

**MELATI EHSAN HOLDINGS BERHAD (200401034784 (673293-X))**  
**(Incorporated in Malaysia)**

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

**A1. Basis of preparation**

The unaudited interim financial report has been prepared in compliance with Malaysian Financial Reporting Standard (MFRS) 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 2024 and were prepared in accordance with Malaysian Financial Reporting Standard (MFRS).

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 2024 except for the adoption of new MFRSs, amendments to MFRSs and IC Interpretations (IC) which are relevant to its operations and effective for the financial period beginning on or after 1 September 2024.

<b>Title</b>	<b>Effective Date</b>
Amendments to MFRS 16 Leases 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

The adoption of these amendments to MFRSs 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 2024.

**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.

As at 30 November 2024, 4,244,400 ordinary shares have been purchased for RM2,406,916 including the transaction costs. The shares repurchased are being held as treasury shares in accordance with the requirement of Section 127 of the Companies Act, 2016.

**A7. Dividend paid**

There were no dividends paid during the quarter under review.

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A8 **Segmental reporting**

**30 November 2024**

	<b>Construction</b>	<b>Property</b>			
<b>REVENUE</b>	<b>RM'000</b>	<b>Development</b>	<b>Trading</b>	<b>Others</b>	<b>Consolidated</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Total revenue	6,697	4,535	502	-	11,734
Inter-segment revenue	-	-	-	-	-
Revenue from external customer	6,697	4,535	502	-	11,734
<b>RESULT</b>					
Segment results	1,220	(181)	20	(80)	979
Finance costs	-	(549)	-	(1)	(550)
Interest income	29	18	-	4	51
Profit / (loss) before tax	1,249	(712)	20	(77)	480
Tax expense	(369)	-	-	-	(369)

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 2024 are as follows:

	<b>RM'000</b>
<b>Secured:</b>	
Guarantees given to financial institutions on credit facilities granted to subsidiaries	226,467
<b>Unsecured:</b>	
Guarantees given to a third party for performance in the construction agreement granted to a subsidiary	19,481
Guarantees given to suppliers for credit facilities granted to a subsidiary	3,500
Guarantees given to a financial institution on credit facilities granted to a subsidiary	4,496
	27,477

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A12. **Commitments**

There was no capital commitment in the financial period ended 30 November 2024.

A13. **Subsequent events**

There was no other material events subsequent to financial period ended 30 November 2024 up to the date of this report.

A14. **Cash and cash equivalents**

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

	<b>RM</b>
Cash and bank balances	7,679,058
Fixed deposits with licensed banks	3,632,770
	<hr/>
	11,311,828
Less:	
Deposits pledged with financial institution	<hr/>
	(2,381,389)
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	8,930,439

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

**B1. Review of performance**

Financial review for current quarter and financial period to date

	Individual Period		Changes (%)	Cumulative Period		Changes (%)
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year To-Date	Preceding Year Corresponding Period	
	30/11/2024 RM '000	30/11/2023 RM '000		30/11/2024 RM '000	30/11/2023 RM '000	
Revenue	11,734	12,604	(7)	11,734	12,604	(7)
Operating Profit	1,030	392	163	1,030	392	163
Profit Before Interest and Tax	1,030	392	163	1,030	392	163
Profit Before Tax	480	172	179	480	172	179
Profit After Tax	111	157	(29)	111	157	(29)
Profit Attributable to Ordinary Equity Holders of the Parent	111	157	(29)	111	157	(29)

For the financial period ended 30 November 2024, the Group achieved revenue of RM11.734 million and profit before tax of RM0.480 million as compared to RM12.604 million and RM0.172 million respectively for the preceding year corresponding period.

The increased in profit before tax of the Group in the current financial period as compared to the preceding year corresponding period, was mainly due to slightly better margins derived from construction activities. The Group's performance was supported by construction activities, with new projects started in this quarter.

Detailed analysis of the performance for the respective operating business segments for the period ended 30 November 2024 is as follows:

Construction

The Group recorded revenue of RM6.697 million and profit before tax of RM1.248 million as compared to the preceding year corresponding period of RM1.023 million and loss before tax of RM0.668 million respectively. The higher revenue and profit before tax in the current quarter were mainly due to new projects started during this quarter.

Property development

The Group recorded revenue of RM4.535 million and loss before tax of RM0.712 million as compared to the preceding year corresponding period of RM8.747 million and profit before tax of RM0.877 million respectively. The lower revenue in the current quarter was mainly due to the lower progressive billing of the development project known as Bayu Selayang Heights, in Selayang, Selangor, which is at a preliminary stage.

Trading

The group recorded revenue of RM0.502 million and profit before tax of RM0.020 million as compared to the preceding year corresponding period of RM2.834 million and profit before tax of RM0.063 million respectively. The decreased in sales and profit before tax in the current quarter was due to the decreased in sales of construction materials to our subcontractors.

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**B2. Comparison with preceding quarter results**

Financial review for current quarter compared with immediate preceding quarter

	Current Quarter	Immediate Preceding Quarter	Changes (%)
	30/11/2024 RM '000	31/08/2024 RM '000	
Revenue	11,734	6,745	74
Operating Profit	1,030	8,915	(88)
Profit Before Interest and Tax	1,030	8,915	(88)
Profit Before Tax	480	8,587	(94)
Profit After Tax	111	7,718	(99)
Profit Attributable to Ordinary Equity Holders of the Parent	111	7,718	(99)

For the current quarter under review, the Group recorded a profit before tax of RM0.480 million as compared to RM8.987 million in the immediate preceding quarter. The lower profit before tax in the current financial quarter as compared to the immediate preceding quarter, was due mainly to the fair value adjustment and reversal of impairment loss in the immediate preceding quarter.

**B3. Commentary on prospects**

Despite a challenging external environment, Malaysia's economy is expected to register positive growth momentum supported by a resilient domestic demand and significant increase in foreign direct investment (FDI), especially in the technology and data centre sectors. Budget 2025 highlighted the Government's commitment to a responsible fiscal management and subsidy rationalisation. Savings from these measures will be channelled to the vulnerable communities and the Rakyat based on needs, as well as to improve public infrastructure and services. Furthermore, the Government will accelerate its implementation processes to ignite new economic growth and deliver social reforms for resilience and balanced growth. Policymakers are also closely monitoring global developments and will strive to balance growth with inflation to maintain a sustainable economy. These Government efforts, which benefit all layers of the Rakyat, will stimulate economic momentum, including construction and development activities, and continue to build on the already positive investor confidence in Malaysia.

The Government will continue to play an important role in promoting the construction industry by stimulating the economy through the implementation of various construction projects and infrastructure programs, such as the construction of roads, bridges, and public transportation systems. Additionally, the Government will continue to initiate and support social welfare programs such as low-cost and affordable housing schemes, further boosting the demand for the construction sector.

Meanwhile, strategies and measures under the National Energy Transition Roadmap, New Industrial Master Plan 2030 and Mid-Term Review of the Twelfth Malaysia Plan aim to drive quality investments in high-value-added industries, particularly in the energy transition, digital and high-technology sectors. These initiatives aim to create more high-income job opportunities for the Rakyat.

The local property market has demonstrated positive trends particularly in the affordable housing segment. The general response to launches within this segment in desirable areas has been favourable, leading to relatively high take up rates.

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

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

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**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 2024 RM'000</b>	<b>Current Period To-Date 30 November 2024 RM'000</b>
Current tax expense	369	369
Deferred tax expense	-	-
<b>Total</b>	<b>369</b>	<b>369</b>

The tax expense for the current quarter and for the 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 2024, except as disclosed below:-

	<b>30 November 2024</b>		<b>30 November 2023</b>	
	<b>Short term RM'000</b>	<b>Long term RM'000</b>	<b>Short term RM'000</b>	<b>Long term RM'000</b>
<b>Secured</b>				
Term loan	17,723	54,999	33,920	45,844

**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.

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**B11. Notes to the Statement of Profit Or Loss And Other Comprehensive Income**

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

	<b>Current Quarter 30 November 2024 RM'000</b>	<b>Current Period To-Date 30 November 2024 RM'000</b>
Interest income	51	51
Other income including investment income	219	219
Gain on disposal of property, plant and equipmet	1	1
Finance Costs:		
-lease liabilities	(1)	(1)
-term loan	(549)	(549)
Depreciation and amortisation	(116)	(116)

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

**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 30/11/2024</b>	<b>Preceding year corresponding quarter 30/11/2023</b>	<b>Current period To-date 30/11/2024</b>	<b>Preceding Year Corresponding Period To-Date 30/11/2023</b>
Profit attributable to owners of the parent (RM)	111,264	156,892	111,264	156,892
Number of ordinary shares ('000)	115,756	115,756	115,756	115,756
Weighted average number of ordinary shares ('000)	115,756	115,756	115,756	115,756
Basic earnings per share (sen)	0.10	0.14	0.10	0.14

(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.

By Order of the Board

**Wong Youn Kim**  
**Chan Chee Yean**  
 Company Secretaries  
 Kuala Lumpur  
 20 January 2025