	(3,286,394)	(3,286,394)
Total transaction with owners	-	-	-	(175,206)	(3,286,394)	(3,461,600)
Balance as at 31 August 2015	<u>60,000,217</u>	<u>19,830,264</u>	<u>(34,450,921)</u>	<u>(466,539)</u>	<u>136,765,978</u>	<u>181,678,999</u>

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 August 2014.

**MELATI EHSAN HOLDINGS BERHAD (673293-X)**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FOURTH QUARTER ENDED 31 AUGUST 2015**

(The figures have not been audited)

	Current Year To-Date 31/08/2015 RM	Preceding Year 31/08/2014 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	10,859,152	26,351,319
Adjustments for:		
Depreciation of property, plant and equipment	768,354	764,873
Share of results of joint venture, net of tax	89,052	49
Gain on disposal of property, plant & equipment	-	(3,500)
Impairment loss on other investment	500,000	-
Interest expense	76,026	877,667
Interest income	(832,282)	(603,034)
Provision for liquidated damages	3,297,597	1,503,154
Reversal of impairment loss on trade receivables	-	(234,614)
Operating profit before working capital changes	14,757,899	28,655,914
Land held for property development	(198,557)	(212,532)
Property development costs	12,317,189	28,313,417
Amount due from contract customers	(2,104,914)	(32,087)
Trade and other receivables	2,372,132	(27,127,595)
Amount due to contract customers	333,817	3,898,352
Trade and other payables	616,676	(6,971,998)
Net cash generated from operations	28,094,242	26,523,471
Tax paid	(6,330,686)	(7,323,744)
Tax refunded	377,654	834,705
Net cash from operating activities	22,141,210	20,034,432
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment in a joint venture	(2,449,951)	(49)
Purchase of unquoted shares	-	(470,000)
Advances from/(to) joint venture	245,000	(490,000)
Fixed deposits uplifted	220,161	2,056,392
Interest income received	832,282	603,034
Proceeds from disposal of property, plant & equipment	-	3,500
Purchase of property, plant and equipment	(957,150)	(440,580)
Net cash (used in)/from investing activities	(2,109,658)	1,262,297
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(3,286,394)	(2,992,631)
Interest paid	(1,586,897)	(1,131,701)
Repayment of hire purchase payables	(934,986)	(853,563)
Repayment of term loans	(8,191,350)	(5,048,550)
Repurchase of own shares	(175,206)	(116,646)
Net cash used in financing activities	(14,174,833)	(10,143,091)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	5,856,719	11,153,638
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b>	34,239,271	23,085,633
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	40,095,990	34,239,271
	A14	

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 August 2014.

**MELATI EHSAN HOLDINGS BERHAD (673293-X)**  
**(Incorporated in Malaysia)**

**A. EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD (FRS) 134: INTERIM FINANCIAL REPORTING**

**A1. Basis of preparation**

The unaudited interim financial report has been prepared in compliance with Financial Reporting Standard (FRS) 134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 August 2014.

The accounting policies and methods of computation adopted in this interim financial report are consistent with those adopted in the annual audited financial statements for the financial year ended 31 August 2014 except for the adoption of new FRSs, amendments to FRSs and IC Interpretations (IC) which are relevant to its operations and effective for the financial period beginning on or after 1 September 2014.

<b>Title</b>		<b>Effective Date</b>
Amendments to FRS 10	Consolidated Financial Statements: Investment Entities	1 January 2014
Amendments to FRS 12	Disclosure of Interest in Other Entities: Investment Entities	1 January 2014
Amendments to FRS 127	Separate Financial Statements (2011): Investment Entities	1 January 2014
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 136	Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to FRS 139	Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21	Levies	1 January 2014
Amendments to FRS 119	Defined Benefit Plans: Employee Contributions	1 July 2014
Amendments to FRSs	Annual Improvements to FRSs 2010-2012 Cycle	1 July 2014
Amendments to FRSs	Annual Improvements to FRSs 2011-2013 Cycle	1 July 2014

The adoption of these FRSs, amendments to FRSs and IC interpretations (IC) do not have significant impact on the results and the financial position of the Group.

**A2. Audit report of preceding annual financial statements**

There were no audit qualification on the financial statements of the Company and its subsidiaries for the financial year ended 31 August 2014.

**A3. Seasonal or cyclical factors**

The Group's business operations were not materially affected by any major seasonal or cyclical factors.

**A4. 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 quarter under review.

**A5. Material changes in estimates**

There was no material changes in estimates used for preparation of the interim financial report.

**MELATI EHSAN HOLDINGS BERHAD (673293-X)**  
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**A6. Issuance or repayment of debts and equity securities**

There were no issuance, cancellation, repurchases, resale and repayment of debt and equity securities for the current quarter under review.

As at 31 August 2015, 500,200 ordinary shares have been purchased for RM466,539 including the transaction costs. The shares repurchased are being held as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965.

**A7. Dividend paid**

There were no dividends paid during the quarter under review.

**A8. Segmental reporting**

31 August 2015					
REVENUE	Construction RM'000	Trading RM'000	Property Development RM'000	Others RM'000	Consolidated RM'000
Total revenue	147,523	7,448	38,260	6,000	199,231
Inter-segment revenue	(12,438)	(1,980)	-	(6,000)	(20,418)
Revenue from external customer	135,085	5,468	38,260	-	178,813
<b>RESULT</b>					
Segment results	3,501	99	7,593	(1,090)	10,103
Finance costs	(76)	-	-	-	(76)
Interest income	569	9	102	152	832
Profit/(loss) before tax	3,994	108	7,695	(938)	10,859
Tax expense	(1,128)	(28)	(1,829)	(70)	(3,055)

No segmental information is provided on geographical basis as the Group's activities are conducted wholly in Malaysia.

**A9. Valuation of property, plant and equipment**

Property, plant and equipment of the Group are stated at cost less accumulated depreciation and impairment loss, if any.

There was no valuation of the property, plant and equipment during the current quarter under review.

**A10. Changes in the composition of the Group**

There were no changes in the composition of the Group during the quarter under review.

**MELATI EHSAN HOLDINGS BERHAD (673293-X)**  
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**A11. Contingent liabilities**

The details of Company contingent liabilities as at 31 August 2015 are as follows:

	<b>RM'000</b>
Secured:	
Guarantees given to financial institutions on performance guarantee granted to third parties	142,400
Unsecured:	
Guarantees given to a third parties for performance in the development agreement granted to a subsidiary	385,904
Guarantees given to suppliers for credit facilities granted to a subsidiary	6,300
	<u>392,204</u>

**A12. Subsequent events**

There was no other material events subsequent to the financial period ended 31 August 2015 up to the date of this report.

**A13. Commitments**

There was no capital commitment in the financial period ended 31 August 2015, except as disclosed below:

	<b>RM</b>
Contracted but not provided for - property, plant & equipment	<u>2,392,000</u>

**A14. Cash and cash equivalents**

Cash and cash equivalents included in the statements of cash flows comprise the following:

	<b>RM</b>
Cash and bank balances	6,349,821
Fixed deposits with licensed banks	36,086,260
	<u>42,436,081</u>
Less:	
Deposits pledged with financial institution	<u>(2,340,091)</u>
	<u>40,095,990</u>

**MELATI EHSAN HOLDINGS BERHAD (673293-X)**  
**(Incorporated in Malaysia)**

**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1. Review of performance**

For the financial year ended 31 August 2015, the Group achieved revenue of RM178.813 million and profit before tax of RM10.859 million as compared to RM323.143 million and RM26.351 million respectively for the preceding year.

The decreased in profit of the Group in the current financial year as compared to the preceding year was due mainly to lower operating revenue from all segments of the Group.

Detailed analysis of the performance for the respective operating business segments for the year ended 31 August 2015 are as follows:

Construction

The Group recorded revenue of RM135.085 million and profit before tax of RM3.994 million as compared to previous year of RM168.388 million and RM11.550 million respectively. The lower revenue of this operation was due mainly to construction works at Medini Iskandar and one of the “*Program Perumahan Rakyat*” (“PPR”) project have reached final stage of completion. The lower profit before tax derived was due to the lower revenue and margin of those construction activities as compared to construction projects for property development.

Property development

The Group recorded revenue of RM38.260 million and profit before tax of RM7.695 million as compared to previous year of RM118.791 million and RM14.452 million respectively. The lower profit recorded was due mainly to lower revenue as two of our residential projects namely, Laman Bayu @ Bukit Jalil, Kuala Lumpur and Taman Ehsan Jaya, Phase 1A(i) Project at Pandamaran, Klang have been completed.

Trading

The Group recorded revenue of RM5.468 million and profit before tax of RM0.108 million as compared to the previous year of RM35.964 million and RM0.899 million respectively. The reduction in sales in the current financial year was due mainly to lower volume of building materials being traded and consumed by our subcontractors.

**B2. Comparison with preceding quarter results**

For the current quarter under review, the Group recorded a profit before tax of RM2.779 million as compared to RM1.594 million in the immediate preceding quarter. The increased in the profit despite lower revenue in the current financial quarter compared to the immediate preceding quarter was due mainly to full and final recognition of a completed residential project.

**B3. Commentary on prospects**

The on-going construction works and property development such as road work in East Coast Economic Region (“ECER”) projects, PPR, and Taman Ehsan Jaya at Pandamaran will continue to contribute positively to the Group’s revenue and profitability despite moderation economic outlook due to the falling crude oil prices and weaker Ringgit.

The Board of Directors is optimistic about the Group’s ability to continue to achieve satisfactory performance for the financial year ending 31 August 2016.

**B4. Variance of actual and forecast profit**

The Group did not issue any forecast for the current quarter and therefore this is not applicable.

**B5. Corporate proposal**

There are no corporate proposals announced but not completed as at the date of this report.



**MELATI EHSAN HOLDINGS BERHAD (673293-X)**  
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**B6. Income tax expense**

	<b>Current Quarter 31 August 2015 RM'000</b>	<b>Current Year To-Date 31 August 2015 RM'000</b>
Current tax expense	1,281	3,372
Deferred tax expense	(798)	(317)
<b>Total</b>	<b>483</b>	<b>3,055</b>

The tax expense for the current quarter and current period to-date is derived based on management's best estimate of the tax rate for the financial year.

**B7. Group borrowings**

There were no other borrowings and debts securities in the Group as at 31 August 2015, except as disclosed below:-

	<b>Short term (Secured) RM'000</b>	<b>Long term (Secured) RM'000</b>
Hire-purchase	886	35
Term loan	8,622	-
	<b>9,508</b>	<b>35</b>

**B8. Off balance sheet financial instruments**

There are no financial instruments with off balance sheet risk as at the date of this report.

**B9. Material litigation**

As at the date of this announcement, there are no material litigations against the Group or taken by the Group.

**B10. Dividends**

The directors proposed a first and final single tier dividend of 1.75 sen per ordinary share, amounting to RM2,091,254 in respect of the financial year ended 31 August 2015 (2014 : single tier dividend of 2.75 sen per ordinary share). The dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company.

**B11. Notes to the Statement of Comprehensive Income**

The profit for the period has been arrived at after crediting/(charging):-

	<b>Current Quarter 31 August 2015 RM'000</b>	<b>Current Year To-Date 31 August 2015 RM'000</b>
Interest income	270	832
Other income including investment income	498	1,642
Interest expenses	(14)	(76)
Depreciation and amortization	(193)	(768)
Provision for liquidated damages	(2,406)	(3,298)
Impairment of assets	(500)	(500)

Save as disclosed above, the other items as required under Appendix 9B, Part A (16) of the Bursa Malaysia Listing Requirements are not applicable.

**MELATI EHSAN HOLDINGS BERHAD (673293-X)**  
**(Incorporated in Malaysia)**

**B12. Earnings per share**

**(a) Basic earnings per share**

Basic earnings per share for the current quarter and financial period to-date are calculated by dividing the net profit attributable to the shareholders by the weighted average number of ordinary shares in issue, excluding the average number of ordinary shares purchased by the Company and held as treasury shares.

	<b>Current year quarter 31/08/2015</b>	<b>Preceding year corresponding quarter 31/08/2014</b>	<b>Current year To-date 31/08/2015</b>	<b>Preceding year 31/08/2014</b>
Profit attributable to owners of the parent (RM)	2,296,524	2,409,982	7,804,132	19,324,591
Number of ordinary shares ('000)	119,500	119,655	119,500	119,655
Weighted average number of ordinary shares ('000)	119,500	119,655	119,557	119,704
Basic earnings per share (sen)	1.92	2.01	6.53	16.14

**(b) Diluted earnings per share**

The Group does not have any convertible shares or financial instruments for the current quarter and financial period to-date.

**B13. Realised and unrealised profits/losses disclosure**

	<b>As at 31/08/2015 RM'000</b>	<b>As at 31/05/2015 RM'000</b>
Total retained profits of the Group		
- realised	141,813	140,924
- unrealised	938	5
	142,751	140,929
Less: Consolidation adjustments	(5,985)	(6,460)
Total Group retained profits as per financial statements	136,766	134,469

By Order of the Board

**Wong Youn Kim**  
**Chan Chee Yean**  
 Company Secretaries  
 Kuala Lumpur  
 28 October 2015