

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

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2015**

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/11/2015 RM	Preceding Year Corresponding Quarter 30/11/2014 RM	Current Period To-Date 30/11/2015 RM	Preceding Year Corresponding Period To-Date 30/11/2014 RM
Revenue	19,705,504	54,893,920	19,705,504	54,893,920
Cost of sales	(16,701,893)	(48,535,218)	(16,701,893)	(48,535,218)
Gross profit	<u>3,003,611</u>	<u>6,358,702</u>	<u>3,003,611</u>	<u>6,358,702</u>
Other income	867,638	454,123	867,638	454,123
Administrative expenses	(2,340,774)	(2,309,381)	(2,340,774)	(2,309,381)
Finance costs	(10,967)	(23,831)	(10,967)	(23,831)
Share of results of a joint venture, net of tax	(17,723)	-	(17,723)	-
Profit before tax	<u>1,501,785</u>	<u>4,479,613</u>	<u>1,501,785</u>	<u>4,479,613</u>
Tax expense	(435,200)	(1,217,400)	(435,200)	(1,217,400)
Profit for the financial period	<u>1,066,585</u>	<u>3,262,213</u>	<u>1,066,585</u>	<u>3,262,213</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>1,066,585</u>	<u>3,262,213</u>	<u>1,066,585</u>	<u>3,262,213</u>
Profit attributable to: Owners of the parent	<u>1,066,585</u>	<u>3,262,213</u>	<u>1,066,585</u>	<u>3,262,213</u>
Total comprehensive income attributable to: Owners of the parent	<u>1,066,585</u>	<u>3,262,213</u>	<u>1,066,585</u>	<u>3,262,213</u>
Earnings per ordinary share attributable to equity holders of the Company (sen):				
Basic	<u>0.89</u>	<u>2.73</u>	<u>0.89</u>	<u>2.73</u>
Diluted	<u>0.89</u>	<u>2.73</u>	<u>0.89</u>	<u>2.73</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 2015.

# MELATI EHSAN HOLDINGS BERHAD (673293-X)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 NOVEMBER 2015 (The figures have not been audited)

	As At 30/11/2015 RM	As At 31/08/2015 RM (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	3,453,886	3,447,427
Land held for property development	63,626,370	63,626,370
Investment in a joint venture	2,343,176	2,360,899
Goodwill on consolidation	506,455	506,455
Deferred tax assets	1,261,345	1,270,545
Trade receivable	-	728,687
<b>Total non-current asset</b>	<u>71,191,232</u>	<u>71,940,383</u>
<b>Current assets</b>		
Property development costs	82,810,113	82,523,967
Trade and other receivables	97,828,776	130,335,891
Current tax assets	1,625,000	1,387,000
Cash and bank balances	35,192,395	42,436,081
<b>Total current asset</b>	<u>217,456,284</u>	<u>256,682,939</u>
<b>TOTAL ASSETS</b>	<u>288,647,516</u>	<u>328,623,322</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	(471,188)	(466,539)
Reserves	123,211,906	122,145,321
<b>TOTAL EQUITY</b>	<u>182,740,935</u>	<u>181,678,999</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	-	35,006
Deferred tax liabilities	1,414,750	1,414,750
<b>Total non-current liabilities</b>	<u>1,414,750</u>	<u>1,449,756</u>
<b>Current liabilities</b>		
Trade and other payables	99,539,526	135,763,482
Borrowings	4,941,305	9,508,085
Current tax liabilities	11,000	223,000
<b>Total current liabilities</b>	<u>104,491,831</u>	<u>145,494,567</u>
<b>TOTAL LIABILITIES</b>	<u>105,906,581</u>	<u>146,944,323</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>288,647,516</u>	<u>328,623,322</u>
<b>Net assets per share attributable to the equity holders of the Company (RM)</b>	<u>1.53</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 2015.

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 30 NOVEMBER 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 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/ 1 September 2015	60,000,217	19,830,264	(34,450,921)	(466,539)	136,765,978	181,678,999
Profit for the financial period	-	-	-	-	1,066,585	1,066,585
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	1,066,585	1,066,585
<b>Transaction with owners</b>						
Repurchase of own shares	-	-	-	(4,649)	-	(4,649)
Total transaction with owners	-	-	-	(4,649)	-	(4,649)
Balance as at 30 November 2015	<u>60,000,217</u>	<u>19,830,264</u>	<u>(34,450,921)</u>	<u>(471,188)</u>	<u>137,832,563</u>	<u>182,740,935</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 2015.

**MELATI EHSAN HOLDINGS BERHAD (673293-X)****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FIRST QUARTER ENDED 30 NOVEMBER 2015**

(The figures have not been audited)

	Current Period To-Date 30/11/2015 RM	Preceding Year Corresponding Period To-Date 30/11/2014 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	1,501,785	4,479,613
Adjustments for:		
Depreciation of property, plant and equipment	186,342	191,563
Share of results of a joint venture, net of tax	17,723	-
Interest expense	10,967	23,831
Interest income	(265,226)	(114,645)
Operating profit before working capital changes	<u>1,451,591</u>	<u>4,580,362</u>
Property development costs	(226,557)	20,590,608
Amount due from contract customers	2,840,386	185,490
Trade and other receivables	30,395,416	(14,339,660)
Amount due to contract customers	(5,545,284)	3,083,593
Trade and other payables	(30,658,554)	(18,150,890)
Net cash used in operations	<u>(1,743,002)</u>	<u>(4,050,497)</u>
Tax paid	(876,000)	(904,436)
Net cash used in operating activities	<u>(2,619,002)</u>	<u>(4,954,933)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed deposits pledged	(17,716)	(19,760)
Interest received	265,226	114,645
Purchase of property, plant and equipment	(192,801)	(25,690)
Net cash from investing activities	<u>54,709</u>	<u>69,195</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(90,674)	(263,898)
Repayment of hire purchase payables	(241,786)	(228,923)
Repayment of term loans	(4,360,000)	(195,000)
Repurchase of own shares	(4,649)	(64,800)
Net cash used in financing activities	<u>(4,697,109)</u>	<u>(752,621)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(7,261,402)</u>	<u>(5,638,359)</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	<u>40,095,990</u>	<u>34,239,271</u>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<u>A14 32,834,588</u>	<u>28,600,912</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 August 2015.

**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 2015.

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 2015 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 2015.

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) announced the issuance of the new MFRS Framework that is applicable to entities other than private entities. However, the MASB deferred the effective date of adoption of the MFRS Framework for transitioning entities (i.e. entities affected by MFRS 141 *Agriculture* and/or IC Interpretation 15 *Agreements for Construction of Real Estate*) for annual periods beginning on or after 1 January 2018. The Group would subsequently adopt the MFRS Framework for the financial year ending 31 August 2019 as it is a transitioning entity.

The subsequent adoption of the MFRS Framework would result in the Group preparing an opening MFRS statement of financial position as at 1 September 2017, which adjusts for differences between the classification and measurement bases in the existing FRS Framework versus that in the new MFRS Framework. This would also result in a restatement of the annual and quarterly financial performance for the financial year ending 31 August 2018 in accordance with MFRS, which would form the MFRS comparatives for the annual and quarterly financial performance for the financial year ending 31 August 2019 respectively.

**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 2015.

**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.

**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 except as disclosed below:

During the current quarter, the Company repurchased 5,000 of its issued ordinary shares of RM0.50 each from the open market at an overall average price of RM0.92 per share. The total consideration paid was RM4,649 including transaction costs and this was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965. As at 30 November 2015, 505,200 ordinary shares have been purchased for RM471,188 including the transaction costs.

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

A7. **Dividend paid**  
There were no dividends paid during the quarter under review.

A8 **Segmental reporting**

<b>30 November 2015</b>					
<b>REVENUE</b>	<b>Construction RM'000</b>	<b>Trading RM'000</b>	<b>Property Development RM'000</b>	<b>Others RM'000</b>	<b>Consolidated RM'000</b>
Total revenue	17,517	1,933	549	-	19,999
Inter-segment revenue	(293)	-	-	-	(293)
Revenue from external customer	17,224	1,933	549	-	19,706
<b>RESULT</b>					
Segment results	1,250	43	30	(75)	1,248
Finance costs	(11)	-	-	-	(11)
Interest income	220	4	12	29	265
Profit/(loss) before tax	1,459	47	42	(46)	1,502
Tax expense	(407)	(11)	(17)	-	(435)

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.

A11. **Contingent liabilities**

The details of Company contingent liabilities as at 30 November 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	390,294
Guarantees given to suppliers for credit facilities granted to a subsidiary	7,800
	398,094

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

**A12. Subsequent events**

There was no other material events subsequent to the financial period ended 30 November 2015 up to the date of this report.

**A13. Commitments**

There was no capital commitment in the financial period ended 30 November 2015, except as disclosed below:

	<b>RM</b>
Contracted but not provided for - property, plant & equipment	<u>2,210,000</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	14,386,489
Fixed deposits with licensed banks	20,805,906
	<u>35,192,395</u>
Less:	
Deposits pledged with financial institution	<u>(2,357,807)</u>
	<u>32,834,588</u>

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

**B1. Review of performance**

For the financial period ended 30 November 2015, the Group achieved revenue of RM19.706 million and profit before tax of RM1.502 million as compared to RM54.894 million and RM4.480 million respectively for the preceding year corresponding period.

The decreased in profit of the Group in the current financial period as compared to the preceding year corresponding period was due mainly to lower operating revenue contributed from the construction and property development activities.

Detailed analysis of the performance for the respective operating business segments for the period ended 30 November 2015 are as follows:

Construction

The group recorded revenue of RM17.224 million and profit before tax of RM1.459 million as compared to the preceding year corresponding period of RM37.362 million and RM1.925 million respectively. The lower revenue of this operation was due mainly to the decrease of the construction activities, which include the "Program Perumahan Rakyat" ("PPR") and road work in East Coast Economic Region ("ECER") projects.

Property development

The group recorded revenue of RM0.549 million and profit before tax of RM0.042 million as compared to the preceding year corresponding period of RM15.642 million and RM2.640 million respectively. Lower revenue and lower profit recorded was due to the completion of our Bukit Bayu @ U10 Shah Alam residential project and there were no new launching of property development projects.

Trading

The group recorded revenue of RM1.933 million and profit before tax of RM0.047 million as compared to the preceding year corresponding period of RM1.890 million and RM0.001 million respectively. The slight increase in sales in the current quarter was due mainly to higher volume of building materials being traded and consumed by our appointed sub-contractors for the Group's construction and property division. In addition, the higher margin yield had also improved the profit of this segment.

**B2. Comparison with preceding quarter results**

For the current quarter under review, the Group recorded a profit before tax of RM1.502 million as compared to RM2.779 million in the immediate preceding quarter. The lower profit in the current financial quarter as compared to the immediate preceding quarter was due mainly to reduce in construction and development activities.

**B3. Commentary on prospects**

The on-going construction works such as ECER and PPR, will continue to contribute positively to the Group's revenue and profitability despite moderation economic outlook due to low crude oil prices and weaker Ringgit.

The 11<sup>th</sup> Malaysia Plan ("11MP") 2016-2020 has been tabled in Parliament. 11MP marks the final lap in the route towards developed-nation status in 2020. Based upon this, the outlook of the local construction sector is good and will benefit the industry players. Ongoing projects and those scheduled to commence in the near term such as road works and affordable housing schemes will ensure the sector continues to grow in the next few years.

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.



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

B5. **Corporate proposal**  
 There are no corporate proposals announced as at the date of this report.

B6. **Income tax expense**

	<b>Current Quarter 30 November 2015 RM'000</b>	<b>Current Period To-Date 30 November 2015 RM'000</b>
Current tax expense	426	426
Deferred tax income	9	9
<b>Total</b>	435	435

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 period.

B7. **Group borrowings**

There were no other borrowings and debts securities in the Group as at 30 November 2015, except as disclosed below:-

	<b>Short term (Secured) RM'000</b>	<b>Long term (Secured) RM'000</b>
Hire-purchase	679	-
Term loan	4,262	-
	4,941	-

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**

No dividend has been declared for the current quarter under review.

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

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

	<b>Current Quarter 30 November 2015 RM'000</b>	<b>Current Period To-Date 30 November 2015 RM'000</b>
Interest income	265	265
Other income including investment income	603	603
Interest expenses	(11)	(11)
Depreciation and amortisation	(186)	(186)

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 quarter 30/11/15</b>	<b>Preceding year corresponding quarter 30/11/14</b>	<b>Current period To-date 30/11/15</b>	<b>Preceding year corresponding period to-date 30/11/14</b>
Profit attributable to owners of the parent (RM)	1,066,585	3,262,213	1,066,585	3,262,213
Number of ordinary shares ('000)	119,495	119,605	119,495	119,605
Weighted average number of ordinary shares ('000)	119,499	119,639	119,499	119,639
Basic earnings per share (sen)	0.89	2.73	0.89	2.73

(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 30/11/2015 RM'000</b>	<b>As at 31/08/2015 RM'000</b>
Total retained profits of the Group		
- realised	143,504	141,813
- unrealised	302	938
	<u>143,806</u>	<u>142,751</u>
Less: Consolidation adjustments	(5,973)	(5,985)
Total Group retained profits as per financial statements	<u>137,833</u>	<u>136,766</u>

By Order of the Board

**Wong Youn Kim**  
**Chan Chee Yean**  
 Company Secretaries  
 Kuala Lumpur  
 28 January 2016