



Financial Statements

34	Directors' Report	45	Statements of Profit or Loss and Other Comprehensive Income
38	Statement by Directors	46	Consolidated Statement of Changes in Equity
38	Statutory Declaration	47	Statement of Changes in Equity
39	Independent Auditors' Report	48	Statements of Cash Flows
43	Statements of Financial Position	50	Notes to the Financial Statements
		88	Supplementary Information on Realised and Unrealised Profits or Losses

Directors' Report

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 August 2017.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Profit for the financial year	2,425,577	2,464,101
Attributable to:		
Owners of the parent	2,425,577	2,464,101

DIVIDEND

Dividend paid and declared since the end of the previous financial year was as follows:

	RM
In respect of the financial year ended 31 August 2016:	
First and final single-tier dividend of 1.75 sen per ordinary share, paid on 17 March 2017	2,089,455

The Directors proposed a first and final single-tier dividend of 1.0 sen per ordinary share amounting to RM1,193,764 in respect of the financial year ended 31 August 2017, subject to the approval of the shareholders at the forthcoming Annual General Meeting.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

There was no issue of new shares or debentures during the financial year.

TREASURY SHARES

The shareholders of the Company, by an ordinary resolution passed at the Annual General Meeting held on 21 February 2017, approved the Company's plan to repurchase up to 10% of the issued and paid-up ordinary share capital of the Company. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believed that the purchase plan was applied in the best interests of the Company and its shareholders.

During the financial year, the Company repurchased 22,000 (2016: 101,800) of its issued share capital from the open market on Bursa Malaysia Securities Berhad for RM19,702 (2016: RM83,475). The average price paid for the shares repurchased was RM0.90 (2016: RM0.82) per ordinary share. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with the requirement of Section 127 of the Companies Act, 2016 in Malaysia.

TREASURY SHARES (continued)

As at 31 August 2017, the Company held a total of 624,000 (2016: 602,000) of its 120,000,434 issued ordinary share capital as treasury shares. Such treasury shares are being held at a carrying amount of RM569,716 (2016: RM550,014) and further relevant details are disclosed in Note 17 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year.

DIRECTORS

The Directors who have held for office since the date of the last report are:

Tan Sri Dato' Yap Suan Chee*
Radzulai Bin Yahaya*
Lim Tong Hee*
Dato' Mohd Zain Bin Yahya*
Datuk Alias Bin Ali
Dato' Prof. Dr. Sudin Bin Haron
Ir Leong Chee Kian*

* *Directors of the Company and its subsidiaries*

The Director of the subsidiary of the Company who have held for office since the date of the last report, excluding those who are listed above is:

Ho Yong Tong @ Kelvin Ho

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares of the Company during the financial year ended 31 August 2017 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016 in Malaysia were as follows:

	Number of ordinary shares			Balance as at 31.8.2017
	Balance as at 1.9.2016	Bought	Sold	
Shares in the Company				
Direct interests:				
Dato' Prof. Dr. Sudin Bin Haron	39,900	-	-	39,900
Lim Tong Hee	20,000	-	-	20,000
Indirect interests:				
Tan Sri Dato' Yap Suan Chee	59,689,511	-	-	59,689,511
Radzulai Bin Yahaya	13,955,075	-	-	13,955,075

By virtue of his interests in the ordinary shares of the Company, Tan Sri Dato' Yap Suan Chee is also deemed to be interested in the ordinary shares of all the subsidiaries to the extent that the Company has an interest.

None of the other Directors holding office at the end of the financial year held any interest in ordinary shares or options over ordinary shares of the Company or of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors has received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than the transactions entered into in the ordinary course of business with companies in which the Directors of the Company have substantial financial interests as disclosed in Note 32 to the financial statements.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of Directors' remuneration are disclosed in Note 32 to the financial statements.

INDEMNITY AND INSURANCE

There were no indemnity or insurance effected for Directors or officers of the Group and the Company during the financial year.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that there are no known bad debt to be written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets, other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
 - (i) which would necessitate the writing off of bad debts or render the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (continued)

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT (continued)

- (d) In the opinion of the Directors:
- (i) there has not arisen any item, transaction or event of a material and unusual nature which is likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

AUDITORS

The auditors, BDO, have expressed their willingness to continue in office.

Details of auditors' remuneration are disclosed in Note 26 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the Directors.

Tan Sri Dato' Yap Suan Chee
Director

Kuala Lumpur
21 November 2017

Dato' Mohd Zain Bin Yahya
Director

Statement by Directors

In the opinion of the Directors, the financial statements set out on pages 43 to 87 have been drawn up in accordance with the Financial Reporting Standards and the provisions of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 August 2017 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

In the opinion of the Directors, the information set out in Note 37 to the financial statements on page 88 has been compiled in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

On behalf of the Board,

Tan Sri Dato' Yap Suan Chee

Director

Kuala Lumpur
21 November 2017

Dato' Mohd Zain Bin Yahya

Director

Statutory Declaration

I, Lim Tong Hee, being the Director primarily responsible for the financial management of Melati Ehsan Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 43 to 88 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the abovenamed at)
Kuala Lumpur this)
21 November 2017)

Lim Tong Hee

Director

Before me:

Independent

Auditors' Report

To the Members of Melati Ehsan Holdings Berhad
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Melati Ehsan Holdings Berhad, which comprise the statements of financial position as at 31 August 2017 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 43 to 87.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 August 2017, and of their financial performance and cash flows for the financial year then ended in accordance with Financial Reporting Standards ("FRSs") and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Revenue and cost of sales recognition for construction contracts and property development

Revenue from construction contracts and property development for the financial year ended 31 August 2017 amounted to RM144.3 million and RM6.5 million respectively as disclosed in Note 24 to the financial statements. Cost of sales from construction contracts and property development for the financial year ended 31 August 2017 amounted to RM128.6 million and RM5.6 million respectively as disclosed in Note 25 to the financial statements.

The Group recognised revenue and costs from construction contracts and property development based on the percentage of completion method.

Significant management judgement and estimates are involved in determining the estimated total contract costs, which forms part of the computation of percentage of completion for construction contracts and property development projects.

Independent Auditors' Report

To the Members of Melati Ehsan Holdings Berhad
(Incorporated in Malaysia)

Key Audit Matters (continued)

(a) Revenue and cost of sales recognition for construction contracts and property development (continued)

Audit response

Our audit procedures included the following:

- (i) Obtained an understanding of the related controls over the revenue and cost recognition process;
- (ii) Recomputed the stage of completion determined by management for revenue recognition, by taking into account the construction and development costs incurred up to the end of the reporting period and the estimated costs to complete;
- (iii) Verified samples of costs incurred to date to the relevant supporting documentation such as contractor's progress claim;
- (iv) Compared prior budgets to actual outcomes to assess reliability of management's budgeting process; and
- (v) Inquired and inspected correspondences from sub-contractors in relation to variation orders and claims.

(b) Recoverability of trade receivables

As at 31 August 2017, trade receivables that were past due and not impaired amounted to RM48.9 million. The details of trade receivables and credit risk have been disclosed in Note 13 to the financial statements.

Management recognised allowances for impairment losses on trade receivables based on specific known facts or circumstances on customers' abilities to pay.

The determination of whether trade receivables are realisable or otherwise involves significant management judgement.

Audit response

Our audit procedures included the following:

- (i) Inquired from management regarding action plans to recover overdue amounts;
- (ii) Assessed evidence that adequate allowance for impairment losses has been made by management based on analysis of customer creditworthiness, historical payment trends and expectation of payment patterns; and
- (iii) Determined the levels of cash received subsequent to the end of the reporting period for its effect in reducing amounts outstanding as at the end of the reporting period.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

Information Other than the Financial Statements and Auditors' Report Thereon (continued)

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with FRSs and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

Independent Auditors' Report

To the Members of Melati Ehsan Holdings Berhad
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Responsibilities

The supplementary information set out in Note 37 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO

AF : 0206
Chartered Accountants

21 November 2017
Kuala Lumpur

Koay Theam Hock

02141/04/2019 J
Chartered Accountant

Statements of Financial Position

As at 31 August 2017

	Note	Group		Company	
		2017 RM	2016 RM	2017 RM	2016 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	5,289,618	4,214,246	-	-
Land held for property development	6	64,608,025	63,877,054	-	-
Investments in subsidiaries	7	-	-	124,247,719	109,247,719
Investment in a joint venture	8(a)	2,213,286	2,288,429	2,450,000	2,450,000
Goodwill on consolidation	9	506,455	506,455	-	-
Deferred tax assets	10	2,477,248	1,640,456	-	-
		75,094,632	72,526,640	126,697,719	111,697,719
Current assets					
Property development costs	11	31,115,959	34,886,004	-	-
Inventories	12	46,546,240	46,153,483	-	-
Trade and other receivables	13	128,184,561	98,715,221	59,442,971	76,944,971
Current tax assets		2,252,871	3,218,034	22,000	24,000
Cash and bank balances	15	37,767,831	31,102,449	3,129,250	296,760
		245,867,462	214,075,191	62,594,221	77,265,731
TOTAL ASSETS		320,962,094	286,601,831	189,291,940	188,963,450
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	16	60,000,217	60,000,217	60,000,217	60,000,217
Treasury shares	17	(569,716)	(550,014)	(569,716)	(550,014)
Reserves	18	150,560,504	150,224,382	127,849,088	127,474,442
TOTAL EQUITY		209,991,005	209,674,585	187,279,589	186,924,645

**Statements of
Financial Position**
As at 31 August 2017

	Note	Group		Company	
		2017 RM	2016 RM	2017 RM	2016 RM
LIABILITIES					
Non-current liabilities					
Borrowings	19	1,850,613	1,290,000	-	-
Deferred tax liabilities	10	1,400,000	1,421,019	-	-
		3,250,613	2,711,019	-	-
Current liabilities					
Trade and other payables	22	106,554,648	74,181,221	2,012,351	2,038,805
Borrowings	19	565,828	35,006	-	-
Current tax liabilities		600,000	-	-	-
		107,720,476	74,216,227	2,012,351	2,038,805
TOTAL LIABILITIES		110,971,089	76,927,246	2,012,351	2,038,805
TOTAL EQUITY AND LIABILITIES		320,962,094	286,601,831	189,291,940	188,963,450

The accompanying notes form an integral part of the financial statements.

Statements of

Profit or Loss and Other Comprehensive Income

For the financial year ended 31 August 2017

	Note	Group		Company	
		2017 RM	2016 RM	2017 RM	2016 RM
Revenue	24	168,047,874	103,863,123	3,000,000	-
Cost of sales	25	(150,591,696)	(91,438,783)	-	-
Gross profit		17,456,178	12,424,340	3,000,000	-
Other income		1,750,467	32,865,803	908	30,069,274
Administrative expenses		(10,526,868)	(8,935,325)	(242,250)	(270,116)
Other expenses		(4,592,425)	(5,892,105)	(294,557)	(298,654)
Finance costs		(103,384)	(54,289)	-	-
Share of results of a joint venture, net of tax	8(a)(iv)	(75,143)	(72,470)	-	-
Profit before tax	26	3,908,825	30,335,954	2,464,101	29,500,504
Taxation	27	(1,483,248)	(165,726)	-	269
Profit for the financial year		2,425,577	30,170,228	2,464,101	29,500,773
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		2,425,577	30,170,228	2,464,101	29,500,773
Profit attributable to:					
Owners of the parent		2,425,577	30,170,228	2,464,101	29,500,773
Total comprehensive income attributable to:					
Owners of the parent		2,425,577	30,170,228	2,464,101	29,500,773
Earnings per ordinary share attributable to equity holders of the Company:					
Basic (sen)	28	2.03	25.25		
Diluted (sen)	28	2.03	25.25		

The accompanying notes form an integral part of the financial statements.

Consolidated

Statement of Changes in Equity

For the financial year ended 31 August 2017

Group	Note	Non-distributable				Distributable	Total equity RM
		Share capital RM	Share premium RM	Reverse acquisition debit RM	Treasury shares RM	Retained earnings RM	
Balance as at 1 September 2015		60,000,217	19,830,264	(34,450,921)	(466,539)	136,765,978	181,678,999
Profit for the financial year		-	-	-	-	30,170,228	30,170,228
Other comprehensive income, net of tax		-	-	-	-	-	-
Total comprehensive income		-	-	-	-	30,170,228	30,170,228
Transactions with owners							
Repurchase of own shares	17	-	-	-	(83,475)	-	(83,475)
Dividend paid	29	-	-	-	-	(2,091,167)	(2,091,167)
Total transactions with owners		-	-	-	(83,475)	(2,091,167)	(2,174,642)
Balance as at 31 August 2016/1 September 2016		60,000,217	19,830,264	(34,450,921)	(550,014)	164,845,039	209,674,585
Profit for the financial year		-	-	-	-	2,425,577	2,425,577
Other comprehensive income, net of tax		-	-	-	-	-	-
Total comprehensive income		-	-	-	-	2,425,577	2,425,577
Transactions with owners							
Repurchase of own shares	17	-	-	-	(19,702)	-	(19,702)
Dividend paid	29	-	-	-	-	(2,089,455)	(2,089,455)
Total transactions with owners		-	-	-	(19,702)	(2,089,455)	(2,109,157)
Balance as at 31 August 2017		60,000,217	19,830,264	(34,450,921)	(569,716)	165,181,161	209,991,005

The accompanying notes form an integral part of the financial statements.

Statement of Changes in Equity

For the financial year ended 31 August 2017

Company	Note	Non-distributable			Distributable	Total Equity RM
		Share capital RM	Share premium RM	Treasury shares RM	Retained earnings RM	
Balance as at 1 September 2015		60,000,217	19,830,264	(466,539)	80,234,572	159,598,514
Profit for the financial year		-	-	-	29,500,773	29,500,773
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive income		-	-	-	29,500,773	29,500,773
Transactions with owners						
Repurchase of own shares	17	-	-	(83,475)	-	(83,475)
Dividend paid	29	-	-	-	(2,091,167)	(2,091,167)
Total transactions with owners		-	-	(83,475)	(2,091,167)	(2,174,642)
Balance as at 31 August 2016/ 1 September 2016		60,000,217	19,830,264	(550,014)	107,644,178	186,924,645
Profit for the financial year		-	-	-	2,464,101	2,464,101
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive income		-	-	-	2,464,101	2,464,101
Transactions with owners						
Repurchase of own shares	17	-	-	(19,702)	-	(19,702)
Dividend paid	29	-	-	-	(2,089,455)	(2,089,455)
Total transactions with owners		-	-	(19,702)	(2,089,455)	(2,109,157)
Balance as at 31 August 2017		60,000,217	19,830,264	(569,716)	108,018,824	187,279,589

The accompanying notes form an integral part of the financial statements.

Statements of Cash Flows

For the financial year ended 31 August 2017

	Note	Group		Company	
		2017 RM	2016 RM	2017 RM	2016 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		3,908,825	30,335,954	2,464,101	29,500,504
Adjustments for:					
Depreciation of property, plant and equipment	5	915,603	752,674	-	-
Dividend income	24	-	-	(3,000,000)	-
Gain on disposal of a subsidiary	31	-	(30,508,374)	-	(29,999,998)
Loss/(Gain) on disposal of property, plant and equipment		16,427	(320)	-	-
Finance costs		103,384	54,289	-	-
Interest income		(640,973)	(639,081)	(908)	(33,276)
Other receivable written off	26	-	8,374	-	8,374
Provision for liquidated damages	22(c)(iii)	1,270,095	3,776,258	-	-
Share of results of a joint venture, net of tax	8(a)(iv)	75,143	72,470	-	-
Operating profit/(loss) before working capital changes		5,648,504	3,852,244	(536,807)	(524,396)
Working capital changes:					
Land held for property development	6	(730,971)	(250,684)	-	-
Property development costs		3,770,045	1,544,069	-	-
Inventories		(392,757)	-	-	-
Trade and other receivables		(18,364,959)	24,558,894	5,000	3,975
Amounts due from contract customers		(10,761,381)	10,015,463	-	-
Trade and other payables		13,082,558	(28,223,812)	(2,454)	49,716
Amounts due to contract customers		18,017,770	(8,600,225)	-	-
Cash generated from/(used in) operations		10,268,809	2,895,949	(534,261)	(470,705)
Tax paid		(1,399,500)	(2,761,024)	(22,000)	(40,731)
Tax refunded		623,604	177,622	24,000	-
Net cash from/(used in) operating activities		9,492,913	312,547	(532,261)	(511,436)

Statements of Cash Flows

For the financial year ended 31 August 2017

	Note	Group		Company	
		2017 RM	2016 RM	2017 RM	2016 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Advances to a joint venture		(343,000)	(2,225,000)	(343,000)	(2,225,000)
Repayments from/(Advances to) subsidiaries - net		-	-	2,816,000	(5,910,504)
Dividend income received		-	-	3,000,000	-
Interest received		640,973	639,081	908	33,276
Proceeds from disposal of property, plant and equipment		71,698	1,400	-	-
Proceeds from disposal of subsidiary	31	-	2,000,000	-	2,000,000
Purchase of property, plant and equipment	5(c)	(649,100)	(230,573)	-	-
Withdrawal of fixed deposits pledged		1,956,850	383,241	-	-
Net cash from/(used in) investing activities		1,677,421	568,149	5,473,908	(6,102,228)
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend paid	29	(2,089,455)	(2,091,167)	(2,089,455)	(2,091,167)
Interest paid		(100,380)	(148,360)	-	-
Repayments of hire purchase payables		(144,199)	(885,585)	-	-
Repayments of term loans		(194,366)	(8,622,500)	-	-
Repurchase of own shares	17	(19,702)	(83,475)	(19,702)	(83,475)
Net cash used in financing activities		(2,548,102)	(11,831,087)	(2,109,157)	(2,174,642)
Net increase/(decrease) in cash and cash equivalents		8,622,232	(10,950,391)	2,832,490	(8,788,306)
Cash and cash equivalents at beginning of financial year		29,145,599	40,095,990	296,760	9,085,066
Cash and cash equivalents at end of financial year	15(e)	37,767,831	29,145,599	3,129,250	296,760

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements

31 August 2017

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office and principal place of business of the Company are located at No. 5, Jalan Titiwangsa, 53200 Kuala Lumpur.

The consolidated financial statements for the financial year ended 31 August 2017 comprise the financial statements of the Company and its subsidiaries and the Group's interests in a joint venture and a joint operation. These financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution of the Directors on 21 November 2017.

2. PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRSs") and the provisions of the Companies Act, 2016 in Malaysia.

However, Note 37 to the financial statements has been prepared in accordance with Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new FRSs during the financial year. The new FRSs and Amendments to FRSs adopted during the financial year are set out in Note 36.1 to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

4. OPERATING SEGMENTS

Melati Ehsan Holdings Berhad and its subsidiaries are principally engaged in investment holding, turnkey construction, property development, trading of construction materials and rental of machineries.

The Group has arrived at three (3) reportable segments that are organised and managed separately according to the nature of products and services, specific expertise and technologies requirements, which require different business and marketing strategies. The reportable segments are summarised as follows:

Construction	turnkey construction
Trading	trading of construction materials and rental of machineries
Property development	development of residential and commercial properties

Other operating segments that do not meet the quantitative thresholds of an individual reportable segment comprise mainly operations related to investment holding and money lending business.

4. OPERATING SEGMENTS (continued)

The chief operating decision maker of the Group monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on the basis of profit or loss from operations before tax.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current and previous financial years.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Geographical Segments

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

The following table provides an analysis of revenue, results, assets, liabilities and other information by operating segments of the Group:

2017	Construction RM	Trading RM	Property development RM	Others RM	Total RM
REVENUE					
Total revenue	144,290,123	17,274,836	6,482,915	3,000,000	171,047,874
Inter-segment revenue	-	-	-	(3,000,000)	(3,000,000)
Revenue from external customers	144,290,123	17,274,836	6,482,915	-	168,047,874
RESULTS					
Segment results	5,699,940	447,195	(2,160,890)	(615,009)	3,371,236
Finance costs	(15,550)	-	(87,834)	-	(103,384)
Interest income	342,277	3,467	291,519	3,710	640,973
Profit before tax	6,026,667	450,662	(1,957,205)	(611,299)	3,908,825
Tax expense	(1,704,458)	(110,086)	331,296	-	(1,483,248)
ASSETS					
Segment assets	143,741,430	7,285,167	161,002,546	8,932,951	320,962,094
LIABILITIES					
Segment liabilities	92,401,748	4,906,759	12,049,231	1,613,351	110,971,089
OTHER INFORMATION					
Additions to non-current assets other than financial instruments and deferred tax assets	(1,159,100)	-	(920,000)	-	(2,079,100)
Depreciation of property, plant and equipment	(842,003)	-	(73,600)	-	(915,603)

4. OPERATING SEGMENTS (continued)

The following table provides an analysis of revenue, results, assets, liabilities and other information by operating segments of the Group (continued):

2016	Construction RM	Trading RM	Property development RM	Others RM	Total RM
REVENUE					
Total revenue	78,582,367	11,065,820	16,413,863	-	106,062,050
Inter-segment revenue	(1,474,179)	(724,748)	-	-	(2,198,927)
Revenue from external customers	77,108,188	10,341,072	16,413,863	-	103,863,123
RESULTS					
Segment results	(398,325)	184,100	102,743	29,862,644	29,751,162
Finance costs	(24,781)	-	(29,508)	-	(54,289)
Interest income	561,663	7,776	20,425	49,217	639,081
Profit before tax	138,557	191,876	93,660	29,911,861	30,335,954
Tax expense	(161,137)	(46,378)	41,520	269	(165,726)
ASSETS					
Segment assets	106,991,736	8,532,906	165,350,329	5,726,860	286,601,831
LIABILITIES					
Segment liabilities	53,546,728	3,883,497	17,880,216	1,616,805	76,927,246
OTHER INFORMATION					
Additions to non-current assets other than financial instruments and deferred tax assets	(48,573)	-	(1,472,000)	-	(1,520,573)
Depreciation of property, plant and equipment	(752,674)	-	-	-	(752,674)

Major Customers

Revenue from three (3) customers in the construction segment represent approximately RM122,607,402 (2016: RM63,031,069) of the Group's revenue.

The following are major customers with revenue equal or more than ten (10) percent of Group's revenue:

	Revenue		Segment
	2017 RM	2016 RM	
Customer A	28,526,934	32,581,603	Construction
Customer B	39,626,966	20,810,823	Construction
Customer C	54,453,502	9,638,643	Construction

5. PROPERTY, PLANT AND EQUIPMENT

Group	Balance at 1.9.2016 RM	Additions RM	Disposals RM	Written off RM	Reclassification RM	Balance at 31.8.2017 RM
Cost						
Building	-	-	-	-	3,680,000	3,680,000
Computers	348,326	24,073	-	(33,854)	-	338,545
Office equipment	107,953	14,112	-	(739)	-	121,326
Furniture and fittings	116,680	1,981	-	(8,381)	-	110,280
Motor vehicles	2,971,666	1,118,934	(233,198)	-	-	3,857,402
Plant and machinery	2,565,000	-	-	-	-	2,565,000
Construction in progress	2,760,000	920,000	-	-	(3,680,000)	-
	8,869,625	2,079,100	(233,198)	(42,974)	-	10,672,553

	Balance at 1.9.2016 RM	Charge for the financial year RM	Disposals RM	Written off RM	Balance at 31.8.2017 RM
Accumulated depreciation					
Building	-	73,600	-	-	73,600
Computers	296,354	27,617	-	(33,854)	290,117
Office equipment	85,560	8,452	-	(739)	93,273
Furniture and fittings	69,948	10,270	-	(8,381)	71,837
Motor vehicles	2,151,517	282,664	(145,073)	-	2,289,108
Plant and machinery	2,052,000	513,000	-	-	2,565,000
	4,655,379	915,603	(145,073)	(42,974)	5,382,935

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Balance at 1.9.2015 RM	Additions RM	Disposals RM	Balance at 31.8.2016 RM
Cost				
Computers	308,360	39,966	-	348,326
Office equipment	107,596	1,007	(650)	107,953
Furniture and fittings	116,680	-	-	116,680
Motor vehicles	2,967,516	7,600	(3,450)	2,971,666
Plant and machinery	2,565,000	-	-	2,565,000
Construction in progress	1,288,000	1,472,000	-	2,760,000
	7,353,152	1,520,573	(4,100)	8,869,625

	Balance at 1.9.2015 RM	Charge for the financial year RM	Disposals RM	Balance at 31.8.2016 RM
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Accumulated depreciation

Computers	269,592	26,762	-	296,354
Office equipment	77,320	8,500	(260)	85,560
Furniture and fittings	59,626	10,322	-	69,948
Motor vehicles	1,960,187	194,090	(2,760)	2,151,517
Plant and machinery	1,539,000	513,000	-	2,052,000
	3,905,725	752,674	(3,020)	4,655,379

	Group	
	2017 RM	2016 RM

Carrying amount

Building	3,606,400	-
Computers	48,428	51,972
Office equipment	28,053	22,393
Furniture and fittings	38,443	46,732
Motor vehicles	1,568,294	820,149
Plant and machinery	-	513,000
Construction in progress	-	2,760,000
	5,289,618	4,214,246

- (a) All items of property, plant and equipment are measured after initial recognition at cost less accumulated depreciation and any accumulated impairment losses.

5. PROPERTY, PLANT AND EQUIPMENT (continued)

- (b) Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The estimated useful lives represent common life expectancies applied in the industry within which the Group operates. The principal annual depreciation rates are as follows:

Building	2%
Computers	20% - 25%
Office equipment	10% - 15%
Furniture and fittings	10%
Motor vehicles	10%
Plant and machinery	20%

Construction in progress is not depreciated until such time that the asset is available for use.

- (c) During the financial year, the Group made the following cash payments to purchase property, plant and equipment:

	2017 RM	Group 2016 RM
Purchase of property, plant and equipment	2,079,100	1,520,573
Financed by term loan	(920,000)	(1,290,000)
Financed by hire purchase	(510,000)	-
Cash payments on purchase of property, plant and equipment	649,100	230,573

- (d) The carrying amounts of the property, plant and equipment of the Group under hire purchase arrangements are as follows:

	2017 RM	Group 2016 RM
Motor vehicles	597,162	89,921

Details of the term and conditions of the hire purchase arrangements are disclosed in Note 21 to the financial statements.

- (e) The carrying amounts of the property, plant and equipment of the Group registered in the name of a Director of the Company, which are held in trust by the said Director, are as follows:

	2017 RM	Group 2016 RM
Motor vehicles	284,000	340,800

- (f) Building with a carrying amount of RM3,606,400 (2016: RM Nil) which was classified as construction in progress with carrying amount of RM2,760,000 in the previous financial year, has been pledged to a bank for term loan facility granted to the Group as disclosed in Note 20 to the financial statements.

6. LAND HELD FOR PROPERTY DEVELOPMENT

Group	Freehold land RM	Leasehold land RM	Development costs RM	Total RM
At cost				
Balance as at 1 September 2015	22,000,000	39,495,580	2,130,790	63,626,370
Additions	-	-	250,684	250,684
Balance as at 31 August 2016/1 September 2016	22,000,000	39,495,580	2,381,474	63,877,054
Additions	-	-	730,971	730,971
Balance as at 31 August 2017	22,000,000	39,495,580	3,112,445	64,608,025

- (a) Land held for property development is stated at cost less impairment losses, if any. Such land is classified as non-current asset when no significant development work has been carried out or where development activities are not expected to be completed within the normal operating cycle.
- (b) Freehold land held for property development with a carrying amount of RM22,000,000 (2016: RM22,000,000) have been pledged to a licensed bank for bank guarantee granted to a subsidiary as disclosed in Note 33 to the financial statements.

7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2017 RM	2016 RM
Unquoted equity shares, at cost	49,247,719	49,247,719
Equity loans	75,000,000	60,000,000
	124,247,719	109,247,719

- (a) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.
- (b) Equity loans represent non-trade loan granted by the Company to subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future and is intended to provide the subsidiary with a long-term source of additional capital. It is, in substance, an addition to the Company's investment in the subsidiary and accordingly, is accounted for under FRS 127 *Separate Financial Statements* as part of the investment in the subsidiary and measured at cost.
- (c) During the financial year, the Directors of the Company have reassessed the nature of the amounts owing by subsidiaries and determined that a portion of the outstanding balance amounting to RM75,000,000 (2016: RM60,000,000) shall constitute equity loans to the subsidiaries, which are unsecured, interest free and settlement is neither planned nor likely to occur in the foreseeable future, and are considered to be part of the Company's net investment in providing the subsidiaries with a long term source of additional capital.

7. INVESTMENTS IN SUBSIDIARIES (continued)

(d) The details of the subsidiaries are as follows:

Name of Company	Equity interest		Principal activities
	2017 %	2016 %	
Bayu Melati Sdn. Bhd.	100	100	Turnkey contractor and property development
Pembinaan Kery Sdn. Bhd.	100	100	Turnkey contractor
Melati Ehsan Trading Sdn. Bhd.	100	100	Trading of construction materials and rental of machineries
Melati Ehsan Consolidated Sdn. Bhd.	100	100	Property development and turnkey contractor
Asas Jiwa Sdn. Bhd.	100	100	Property development and investment holding
Melati Ehsan Capital Sdn. Bhd.	100	100	Money lending business*

All the subsidiaries are incorporated in Malaysia and audited by BDO.

* Melati Ehsan Capital Sdn. Bhd. had temporarily ceased its business operation with no additional loans granted other than the loans previously given out.

(e) In the previous financial year, the Company disposed two (2) ordinary shares of RM1 each, representing 100% of the equity interest in a subsidiary, Newstar Equity Sdn. Bhd., for a total cash consideration of RM30,000,000 in which RM28,000,000 was offset against other payables as disclosed in Note 31 to the financial statements.

8. INVESTMENTS IN JOINT ARRANGEMENTS

(a) Investment in a joint venture

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Unquoted equity shares, at cost	2,450,000	2,450,000	2,450,000	2,450,000
Share of results	(236,714)	(161,571)	-	-
	2,213,286	2,288,429	2,450,000	2,450,000

8. INVESTMENTS IN JOINT ARRANGEMENTS (continued)

(a) Investment in a joint venture (continued)

- (i) A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. These parties are known as joint venturers.

In the separate financial statements of the Company, an investment in a joint venture is stated at cost. The Group recognises its interest in a joint venture as an investment in a joint venture and accounts for that investment using the equity method.

- (ii) The details of the joint venture are as follows:

Joint venture	Group/Company effective interest in equity		Principal activities
	2017 %	2016 %	
B.H.O. Melati Sdn. Bhd.	49	49	Construction and asset management services

The joint venture is incorporated in Malaysia.

- (iii) B.H.O. Melati Sdn. Bhd., the only joint venture in which the Group participates, is an unlisted separate structured entity whose quoted market price is not available. The contractual arrangement provides the Group with only the rights to the net assets of the joint arrangement, with the rights to the assets and obligation for liabilities of the joint arrangement resting primarily with B.H.O. Melati Sdn. Bhd..
- (iv) The summarised financial information of the joint venture, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are as follows:

	2017 RM	Group 2016 RM
Assets and liabilities		
Non-current assets	20,721	25,454
Current assets	10,198,191	9,646,910
Current liabilities	(5,702,002)	(5,002,100)
Net assets	4,516,910	4,670,264
Proportion of the ownership of the Group	49%	49%
Carrying amount	2,213,286	2,288,429

8. INVESTMENTS IN JOINT ARRANGEMENTS (continued)

(a) Investment in a joint venture (continued)

- (iv) The summarised financial information of the joint venture, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are as follows (continued):

	2017 RM	Group 2016 RM
Results		
Other expenses	(153,354)	(147,897)
Loss before tax	(153,354)	(147,897)
Taxation	-	-
Loss for the financial year	(153,354)	(147,897)
Share of loss by the Group for the financial year	(75,143)	(72,470)

The joint venture had no contingent liabilities and capital commitments as at 31 August 2017 and 31 August 2016.

(b) Investment in a joint operation

- (i) A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. These parties are known as joint operators.
- (ii) The details of the joint operation are as follows:

Joint operation	Group effective interest in equity		Principal activity
	2017 %	2016 %	
Konsortium Syarikat Bina Darulaman Berhad - Pembinaan Kery Sdn. Bhd. ("BDB-PKSB")	45	45	Construction of a 2-lane single carriageway road from Durian Burung to Kupang in Kedah ("TEKIH Project")

TEKIH Project was awarded by Jabatan Kerja Raya Malaysia to the joint operation. Thereafter, the joint operation sub-contracted the said project to Bayu Melati Sdn. Bhd., a subsidiary of the Company.

8. INVESTMENTS IN JOINT ARRANGEMENTS (continued)

(b) Investment in a joint operation (continued)

(iii) The following amounts represent the Group's proportionate share of assets and liabilities of the unincorporated joint operation and have been included in the financial statements under their respective classification categories:

	2017 RM	Group 2016 RM
Current assets		
Bank balances	851	851
Current liabilities		
Other payables and accruals	(900)	(900)
Net current liabilities	(49)	(49)

The joint operation had no contingent liabilities and capital commitment as at 31 August 2017 and 31 August 2016.

9. GOODWILL ON CONSOLIDATION

	2017 RM	Group 2016 RM
Carrying amount	506,455	506,455

- (a) Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost. After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any.
- (b) Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating unit ("CGU") that is expected to benefit from the business combination. The carrying amount of goodwill had been allocated mainly to the construction division as an independent CGU.
- (c) The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The recoverable amount of the CGU is determined using the value-in-use basis, involving cash flow projections calculations derived from the most recent financial budgets approved by management covering a five-year period.

- (d) Value-in-use was determined by discounting the future cash flows generated from the continuing use of the CGU and management's assessment of future trends based on the following key assumptions:
- (i) Revenue is projected based on specific projects with percentages of completion ranging from 55% to 100% at the end of year five.
 - (ii) Projected profit margins ranging from 2% to 24%.
 - (iii) Pre-tax discount rate of 8.20% was applied to the cash flow projections. The discount rate was estimated based on the Group's weighted average cost of capital.

With regard to the assessment of value-in-use, the management is of the view that no reasonably possible change in any of the above key assumptions would cause the carrying amount of the goodwill to materially differ from its recoverable amount.

- (e) During the financial year, the Group assessed the recoverable amount of goodwill and no impairment loss is required as the recoverable amount is higher than the carrying amount.

10. DEFERRED TAX

(a) The deferred tax assets and liabilities are made up of the following:

	Group	
	2017 RM	2016 RM
Balance as at 1 September	(219,437)	144,205
Recognised in profit or loss (Note 27)	(857,811)	(363,642)
Balance as at 31 August	(1,077,248)	(219,437)
Presented after appropriate offsetting:		
	2017 RM	Group 2016 RM
Deferred tax assets, net	(2,477,248)	(1,640,456)
Deferred tax liabilities, net	1,400,000	1,421,019
	(1,077,248)	(219,437)

(b) The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax assets of the Group

	Unused tax losses and unabsorbed capital allowances RM	Others RM	Total RM
At 1 September 2015	(62,403)	(1,208,142)	(1,270,545)
Recognised in profit or loss	(175,391)	(194,520)	(369,911)
At 31 August 2016/1 September 2016	(237,794)	(1,402,662)	(1,640,456)
Recognised in profit or loss	(498,577)	(338,215)	(836,792)
At 31 August 2017	(736,371)	(1,740,877)	(2,477,248)

Deferred tax liabilities of the Group

	Property, plant and equipment RM	Land held for property development RM	Total RM
At 1 September 2015	14,750	1,400,000	1,414,750
Recognised in profit or loss	6,269	-	6,269
At 31 August 2016/1 September 2016	21,019	1,400,000	1,421,019
Recognised in profit or loss	(21,019)	-	(21,019)
At 31 August 2017	-	1,400,000	1,400,000

10. DEFERRED TAX (continued)

- (c) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	2017 RM	Group 2016 RM
Unutilised tax losses	38,617	38,511

Deferred tax assets of certain subsidiaries had not been recognised in respect of these items as it is not probable that future taxable profits of certain subsidiaries would be available against which the deductible temporary differences could be utilised.

These temporary differences do not expire under the current tax legislation.

11. PROPERTY DEVELOPMENT COSTS

Group	Note	Freehold land RM	Leasehold land RM	Development costs RM	Total RM
Cumulative property development costs					
Balance as at 1 September 2015		8,612,205	63,527,847	189,773,630	261,913,682
Additions		-	-	6,516,584	6,516,584
Transfer to inventories		-	(12,634,610)	(33,518,873)	(46,153,483)
Close out of completed projects		(8,612,205)	(34,024,360)	(127,030,492)	(169,667,057)
Balance as at 31 August 2016/ 1 September 2016		-	16,868,877	35,740,849	52,609,726
Additions		-	-	1,802,735	1,802,735
Balance as at 31 August 2017		-	16,868,877	37,543,584	54,412,461

11. PROPERTY DEVELOPMENT COSTS (continued)

Group	Note	Freehold land RM	Leasehold land RM	Development costs RM	Total RM
Cumulative costs recognised in the statements of profit or loss and other comprehensive income					
Balance as at 1 September 2015		(8,612,205)	(34,453,742)	(136,323,768)	(179,389,715)
Recognised during the financial year	25	-	(2,379,454)	(5,621,610)	(8,001,064)
Close out of completed projects		8,612,205	34,024,360	127,030,492	169,667,057
<hr/>					
Balance as at 31 August 2016/ 1 September 2016		-	(2,808,836)	(14,914,886)	(17,723,722)
Recognised during the financial year	25	-	(772,021)	(4,800,759)	(5,572,780)
<hr/>					
Balance as at 31 August 2017		-	(3,580,857)	(19,715,645)	(23,296,502)
<hr/>					
Property development costs as at 31 August 2016		-	14,060,041	20,825,963	34,886,004
<hr/>					
Property development costs as at 31 August 2017		-	13,288,020	17,827,939	31,115,959
<hr/>					

- (a) The portion of property development costs where significant development work has been undertaken and which is expected to be completed within the normal operating cycle is considered as a current asset.
- (b) In the previous financial year, borrowing costs capitalised for property development activities of the Group amounted to RM59,589 at interest rate of 5.59% to 5.62% per annum.

12. INVENTORIES

	2017 RM	Group 2016 RM
At cost		
Completed properties held for sale	46,546,240	46,153,483
<hr/>		

Completed properties held for sale consist of cost associated with the acquisition of land, direct costs and appropriate proportions of common costs attributable to developing the properties to completion.

13. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2017 RM	2016 RM	2017 RM	2016 RM
Trade receivables					
Receivables	14	91,040,127	71,243,306	-	-
Amounts due from contract customers		13,737,042	2,975,661	-	-
Accrued billings in respect of property development		1,676,815	2,646,720	-	-
		106,453,984	76,865,687	-	-
Less: Impairment loss		(4,336,813)	(4,336,813)	-	-
		102,117,171	72,528,874	-	-
Other receivables					
Amounts owing by subsidiaries		-	-	56,614,971	74,454,971
Amount owing by a joint venture		2,813,000	2,470,000	2,813,000	2,470,000
Advances to subcontractors		1,273,612	-	-	-
Deposits		18,512,920	18,940,647	15,000	15,000
Other receivables		1,844,840	1,501,993	-	-
		24,444,372	22,912,640	59,442,971	76,939,971
Less: Impairment loss		(450,000)	(450,000)	-	-
		23,994,372	22,462,640	59,442,971	76,939,971
Loans and receivables		126,111,543	94,991,514	59,442,971	76,939,971
Prepayments		2,073,018	3,723,707	-	5,000
		128,184,561	98,715,221	59,442,971	76,944,971

(a) Financial assets classified as loans and receivables are measured at amortised cost using the effective interest method.

(b) Trade receivables

- (i) Trade receivables mainly comprise amounts receivable from customers in respect of progress billings made with regards to construction contracts undertaken and amounts receivable from housing buyers. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

The credit period granted on construction contracts and housing buyers of the Group ranges from 14 to 180 (2016: 14 to 180) days. However, extension of the credit period is assessed and approved on a case by case basis.

- (ii) In the previous financial year, included in trade receivables is an amount of RM103,038 with effective interest rate of 7.51% per annum.

13. TRADE AND OTHER RECEIVABLES (continued)

(b) Trade receivables (continued)

- (iii) Included in trade receivables is an amount of RM12,061,390 (2016: RM5,258,613), representing retention sums for contract works as disclosed in Note 14 to the financial statements.

The retention sums are unsecured, interest free and are expected to be collected as follows:

	2017 RM	Group 2016 RM
Within one (1) year	12,061,390	5,258,613

- (iv) Included in trade receivables are amounts of RM73,019,934 (2016: RM50,630,847) owing by related parties, which are unsecured, interest free and subject to normal trade terms.

- (v) The ageing analysis of trade receivables of the Group are as follows:

	2017 RM	Group 2016 RM
Neither past due nor impaired	53,170,098	31,564,173
Past due, not impaired		
1 to 30 days	1,221,919	1,428,992
31 to 60 days	1,673,262	1,247,946
61 to 90 days	476,466	367,932
91 to 120 days	193,368	7,978
121 to 150 days	674,015	-
More than 150 days	44,708,043	37,911,853
	48,947,073	40,964,701
Past due and impaired	4,336,813	4,336,813
	106,453,984	76,865,687

Trade receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the trade receivables of the Group that are neither past due nor impaired have been renegotiated during the financial year.

Trade receivables that past due but not impaired

Based on the Group's past experience and owing to the reason that no loss event had occurred to these customers, such as significant financial difficulties, no impairment was made in respect of these past due trade receivables. These receivables are unsecured in nature.

13. TRADE AND OTHER RECEIVABLES (continued)

(b) Trade receivables (continued)

(v) The ageing analysis of trade receivables of the Group are as follows (continued):

Trade receivables that past due and impaired

Trade receivables of the Group that are past due and impaired at the end of the reporting period have been individually impaired.

Group	Individually impaired	
	2017 RM	2016 RM
Trade receivables, gross	4,336,813	4,336,813
Less: Impairment loss	(4,336,813)	(4,336,813)
	-	-

The movement of impairment losses in respect of trade receivables during the financial year are as follows:

Trade receivables	Group	
	2017 RM	2016 RM
At 1 September/31 August	4,336,813	4,336,813

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to those debtors that exhibit significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

The Group makes impairment of receivables based on an assessment of the recoverability of receivables. Impairment is applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. The Group specifically analyses historical bad debts, customer concentration, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the impairment of receivables. Where the expectations differ from the original estimates, the differences would impact the carrying amount of receivables.

(c) Other receivables

- (i) Amounts owing by subsidiaries mainly arose from advances and payments made on behalf, which are unsecured, interest free and repayable upon demand in cash and cash equivalents.
- (ii) Advances granted by the Group to third party subcontractors are unsecured, interest free and repayable upon demand in cash and cash equivalents.
- (iii) Included in deposits of the Group and of the Company is an amount of RM15,000 (2016: RM15,000) owing by a related party, which is unsecured, interest free and repayable upon demand in cash and cash equivalents.
- (iv) Included in deposits of the Group are deposit amounting to RM5,000,000 (2016: RM5,000,000) paid in respect of a joint venture with PKNS Holdings Sdn. Bhd. and deposit amounting to RM7,600,000 (2016: RM7,600,000) paid in respect for purchase of three (3) parcels of leasehold land held under H.S.(D) 54886, 54887 and 54888 for PT No. 4505, 4506 and 4507, Mukim Bandar Selayang, District Gombak, State of Selangor.

13. TRADE AND OTHER RECEIVABLES (continued)

(c) Other receivables (continued)

(v) The movement of impairment losses in respect of other receivables during the financial year are as follows:

	2017 RM	Group 2016 RM
Other receivables		
At 1 September/31 August	450,000	450,000

Other receivables that are individually determined to be impaired at the end of the reporting period relate to those debtors that exhibit significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(d) Trade and other receivables are denominated in RM.

(e) The Group determines concentration of credit risk by monitoring the industry sector profiles of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of each reporting period is as follows:

	2017		Group		2016	
	RM	% of Total	RM	%	% of total	
By industry sectors						
Construction	93,165,161	91.23	57,268,555		78.96	
Trading	5,945,029	5.82	5,564,869		7.67	
Property development	3,006,981	2.95	9,592,412		13.23	
Other operating segments	-	-	103,038		0.14	
	102,117,171	100.00	72,528,874		100.00	

At the end of each reporting period:

- (i) 9% (2016: 5%) of the Group's trade receivables are due from one (1) (2016: one (1)) major customer while 72% (2016: 70%) are due from related parties.
- (ii) 95% (2016: 97%) of the Company's other receivables are amounts owing by subsidiaries.

14. AMOUNTS DUE FROM/(TO) CONTRACT CUSTOMERS

	Note	Group	
		2017 RM	2016 RM
Aggregate costs incurred to date		1,068,134,236	1,187,960,460
Add: Attributable profits		129,124,330	145,876,592
		1,197,258,566	1,333,837,052
Elimination due to completion of projects during the year		(8,092,684)	(280,831,962)
Total		1,189,165,882	1,053,005,090
Less: Progress billings		(1,206,022,832)	(1,335,344,929)
Elimination due to completion of projects during the year		8,092,684	280,831,962
		(1,197,930,148)	(1,054,512,967)
		(8,764,266)	(1,507,877)
Represented by:			
Amounts due from contract customers	13	13,737,042	2,975,661
Amounts due to contract customers	22	(22,501,308)	(4,483,538)
		(8,764,266)	(1,507,877)
Contract costs recognised as an expense during the year	25	128,622,713	73,314,339
Retention sums on contracts, included under trade receivables	13(b)(iii)	12,061,390	5,258,613
Retention sums on contracts, included under trade payables	22(b)(ii)	25,056,819	19,082,516

15. CASH AND BANK BALANCES

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Cash at banks	4,557,349	27,019,193	628,342	296,760
Fixed deposits with licensed banks	33,210,482	4,083,256	2,500,908	-
	37,767,831	31,102,449	3,129,250	296,760

- (a) Fixed deposits of the Group and of the Company have maturity periods ranging from 1 to 31 (2016: 1 to 31) days with weighted average effective interest rate of 2.80% and 2.65% (2016: 3.03% and 2.95%) per annum respectively.
- (b) In the previous financial year, included in fixed deposits of the Group was an amount of RM1,956,850 pledged to certain licensed banks as security for bank guarantees granted to the Group as disclosed in Note 33 to the financial statements.

15. CASH AND BANK BALANCES (continued)

- (c) As at the end of the financial year, included in the cash and bank balances of the Group is an amount of RM951,188 (2016: RM934,960) held under the Housing Development Account pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 (as amended by the Housing Development (Housing Development Account) (Amendment) Regulations, 2015). The utilisation of this balance is restricted. Before completion of the housing development and fulfilling all relevant obligations to the purchasers, the cash can only be withdrawn from such account for the purpose of completing the particular projects concerned.
- (d) Cash and bank balances are denominated in RM.
- (e) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the reporting period:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Cash and bank balances	37,767,831	31,102,449	3,129,250	296,760
Less:				
Fixed deposits pledged with licensed banks	-	(1,956,850)	-	-
	37,767,831	29,145,599	3,129,250	296,760

- (f) At the end of the reporting period, the interest rate profile of the cash and bank balances was:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Fixed rate	33,210,482	4,083,256	2,500,908	-

Sensitivity analysis for fixed rate cash and bank balances at the end of the reporting period is not presented as change in interest rates would not materially affect profit or loss.

16. SHARE CAPITAL

	Group and Company			
	Number of shares	2017 RM	Number of shares	2016 RM
Issued and fully paid up ordinary shares	120,000,434	60,000,217	120,000,434	60,000,217

- (a) The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.
- (b) With the introduction of the new Companies Act, 2016 effective 31 January 2017, the concept of authorised share capital and par value of share capital have been abolished.
- (c) At the end of the reporting period, the number of outstanding shares in issue after setting off against treasury shares is 119,376,434 (2016: 119,398,434).

17. TREASURY SHARES

The shareholders of the Company, by an ordinary resolution passed at the Annual General Meeting held on 21 February 2017, approved the Company's plan to repurchase up to 10% of the issued and paid-up ordinary share capital of the Company. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believed that the purchase plan is applied in the best interests of the Company and its shareholders.

During the financial year, the Company repurchased 22,000 (2016: 101,800) ordinary shares from the open market at an overall average price of RM0.90 (2016: RM0.82) per ordinary share. The total consideration including transaction costs was RM19,702 (2016: RM83,475). The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with the requirement of Section 127 of the Companies Act, 2016 in Malaysia.

As at 31 August 2017, the Company held a total of 624,000 (2016: 602,000) of its 120,000,434 issued ordinary share capital as treasury shares. Such treasury shares are being held at a carrying amount of RM569,716 (2016: RM550,014).

18. RESERVES

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Non-distributable				
Share premium	19,830,264	19,830,264	19,830,264	19,830,264
Reverse acquisition debit	(34,450,921)	(34,450,921)	-	-
Distributable				
Retained earnings	165,181,161	164,845,039	108,018,824	107,644,178
	150,560,504	150,224,382	127,849,088	127,474,442

(a) Share premium

Companies Act, 2016 ("CA2016") has come into effect on 31 January 2017. Following the adoption of CA2016, the share premium account will now be merged with the share capital of the Company. Notwithstanding that, Section 618 of CA2016 provides a transitional period of twenty four (24) months to utilise the share premium account. Therefore, the Company has not consolidated the share premium account into share capital until the expiry of the transitional period.

(b) Reverse acquisition debit

Reverse acquisition debit arose from the reverse acquisition of the Company by Bayu Melati Sdn. Bhd. ("BMSB") in 2007, as follows:

	Group RM
Paid-up share capital of the Company immediately before reverse acquisition	2
Shares issued by the Company to acquire BMSB	34,450,919
Adjustment taken to reverse acquisition debit	34,450,921

19. BORROWINGS

	Note	2017 RM	Group 2016 RM
Non-current liabilities			
Term loan	20	1,613,426	1,290,000
Hire purchase payables	21	237,187	-
		1,850,613	1,290,000
Current liabilities			
Term loan	20	402,208	-
Hire purchase payables	21	163,620	35,006
		565,828	35,006
Total borrowings			
Term loan	20	2,015,634	1,290,000
Hire purchase payables	21	400,807	35,006
		2,416,441	1,325,006

- (a) Borrowings are classified as other financial liabilities, and are measured at amortised cost using effective interest method.
- (b) Borrowings are denominated in RM.
- (c) The fair value of the borrowings of the Group are categorised as Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.
- (d) Borrowings that are not carried at fair values and whose carrying amounts are reasonable approximation of fair values are as follows:

	2017		2016	
	Carrying amount RM	Level 2 Fair value RM	Carrying amount RM	Level 2 Fair value RM
Group				
Hire-purchase payables	400,807	383,787	35,006	34,119

The fair values of hire purchase payables are estimated by discounting expected future cash flows at market incremental lending rate for similar types of instruments available to the Group at the end of the reporting period.

19. BORROWINGS (continued)

- (e) The following table sets out the carrying amounts, the weighted average effective interest rates as at the end of each reporting period and the remaining maturities of the borrowings of the Group and of the Company that are exposed to interest rate risk:

Group 31 August 2017	Weighted average effective interest rate per annum %	Within one (1) year RM	Within one (1) to two (2) years RM	Within two (2) to five (5) years RM	More than five (5) years RM	Total RM
Term loan						
Floating rate	4.85%	402,208	422,155	1,191,271	-	2,015,634
Hire purchase payables						
Fixed rates	4.84%	163,620	175,587	61,600	-	400,807
31 August 2016						
Term loan						
Floating rate	4.09%	-	-	1,145,074	144,926	1,290,000
Hire purchase payables						
Fixed rates	4.94%	35,006	-	-	-	35,006

- (f) Sensitivity analysis for fixed rate borrowings as at the end of the reporting period is not presented as fixed rate instruments are not affected by changes in interest rates. Sensitivity analysis of interest rate for the floating instruments at the end of the reporting period is not presented as the effect was not material.
- (g) The table below summarises the maturity profile of the borrowings as at the end of the reporting period based on contractual undiscounted repayment obligations:

Group 2017	On demand or within one (1) year RM	One (1) to five (5) years RM	Over five (5) years RM	Total RM
Term loan	491,112	1,761,067	-	2,252,179
Hire purchase payables	182,964	241,996	-	424,960
	674,076	2,003,063	-	2,677,139
2016				
Term loan	-	1,369,040	166,619	1,535,659
Hire purchase payables	35,920	-	-	35,920
	35,920	1,369,040	166,619	1,571,579

20. TERM LOAN

This term loan was obtained by the Group to finance the purchase of one unit of 4-storey terrace house known as Countryard Home in Emerald Bay Puteri Harbour.

The term loan is repayable over 60 monthly installments of RM40,926 each commencing on March 2017.

The term loan is secured by:

- (i) charge over the said property with a carrying amount of RM3,606,400 (2016: RM2,760,000) as disclosed in Note 5(f) to the financial statements; and
- (ii) corporate guarantee in favour of the bank by the Company.

The term loan bears an average interest rate of 4.85% (2016: 4.97%) per annum.

21. HIRE PURCHASE PAYABLES

Note	2017 RM	Group 2016 RM
Minimum hire purchase payments		
- not later than one (1) year	182,964	35,920
- later than one (1) year but not later than five (5) years	241,996	-
Total minimum hire purchase payments	424,960	35,920
Less: Future interest charges	(24,153)	(914)
Present value of hire purchase payments	400,807	35,006
Repayable as follows:		
Current liabilities		
- not later than one (1) year	19 163,620	35,006
Non-current liabilities		
- later than one (1) year but not later than five (5) years	19 237,187	-
	400,807	35,006

22. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2017 RM	2016 RM	2017 RM	2016 RM
Trade payables					
Third parties		64,401,564	45,132,343	-	-
Progress billings in respect of property development		1,774,871	7,149,571	-	-
Amounts due to contract customers	14	22,501,308	4,483,538	-	-
		88,677,743	56,765,452	-	-
Other payables					
Amounts owing to subsidiaries		-	-	1,800,000	1,824,000
Deposits received		248,500	227,000	-	-
Third parties		10,248,392	8,197,150	11,281	12,567
Accruals		7,380,013	8,991,619	201,070	202,238
		17,876,905	17,415,769	2,012,351	2,038,805
		106,554,648	74,181,221	2,012,351	2,038,805

(a) Trade and other payables are classified as other financial liabilities, and measured at amortised cost using the effective interest method.

(b) Trade payables

- (i) Trade payables arose from trade purchases and ongoing work-in-progress. The credit period granted to the Group ranges from 30 to 90 (2016: 30 to 90) days from date of invoice whereas retention sums are payable upon expiry of the defect liability periods.
- (ii) Included in trade payables is an amount of RM25,056,819 (2016: RM19,082,516), representing retention sums for contract works as disclosed in Note 14 to the financial statements.

(c) Other payables

- (i) Other payables comprise mainly advances from contract customers and accruals made in respect of construction costs incurred.
- (ii) Amounts owing to subsidiaries mainly arose from advances received and payments made on behalf, which are unsecured, interest free and payable upon demand in cash and cash equivalents.
- (iii) Included in accruals is an amount of RM6,972,723 (2016: RM5,702,628) in respect of provision for liquidated damages. Details are as follows:

	Group	
	2017 RM	2016 RM
At beginning of the financial year	5,702,628	3,800,751
Additions during the financial year	1,270,095	3,776,258
Paid during the financial year	-	(1,874,381)
At end of the financial year	6,972,723	5,702,628

22. TRADE AND OTHER PAYABLES (continued)

- (d) Trade and other payables are denominated in RM.
- (e) The maturity profile of the Group's trade and other payables (excluding progress billings in respect of property development and retention sums for contract works) at the end of reporting period based on contractual undiscounted repayment obligations is payable on demand or within one (1) year.

23. COMMITMENTS

(a) Operating lease commitments

The Group and the Company as lessee

The Group and the Company had entered into operating lease arrangements for office premise and residential units under operating leases for a term ranging from one (1) to three (3) years, with an option to renew the leases. None of these leases include contingent rent. At the end of the year, the Group and the Company have aggregate future minimum lease commitments and categorised as follows:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Not later than one (1) year	159,000	192,000	60,000	60,000
Later than one (1) year and not later than five (5) years	45,000	204,000	45,000	105,000
	204,000	396,000	105,000	165,000

(b) Capital commitments

	Group	
	2017 RM	2016 RM
Capital expenditure contracted but not provided for in respect of:		
- purchase of property, plant and equipment	-	920,000
- purchase of land held for property development	70,135,849	70,135,849
	70,135,849	71,055,849

24. REVENUE

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Construction contracts	144,290,123	77,108,188	-	-
Sales of trading inventories	16,992,543	10,090,911	-	-
Property development	6,482,915	16,413,863	-	-
Rental of machinery	282,293	250,161	-	-
Dividend from a subsidiary	-	-	3,000,000	-
	168,047,874	103,863,123	3,000,000	-

24. REVENUE (continued)

(a) Construction contracts

Profits from contract works are recognised on a percentage of completion method. Percentage of completion is determined on the proportion of contract costs incurred for work performed to date against total estimated costs where the outcome of the project can be estimated reliably.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable and contract costs are recognised as an expense in the period in which they are incurred.

Significant judgement is required in determining the stage of completion, the extent of the progress billings issued, the estimated total construction revenue and costs, as well as the recoverability of the construction projects revenue and determination of liquidated damages. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

(b) Sale of trading inventories

Revenue from sale of trading inventories is recognised when significant risks and rewards of ownership of the trading inventories have been transferred to the customer and where the Group does not have continuing managerial involvement over the trading inventories, which coincides with the delivery of trading inventories and acceptance by customers.

(c) Property development

Property development revenue is recognised in respect of all development units that have been sold. Revenue recognition commences when the sale of the development unit is effected, upon the commencement of development and construction activities and when the financial outcome can be reliably estimated. The attributable portion of property development cost is recognised as an expense in the period in which the related revenue is recognised. The amount of such revenue and expenses recognised is determined by reference to the stage of completion of development activity at the end of each reporting period. The stage of completion is measured by reference to the proportion that property development costs incurred for work performed to date bear to the estimated total property development cost.

When the financial outcome of a development activity cannot be reliably estimated, the property development revenue is recognised only to the extent of property development costs incurred that is probable to be recoverable and the property development costs on the development units sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project is recognised as an expense immediately, including costs to be incurred over the defects liability period.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

(d) Rental income

Rental income is accounted for on a straight line basis over the lease term of an ongoing lease.

(e) Dividend income

Dividend income is recognised when the right to receive payment is established.

25. COST OF SALES

	Note	2017 RM	Group 2016 RM
Construction contracts	14	128,622,713	73,314,339
Purchase of trading inventories		16,113,910	9,873,219
Property development	11	5,572,780	8,001,064
Rental of machinery		282,293	250,161
		150,591,696	91,438,783

26. PROFIT BEFORE TAX

Other than those disclosed elsewhere in the financial statements, the profit before tax is arrived at:

	2017 RM	Group 2016 RM	2017 RM	Company 2016 RM
After charging:				
Auditors' remuneration:				
- statutory audit	127,000	125,000	28,000	26,000
- non-statutory audit	7,000	7,000	5,000	5,000
Finance costs:				
- hire purchase interest	15,550	24,781	-	-
- term loan	87,834	29,508	-	-
Other receivables written off	-	8,374	-	8,374
Rental of premise payable:				
- to a third party	141,000	21,600	-	-
And crediting:				
Interest income from fixed deposits	640,973	639,081	908	33,276
Rental income	-	928,620	-	-

(a) Interest income is recognised as it accrues, using the effective interest method.

27. TAXATION

	Note	Group		Company	
		2017 RM	2016 RM	2017 RM	2016 RM
Current tax expense based on profit for the financial year		2,285,000	466,000	-	-
Under/(Over) provision in prior years		56,059	63,368	-	(269)
		2,341,059	529,368	-	(269)
Deferred tax:	10				
Relating to origination and reversal of temporary differences		(967,876)	(186,860)	-	-
Under/(Over) provision in prior years		110,065	(176,782)	-	-
		(857,811)	(363,642)	-	-
		1,483,248	165,726	-	(269)

Malaysian income tax is calculated at the statutory tax rate of 24% (2016: 24%) of the estimated taxable profits for the fiscal year.

The numerical reconciliation between the tax expense and the tax based on applicable tax rates are as follows:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Profit before tax	3,908,825	30,335,954	2,464,101	29,500,504
Tax at Malaysian statutory tax rate at 24% (2016: 24%)	938,118	7,280,629	591,384	7,080,121
Tax effects in respect of:				
Deferred tax assets not recognised	25	-	-	-
Non-allowable expenses	378,981	198,511	128,616	119,879
Non-taxable income	-	(7,200,000)	(720,000)	(7,200,000)
	1,317,124	279,140	-	-
Under/(Over) provision in prior years:				
- Income tax	56,059	63,368	-	(269)
- Deferred tax	110,065	(176,782)	-	-
	1,483,248	165,726	-	(269)

28. EARNINGS PER ORDINARY SHARE

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity owners of the parent by the weighted average number of ordinary shares outstanding during the financial year, after taking into consideration of treasury shares held by the Company.

	2017	Group 2016
Profit attributable to owners of the parent (RM)	2,425,577	30,170,228
Weighted average number of ordinary shares in issue	119,390,642	119,464,315
Basic earnings per ordinary share (sen)	2.03	25.25

(b) Diluted

Diluted earnings per ordinary share for the financial years 2017 and 2016 are same as the basic earnings per ordinary share as there are no potentially dilutive ordinary shares.

29. DIVIDENDS

	2017 RM	Company 2016 RM
First and final single-tier dividend of 1.75 sen per ordinary share for the financial year ended 31 August 2016, paid on 17 March 2017.	2,089,455	-
First and final single-tier dividend of 1.75 sen per ordinary share for the financial year ended 31 August 2015, paid on 18 March 2016.	-	2,091,167
	2,089,455	2,091,167

The Directors proposed a first and final single-tier dividend of 1.0 sen per ordinary share amounting to RM1,193,764 in respect of the financial year ended 31 August 2017, subject to the approval of the shareholders at the forthcoming Annual General Meeting. The financial statements for the current financial year do not reflect this proposed dividend. This dividend, if approved by shareholders, will be accounted for as an appropriation of retained earnings in the financial year ending 31 August 2018.

30. EMPLOYEE BENEFITS

	2017 RM	Group 2016 RM
Salaries, wages and bonuses	6,194,607	5,554,392
Contributions to defined contribution plan	685,307	598,111
Other employee benefits	267,337	229,778
	7,147,251	6,382,281

Included in the employee benefits of the Group are Executive Directors' remuneration amounting to RM2,015,261 (2016: RM1,891,255).

31. DISPOSAL OF A SUBSIDIARY

On 29 February 2016, the Company disposed two (2) ordinary shares of RM1 each, representing 100% of the equity interest in a subsidiary, Newstar Equity Sdn. Bhd., for a total cash consideration of RM30,000,000 in which RM28,000,000 was offset against other payables.

The gain on disposal of the subsidiary in the previous financial year was as follows:

	Group RM	Company RM
Cost of investment	-	2
Payables	(508,374)	-
(Net liabilities)/Carrying amount	(508,374)	2
Net proceeds from disposal	(30,000,000)	(30,000,000)
Gain on disposal	(30,508,374)	(29,999,998)

32. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other parties.

The Company has controlling related party relationship with its subsidiaries.

Other than as disclosed elsewhere in the financial statements, the related parties and their relationship with the Company and its subsidiaries are as follows:

Name of related parties	Relationship
(i) Bonus Focus (M) Sdn. Bhd.	Company in which Tan Sri Dato' Yap Suan Chee, Puan Sri Datin Teng Siew Kean, who is the spouse of Tan Sri Dato' Yap Suan Chee, are Directors and shareholders.
(ii) Maris Development Sdn. Bhd.	Company in which Radzulai Bin Yahaya is a Director and shareholder.
(iii) Sentul Murni Sdn. Bhd.	Company in which Puan Sri Datin Teng Siew Kean, who is the spouse of Tan Sri Dato' Yap Suan Chee is a Director. A wholly-owned subsidiary of Paramount Venue Sdn. Bhd. in which Puan Sri Datin Teng Siew Kean, the spouse of Tan Sri Dato' Yap Suan Chee, is also a major shareholder of the Company via her substantial interest in Paramount Venue Sdn. Bhd..
(iv) Mega Legacy (M) Sdn. Bhd.	Company in which Radzulai Bin Yahaya and Puan Sri Datin Teng Siew Kean, who is the spouse of Tan Sri Dato' Yap Suan Chee are Directors. A wholly-owned subsidiary of Mega Legacy Equity Sdn. Bhd. in which Yap Wei Sam, who is the son of Tan Sri Dato' Yap Suan Chee, is a Director and together with Puan Sri Datin Teng Siew Kean, are major shareholders of the Company via their substantial interest in Mega Legacy Equity Sdn. Bhd..

32. SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

(a) Identities of related parties (continued)

Other than as disclosed elsewhere in the financial statements, the related parties and their relationship with the Company and its subsidiaries are as follows (continued):

Name of related parties	Relationship
(v) Bayu Mantap Sdn. Bhd.	Company in which Tan Sri Dato' Yap Suan Chee is a Director and shareholder while Yap Wei Sam and Yap Wei Nie, who are the children of Tan Sri Dato' Yap Suan Chee are the directors, and Puan Sri Datin Teng Siew Kean, who is the spouse of Tan Sri Dato' Yap Suan Chee, is a Director and together with Tan Sri Dato' Yap Suan Chee are shareholders of Samwell Sdn. Bhd. which is a major shareholder.
(vi) Konsortium Melati Ehsan (M) Sdn. Bhd. - Desa Purnama Sdn. Bhd.	Joint venture of Melati Ehsan (M) Sdn. Bhd., a company in which Tan Sri Dato' Yap Suan Chee and Radzulai Bin Yahaya are Directors and shareholders while Yap Wei Sam, who is the son of Tan Sri Dato' Yap Suan Chee, is a Director.
(vii) Melati Ehsan Development Sdn. Bhd.	Company in which Tan Sri Dato' Yap Suan Chee and Radzulai Bin Yahaya, are Directors and shareholders while Puan Sri Datin Teng Siew Kean, who is the spouse of Tan Sri Dato' Yap Suan Chee, is a Director.

(b) Significant related party transactions

In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Dividend income	-	-	3,000,000	-
Management fee receivable	-	-	-	36,000

Related parties

Progress billings receivable	62,767,227	51,676,658	-	-
Rental of premise	60,000	60,000	60,000	60,000

The related party transactions described above were carried out based on negotiated terms and conditions mutually agreed with the respective related parties.

Information regarding outstanding balances with related parties are disclosed in Note 13 and Note 22 to the financial statements.

32. SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of the Group and the Company.

The remuneration of key management personnel during the financial year was as follows:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Executive Directors				
Fee	110,000	110,000	110,000	110,000
Salaries and other emoluments	2,015,261	1,891,255	-	-
Benefits-in-kind	15,500	15,500	-	-
	2,140,761	2,016,755	110,000	110,000
Non-executive Directors				
Fee	108,000	108,000	108,000	108,000
Other emoluments	18,000	18,000	18,000	18,000
Total	2,266,761	2,142,755	236,000	236,000

33. CONTINGENT LIABILITIES

	Group and Company	
	2017 RM	2016 RM
Secured		
Guarantees given to financial institutions on performance guarantee granted to subsidiaries	122,210,000	122,210,000
Unsecured		
Guarantees given to third parties for performance in the development agreement granted to a subsidiary	385,904,330	385,904,330
Guarantees given to third parties for performance in the construction agreement granted to a subsidiary	19,481,336	-
Guarantees given to suppliers for credit facilities granted to a subsidiary	4,300,000	5,600,000
Guarantees given to a third party for performance in the development agreement granted to a third party	4,389,802	4,389,803
	414,075,468	395,894,133

33. CONTINGENT LIABILITIES (continued)

- (a) The Group designates corporate guarantees given to banks for credit facilities granted to subsidiaries as insurance contracts as defined in FRS 4 *Insurance Contracts*. The Group recognises these corporate guarantees as insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

At the end of each reporting period, the Group assesses whether its recognised insurance liabilities, if any, are adequate, using current estimates of future cash flows under its insurance contracts. If this assessment shows that the carrying amount of the insurance liabilities is inadequate, the entire deficiency shall be recognised in profit or loss.

Recognised insurance liabilities, if any, are only removed from the statements of financial position when, and only when, it is extinguished via a discharge, cancellation or expiration.

The determination of treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies for matters in the ordinary course of the business.

The Directors are of the view that the chances of the financial institutions to call upon the corporate guarantees are remote.

- (b) The secured bank guarantee facilities of the Group are secured by way of a pledge of certain land held for property development and fixed deposits of the Group as disclosed in Note 6 and Note 15(b) to the said licensed banks.

34. CAPITAL AND FINANCIAL RISK MANAGEMENT

(a) Capital management

The primary objective of the capital management of the Group is to ensure that entities of the Group would be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance. The overall strategy of the Group remains unchanged from that in the previous financial year.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 August 2017 and 31 August 2016.

The Group monitors and maintains a prudent level of total debts and to ensure compliance with any externally imposed capital requirements, if any.

The Group monitors capital using a gearing ratio, which is loans and borrowings divided by total capital plus loans and borrowings. Capital represents equity attributable to the owners of the parent.

34. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(a) Capital management (continued)

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Loans and borrowings	2,416,441	1,325,006	-	-
Total capital	209,991,005	209,674,585	187,279,589	186,924,645
Loans and borrowings	2,416,441	1,325,006	-	-
Equity	212,407,446	210,999,591	187,279,589	186,924,645
Gearing ratio	1.14%	0.63%	-	-

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity equal to or not less than 25% of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40,000,000. The Company has complied with this requirement for the financial years ended 31 August 2017 and 31 August 2016.

(b) Financial risk management

The Group's financial risk management objective is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in interest rates and the unpredictability of the financial markets.

The Group operates within an established risk management framework and clearly defined guidelines that are regularly reviewed by the Board of Directors and does not trade in derivative financial instruments. Financial risk management is carried out through risk review programmes, internal control systems and adherence to the Group financial risk management policies. The Group is exposed mainly to credit risk, liquidity and cash flow risk as well as interest rate risk. Information on the management of the related exposures is detailed below.

(i) Credit risk

Cash deposits and trade receivables could give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. The Group's primary exposure to credit risk arises from its trade receivables. However, the Group and the Company will extend credit to its customers based on careful evaluation of the customers' financial condition and credit history and ensures a large number of customers so as to limit high credit concentration in a customer or customers from a particular market.

Exposure to credit risk

At the end of each reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The credit risks concentration profile of the Group and of the Company have been disclosed in Note 13 to the financial statements.

34. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

(ii) Liquidity and cash flow risk

Liquidity risk is the risk that the Group is unable to service its cash obligations in future.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In executing liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the Group's activities.

Prudent liquidity risk management implies maintaining level of cash and the availability of funding through an adequate amount of committed credit facilities.

The analysis of financial instruments by remaining contractual maturities have been disclosed in Note 19 and Note 22 to the financial statements.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group and of the Company would fluctuate because of changes in market interest rates.

The exposure of the Group and of the Company to interest rate risk arises primarily from fixed deposits as well as loans and borrowings. The Group manages its interest rate exposure by way of applying centralised treasury management function, closely monitoring the debt market and where necessary, maintaining a prudent mix of fixed and floating rate borrowings. This strategy allows the Group to borrow at competitive interest rates. The Group does not use derivative financial instruments to hedge any debt obligations.

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Note 15 and Note 19 to the financial statements.

35. COMPANIES ACT, 2016

Companies Act, 2016 ("CA2016") was passed on 4 April 2016 by the Dewan Rakyat (House of Representative) and gazetted on 15 September 2016 to replace the Companies Act, 1965. On 26 January 2017, the Minister of Domestic Trade, Co-operatives and Consumerism has appointed 31 January 2017 as the date on which CA2016 comes into operation except Section 241 and Division 8 of Part III of CA2016.

Consequently, the Group and the Company effected the following changes as at 31 January 2017:

- (a) Authorised share capital has been removed; and
- (b) Par or nominal value of ordinary shares have been removed.

36. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs

36.1 New FRSs adopted during the current financial year

The Group and the Company adopted the following Standards and Amendments of the FRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year.

Title	Effective Date
FRS 14 <i>Regulatory Deferral Accounts</i>	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128 <i>Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
Amendments to FRS 11 <i>Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
Amendments to FRS 101 <i>Disclosure Initiative</i>	1 January 2016
Amendments to FRS 116 and FRS 138 <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to FRS 127 <i>Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to FRSs <i>Annual Improvements to FRSs 2012 - 2014 Cycle</i>	1 January 2016

Adoption of the above Standards and Amendments did not have any material effect on the financial performance or position of the Group and of the Company, other than the adoption of Amendments to FRS 101 *Disclosure Initiative*, which resulted in the following:

- (a) Grouping together with the supporting information for items presented in the statements of financial position, statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows, in the order in which each statement and each line item is presented within the notes to the financial statements.
- (b) Disclosures of only significant accounting policies comprising the measurement bases used in preparing the financial statements and other accounting policies that are relevant to the financial statements.

36.2 New FRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2017

The following are Standards and Amendments of the FRS Framework that have been issued by the MASB but have not been early adopted by the Group and the Company:

Title	Effective Date
Amendments to FRS 107 <i>Disclosure Initiative</i>	1 January 2017
Amendments to FRS 112 <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
Amendments to FRS 12 <i>Annual Improvements to FRS Standards 2014 - 2016 Cycle</i>	1 January 2017
FRS 9 <i>Financial Instruments (IFRS 9 as issued by IASB in July 2014)</i>	1 January 2018
Amendments to FRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to FRS 1 <i>Annual Improvements to FRS Standards 2014 - 2016 Cycle</i>	See FRS 1 Paragraphs 39AD and 39ADAA
Amendments to FRS 4 <i>Applying FRS 9 Financial Instruments with FRS 4 Insurance Contracts</i>	See FRS 4 Paragraphs 46, 47AA and 48

36. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs (continued)

36.2 New FRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2017 (continued)

The following are Standards and Amendments of the FRS Framework that have been issued by the MASB but have not been early adopted by the Group and the Company (continued):

Title	Effective Date
Amendments to FRS 128 <i>Annual Improvements to FRS Standards 2014 - 2016 Cycle</i>	See FRS 128 Paragraphs 45E and 45EAA
Amendments to FRS 140 <i>Transfers of Investment Property</i>	See FRS 140 Paragraphs 85G and 85GAA
IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	See IC Interpretation 22 Paragraphs A1 and A1AA
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	See IC Interpretation 23 Paragraphs B1 and B1AA
Amendments to FRS 10 and FRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable in future financial years.

36.3 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2018

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework").

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 *Agriculture* (MFRS 141) and IC Interpretation 15 *Agreements for Construction of Real Estate* (IC 15), including its parent, significant investor and venturer (herein referred to as "Transitioning Entities").

Transitioning Entities are allowed to defer adoption of the new MFRS Framework. Consequently, adoption of the MFRS Framework by Transitioning Entities would be mandatory for annual periods beginning on or after 1 January 2018.

The Group and the Company fall within the scope definition of Transitioning Entities and accordingly, would be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the financial year ending 31 August 2019. In presenting its first MFRS financial statements, the Group and the Company would be required to adjust the comparative financial statements prepared under the FRS to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition would be made, retrospectively, against opening retained earnings. The Group and the Company would adopt the MFRS Framework during the financial year beginning on 1 September 2018.

37. SUPPLEMENTARY INFORMATION ON REALISED AND UNREALISED PROFITS OR LOSSES

The retained earnings as at the end of the reporting period may be analysed as follows:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Total retained earnings of the Company and its subsidiaries:				
- Realised	168,055,103	169,789,816	108,018,824	107,644,178
- Unrealised	2,460,248	282,470	-	-
	170,515,351	170,072,286	108,018,824	107,644,178
Total share of losses from a joint venture:				
- Realised	(236,714)	(161,571)	-	-
	170,278,637	169,910,715	108,018,824	107,644,178
Less: Consolidation adjustments	(5,097,476)	(5,065,676)	-	-
Total retained earnings	165,181,161	164,845,039	108,018,824	107,644,178

Analysis

of Shareholdings

As at 29 November 2017

SHARE CAPITAL

Total Number of Issued Shares	:	120,000,434
Total Number of Issued Shares (without Treasury Shares)	:	119,346,434
No. of Treasury Shares Held	:	654,000
Issued and Fully Paid-Up Capital	:	RM60,000,217.00
Class of Shares	:	Ordinary Shares
Voting Rights	:	1 vote per share

ANALYSIS BY SIZE OF SHAREHOLDING

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
Less Than 100	16	1.59	519	0.00
100 - 1,000	171	17.03	134,281	0.11
1,001 - 10,000	529	52.69	2,776,700	2.33
10,001 - 100,000	250	24.90	7,882,300	6.60
100,001 and below 5%	33	3.29	25,702,057	21.54
5% and above	5	0.50	82,850,577	69.42
Total	1,004	100.00	119,346,434	100.00

LIST OF 30 LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1.	Alpine Equity (M) Sdn. Bhd.	28,360,735	23.76
2.	Melati Ehsan Corporation Sdn. Bhd.	25,092,678	21.03
3.	Desalink Sdn. Bhd.	13,955,075	11.69
4.	Lembaga Tabung Haji	8,612,900	7.22
5.	SP Epark Konsortium Sdn. Bhd.	6,829,189	5.72
6.	Harta Mantap Sdn. Bhd.	5,398,398	4.52
7.	Competent Star Sdn. Bhd.	2,845,300	2.38
8.	Lim Tong Yong @ Lim Tong Yaim	2,181,000	1.83
9.	Tan Hong Hing @ Tan Eng Hing	2,159,359	1.81
10.	Malay-Sino Formic Acid Sdn. Bhd.	2,000,000	1.68
11.	Gan Boon Hoon	1,633,000	1.37
12.	Amsec Nominees (Tempatan) Sdn. Bhd. Beneficiary : Pledged Securities Account For Lim Peng Hong	1,115,800	0.93
13.	Lee Yoke Ming	913,400	0.77

LIST OF 30 LARGEST SHAREHOLDERS (continued)

No.	Name	No. of Shares	%
14.	HLIB Nominees (Tempatan) Sdn. Bhd. Beneficiary : Pledged Securities Account For Teng Siew Kean (MG0090-199)	837,700	0.70
15.	Maybank Nominees (Tempatan) Sdn. Bhd. Beneficiary : Pledged Securities Account For Lau Hing Kuok	702,000	0.59
16.	Teo Kwee Hock	597,500	0.50
17.	Ong Xiu Hui	562,000	0.47
18.	Public Invest Nominees (Tempatan) Sdn. Bhd. Beneficiary : Pledged Securities Account For Lee Chee Heong (M)	550,000	0.46
19.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Beneficiary : Pledged Securities Account For Lau Hing Kuok (8046060)	395,000	0.33
20.	Pang Tin @ Pang Yon Tin	372,000	0.31
21.	Maybank Nominees (Tempatan) Sdn. Bhd. Beneficiary : Liau Sek Thoon	312,600	0.26
22.	Chen Soh Chang	310,500	0.26
23.	Kenanga Nominees (Tempatan) Sdn. Bhd. Beneficiary : Pledged Securities Account For Pang Sar	295,000	0.25
24.	Kenanga Nominees (Tempatan) Sdn. Bhd. Beneficiary : Pledged Securities Account For Tang Tai Hua	260,000	0.22
25.	Yeo Khee Huat	222,400	0.19
26.	Lim Peng Hong	200,000	0.17
27.	Ooi Sing Hwat	200,000	0.17
28.	Dennis Tow Jun Fye	188,000	0.16
29.	Cimsec Nominees (Tempatan) Sdn. Bhd. Beneficiary: CIMB Bank For Jacqueline Tiong Siew Siew (MQ0293)	186,800	0.16
30.	Rudy Ng Chong Jin	175,000	0.15
	Total	107,463,334	90.06

SUBSTANTIAL SHAREHOLDERS
(As shown in the Register of Substantial Shareholders)
As at 29 November 2017

No.	Name of Substantial Shareholders	No. of Ordinary Shares			
		Direct	%	Indirect	%
1.	Alpine Equity (M) Sdn. Bhd.	28,360,735	23.76	-	-
2.	Melati Ehsan Corporation Sdn. Bhd.	25,092,678	21.03	-	-
3.	Tan Sri Dato' Yap Suan Chee	-	-	59,689,511 »	50.01
4.	Puan Sri Datin Teng Siew Kean	837,700	0.70	25,092,678 #	21.03
5.	Desalink Sdn. Bhd.	13,955,075	11.69	-	-
6.	Radzulai Bin Yahaya	-	-	13,955,075 ^	11.69
7.	SP Epark Konsortium Sdn. Bhd.	6,829,189	5.72	-	-
8.	Lim Peng Hong	1,315,800	1.10	20,784,264 *	17.41
9.	Lembaga Tabung Haji	8,612,900	7.22	-	-

STATEMENT OF DIRECTORS' SHAREHOLDINGS
As at 29 November 2017

No.	Directors' Name	No. of Ordinary Shares			
		Direct	%	Indirect	%
1.	Tan Sri Dato' Yap Suan Chee	-	-	59,689,511 »	50.01
2.	Radzulai Bin Yahaya	-	-	13,955,075 ^	11.69
3.	Lim Tong Hee	20,000	0.02	-	-
4.	Ir Leong Chee Kian	-	-	-	-
5.	Dato' Mohd Zain Bin Yahya	-	-	-	-
6.	Datuk Alias Bin Ali	-	-	-	-
7.	Dato' Prof Dr Sudin Bin Haron	39,900	0.03	-	-

Notes:-

1. # Deemed interested by virtue of her substantial shareholding in Melati Ehsan Corporation Sdn. Bhd.
2. ^ Deemed interested by virtue of his substantial shareholding in Desalink Sdn. Bhd.
3. * Deemed interested by virtue of his substantial shareholding in Desalink Sdn. Bhd. and SP Epark Konsortium Sdn. Bhd.
4. » Deemed interested by virtue of his substantial shareholding in Melati Ehsan Corporation Sdn. Bhd., Alpine Equity (M) Sdn. Bhd., Harta Mantap Sdn. Bhd. and shareholding of his spouse.

List of Properties

As at 31 August 2017

Location	Description/ Existing use	Date of Acquisition	Area	Tenure/ Age of building	Net book value/ cost as at 31 August 2017 (RM '000)
MELATI EHSAN CONSOLIDATED SDN BHD					
Lot No. 83958 PN 11849, Lot No. 83962 PN 11853, Lot No. 83963 PN 11854 and Lot No. 83964 PN 11851 Mukim Pekan Pandamaran, Daerah Klang, Negeri Selangor Darul Ehsan	Development land	25 July 2007	157,980 square meters	Leasehold (expiring on 23/12/2101)	30,947
H.S. (D) 133655 to 133681 No. PT 5192 to 5218 Mukim Pekan Pandamaran, Daerah Klang, Negeri Selangor Darul Ehsan	Development land	25 July 2007	4,276.2 square meters	Leasehold (expiring on 23/12/2101)	
H.S. (D) 155597, 155598 and 155599 No. PT 14817, 14820 and 14821 Mukim Pekan Pandamaran, Daerah Klang, Negeri Selangor Darul Ehsan	Development land	25 July 2007	213,092 square meters	Leasehold (expiring on 26/11/2105)	
No. 3, Jalan Bayu Sinaran, Emerald Bay, Puteri Harbour, 79000 Iskandar Puteri, Johor	4-storey Courtyard Home	24 February 2014	401.4 square meters	Freehold	3,680
ASAS JIWA SDN BHD					
Geran 33336 (previously Geran 12800) Lot No. 4802 Mukim Batu Daerah Kuala Lumpur Negeri Wilayah Persekutuan	Development land	7 April 2008	2630.371 square meters	Freehold	22,000
Geran 36805 (previously Geran 12801) Lot No. 4803 Mukim Batu Daerah Kuala Lumpur Negeri Wilayah Persekutuan	Development land	7 April 2008	4165.597 square meters	Freehold	
BAYU MELATI SDN BHD					
H.S. (M) 3412 to 3415 and 3424 to 3439 No. PT 7105 to 7108, 7117 to 7132, Mukim Batu Raja Daerah Petaling Negeri Selangor Darul Ehsan	Development land	12 July 2010	29,395 square meters	Leasehold (expiring on 26/01/2103)	21,837
H.S. (M) 3509 to 3525, 3528 to 3534 and 3536 to 3538 No. PT 7202 to 7218, 7221 to 7227, 7229 to 7231 Mukim Batu Raja Daerah Petaling Negeri Selangor Darul Ehsan	Development land	12 July 2010	25,375 square meters	Leasehold (expiring on 27/01/2103)	



Be with ME

Melati Ehsan Holdings Berhad
(673293-X)

Proxy Form

*I/We _____ *NRIC/Company No. _____
(Full name in Block Letters)

of _____

being a member/members of the abovenamed Company, hereby appoint _____

of _____

or failing *him/her, _____

of _____

or failing *him/her, the CHAIRMAN of the meeting, as *my/our proxy to vote for *me/us on *my/our behalf at the Thirteenth Annual General Meeting of the Company to be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, off Jalan Damansara, 60000 Kuala Lumpur on Tuesday, 27 February 2018 at 10.30 a.m. and at any adjournment thereof in the manner indicated below:-

No	Resolutions	For	Against
Ordinary Business			
1.	To declare a first and final single tier dividend		
2.	To approve the payment of Directors' Fees of RM218,000 and allowances of RM18,000 payable to the directors for the financial year ended 31 August 2017.		
3.	To approve the payment of Directors' Fees and allowances of up to RM350,000 and RM30,000 respectively for the period from 1 September 2017 up to the next Annual General Meeting in year 2019.		
4.	Re-election of Radzulai Bin Yahaya		
5.	Re-election of Lim Tong Hee		
6.	Re-appointment of Dato' Mohd Zain Bin Yahya as Director		
7.	To re-appoint Messrs BDO as Auditors of the Company		
Special Business			
8.	Authority to Issue Shares		
9.	Proposed Renewal of the Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		
10.	Proposed Share Buy-Back		
11.	Retention of Datuk Alias Bin Ali as Independent Non-Executive Director		

Please indicate with an "X" in the appropriate box against the resolution on how you wish your proxy to vote. If no specific instruction as to voting is given, the proxy will vote at *his/her discretion.

Dated this _____ day of _____ 2018

Number of Shares	
CDS Account No	
Date	

Signature

Notes:

- A member of the Company entitled to attend and vote at the meeting may appoint up to two (2) proxies (or being a corporate member, a corporate representative) to attend and vote in his/her stead. A proxy may but need not be a member of the Company.
- Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
- The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his/her attorney or in the case of a corporation executed under its common seal or signed on behalf of the corporation by its attorney or by an officer duly authorised.
- Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or executed must be deposited at the Registered Office of the Company at No. 5, Jalan Titiwangsa, 53200 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
- In respect of deposited securities, only members whose names appear in the Record of Depositors as at 20 February 2018 shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

*Delete where inapplicable

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STAMP

The Company Secretary
MELATI EHSAN HOLDINGS BERHAD (673293-X)

No. 5, Jalan Titiwangsa
53200 Kuala Lumpur
Malaysia

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MELATI EHSAN HOLDINGS BERHAD
(Company No: 673293-X)

No. 5, Jalan Titiwangsa,
53200 Kuala Lumpur

Tel: 03-4022 2177
Fax: 03-4022 2024

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