



TELADAN GROUP BERHAD

(formerly known as Teladan Setia Group Berhad)

(Registration No.: 201901004975 (1314302-V))

Incorporated in Malaysia

**INTERIM FINANCIAL REPORT
FOR THE THIRD (3RD) QUARTER ENDED
30 SEPTEMBER 2023**

TELADAN GROUP BERHAD (formerly known as Teladan Setia Group Berhad)
(Registration No. 201901004975 (1314302-V))

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE THIRD (3RD) QUARTER ENDED 30
SEPTEMBER 2023⁽¹⁾**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 30.09.2023 RM'000	Preceding Year Corresponding Quarter 30.09.2022 RM'000 Reclassified	Current Year-To- Date 30.09.2023 RM'000	Preceding Year Corresponding Period 30.09.2022 RM'000 Reclassified
Revenue		68,560	75,875	202,792	210,381
Cost of sales		(54,266)	(54,651)	(155,268)	(148,591)
Gross profit ("GP")		14,294	21,224	47,524	61,790
Other operating income		661	396	1,909	864
Other operating expenses		(1,309)	(1,778)	(2,993)	(2,880)
Administrative expenses		(4,100)	(3,484)	(14,054)	(10,183)
Finance costs		(544)	(850)	(1,074)	(2,396)
Profit before tax ("PBT")	B12	9,002	15,508	31,312	47,195
Taxation	B5	(1,398)	(3,853)	(7,369)	(11,831)
Profit after tax ("PAT")		7,604	11,655	23,943	35,364
Net profit and Total comprehensive income for the financial period attributable to:					
- Owners of the Company		7,606	11,655	23,945	35,364
- Non-controlling interest		(2)	-	(2)	-
Earnings per share attributable to owners of the Company					
• Basic EPS (sen) ⁽²⁾	B10	0.94	1.45	2.96	4.39
• Diluted EPS (sen) ⁽³⁾	B11	0.80	1.31	2.53	4.07

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE THIRD (3RD) QUARTER ENDED 30
SEPTEMBER 2023⁽¹⁾ (CONT'D)**

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.
- (2) Basic earnings per share ("EPS") is calculated based on the Company's weighted average number of ordinary shares takes into account the weighted average effects of the conversion of warrants to ordinary shares during the financial period under review.
- (3) The calculation of diluted EPS has taken into consideration of the adjustment of weighted average number of ordinary shares in issue during the period for the dilutive effect of all potential ordinary shares.

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TELADAN GROUP BERHAD (formerly known as Teladan Setia Group Berhad)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023⁽¹⁾

	UNAUDITED	AUDITED
	As at	As at
	30.09.2023	31.12.2022
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	31,382	19,597
Right-of-use assets	2,140	923
Inventories	284,749	392,831
Deferred tax assets	280	1,128
Total non-current assets	318,551	414,479
Current Assets		
Inventories	378,150	235,375
Trade and other receivables	53,612	18,193
Contract assets	40,068	33,991
Contract cost assets	28,841	30,184
Current tax assets	2,340	433
Cash and cash equivalents	89,901	132,674
Total current assets	592,912	450,850
TOTAL ASSETS	911,463	865,329
EQUITY AND LIABILITIES		
Equity		
Share capital	399,148	398,243
Merger reserve	(318,369)	(318,369)
Retained profits	439,562	415,617
Non-controlling interest	98	-
Total Equity	520,439	495,491
Liabilities		
Non-current liabilities		
Bank borrowings	291,675	269,384
Lease liabilities	694	1,214
Deferred tax liabilities	1,011	1,073
Total non-current liabilities	293,380	271,671
Current liabilities		
Trade and other payables	61,682	62,353
Contract liabilities	-	1,229
Bank borrowings	32,633	33,308
Lease liabilities	535	732
Current tax liabilities	2,794	545
Total current liabilities	97,644	98,167
TOTAL LIABILITIES	391,024	369,838
TOTAL EQUITY AND LIABILITIES	911,463	865,329
NET ASSETS PER SHARE (RM)⁽²⁾	0.64	0.61

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS
AT 30 SEPTEMBER 2023⁽¹⁾ (CONT'D)**

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per ordinary share is calculated based on the Company's weighted average number of ordinary shares of 808,823,028 (31 December 2022: 805,687,879).

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TELADAN GROUP BERHAD (formerly known as Teladan Setia Group Berhad)
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR
THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2023 ⁽¹⁾**

	Share capital RM'000	Merger reserve RM'000	Retained profits RM'000	Non- Controlling Interest RM'000	Total equity RM'000
<u>Unaudited</u>					
Balance as at 1.1.2023	398,243	(318,369)	415,617	-	495,491
Net profit and total comprehensive income for the financial period	-	-	23,945	(2)	23,943
Issuance of ordinary shares pursuant to warrant exercised	905	-	-	-	905
Changes in ownership interest in a subsidiary	-	-	-	100	100
Balance as at 30.09.2023	399,148	(318,369)	439,562	98	520,439
<u>Audited</u>					
Balance as at 1.1.2022	397,045	(318,369)	390,781	-	469,457
Net profit and total comprehensive income for the financial year	-	-	35,306	-	35,306
Issuance of ordinary shares pursuant to conversion of warrant	1,198	-	-	-	1,198
Dividend	-	-	(10,470)	-	(10,470)
Total transactions with owners of the Company for the financial year	1,198	-	(10,470)	-	(9,272)
Balance as at 31.12.2022	398,243	(318,369)	415,617	-	495,491

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.

**TELADAN GROUP BERHAD (formerly known as Teladan Setia Group Berhad
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2023⁽¹⁾**

	Current Year- To-Date 30.09.2023 RM'000	Preceding Corresponding Period 30.09.2022 RM'000 Reclassified
Cash Flows from Operating Activities		
Profit before taxation	31,312	47,195
Adjustments for:		
Depreciation of property, plant and equipment	507	687
Depreciation of right-of-use assets	705	130
Interest expense	918	2,365
Interest expense on lease liabilities	79	30
Interest income	(1,139)	(629)
Gain on disposal of property, plant and equipment	(193)	(82)
Property, plant and equipment written off	1	-
Reassessment of lease liability	(15)	-
	<hr/>	<hr/>
Operating profit before working capital changes	32,175	49,696
Change in working capital		
Inventories	15,195	2,308
Trade and other receivables	(23,849)	(20,565)
Contract cost assets	8,986	24,686
Contract assets/liabilities	(7,305)	54,734
Trade and other payables	952	22,237
	<hr/>	<hr/>
	(6,021)	83,400
Cash generated from operations	26,154	133,096
Interest paid	(908)	(2,365)
Interest received	1,139	629
Tax paid	(6,437)	(9,369)
Tax refunded	197	-
	<hr/>	<hr/>
Net cash from operating activities	20,145	121,991
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(5,900)	(5,883)
Placement of fixed deposits	(326)	(402)
Additions to inventories - land held for property development	(11,321)	(25,267)
Deposit paid for acquisition of development land	(5,570)	-
Proceeds from disposal of property, plant and equipment	998	83
Net cash outflow on acquisition of a subsidiary	(1,826)	-
	<hr/>	<hr/>
Net cash used in investing activities	(23,945)	(31,469)

**TELADAN GROUP BERHAD (formerly known as Teladan Setia Group Berhad
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2023⁽¹⁾ (CONT'D)**

	Current Year- To-Date 30.09.2023 RM'000	Preceding Corresponding Period 30.09.2022 RM'000 Reclassified
Cash Flows from Financing Activities		
Dividend paid	-	(10,470)
Interest paid	(10,874)	(6,450)
Interest paid on lease liabilities	(79)	(30)
Issuance of shares	1,005	254
Drawdown from borrowings	6,777	1,595
Payment of transaction costs on borrowings	(986)	-
Repayment of		
- borrowings	(36,497)	(17,887)
- hire purchase	-	(184)
- lease liabilities	(559)	(139)
Net cash used in financing activities	<u>(41,213)</u>	<u>(33,311)</u>
Net (decrease)/increase in cash and cash equivalents	(45,013)	57,211
Cash and cash equivalents at the beginning of the financial period	<u>113,146</u>	<u>64,917</u>
Cash and cash equivalents at the end of the financial period	<u>68,133</u>	<u>122,128</u>
Cash and cash equivalents at the end of the financial period comprise the followings:		
Cash and bank balances	49,439	111,960
Fixed deposits placed with licensed banks	23,054	22,057
Short term investment	17,408	7,057
Balance as stated in the Statement of Financial Position	<u>89,901</u>	<u>141,074</u>
Less: Bank overdrafts	(1,915)	-
Less: Fixed deposits pledged with licensed banks	(19,712)	(18,808)
Less: Fixed deposits mature in more than three months	(141)	(138)
Balance for Statement of Cash Flows purposes	<u>68,133</u>	<u>122,128</u>

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows are disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.

PART A - EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING

A1. Basis of preparation

The interim financial report of TELADAN GROUP BERHAD (formerly known as Teladan Setia Group Berhad) (“TG” or “the Company”) and its subsidiaries (“the Group”) are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) No. 134: Interim Financial Reporting and Rule 9.22 of Listing Requirements.

This interim financial report should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2022 and the accompanying notes attached to this interim financial report.

A2. Summary of Significant Accounting Policies

The significant accounting policies and presentation adopted for the interim financial statements are consistent with those adopted as disclosed in the audited report and combined financial statements for the financial year ended 31 December 2022, except for the adoption of the following new amendments to MFRSs relevant to the current operations of the Group:

MFRSs and/or IC Interpretations (Including the Consequential Amendments)

- Amendments to MFRS 101 *Presentation of Financial Statements – Disclosure of Accounting Policies*
- Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112 *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The adoption of the above-mentioned accounting standards, amendments and interpretations do not have any material impact to the financial position and performance of the Group.

In the preceding corresponding period as at 30.09.2022, the sales commission which related to sales of properties are to be reclassified from other operating expenses to cost of sales. As a result of which, the reclassification of RM3.6 million were made in Group’s statement of profit or loss and other comprehensive income.

PART A - EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING (CONT’D)

A2. Summary of Significant Accounting Policies (Cont’d)

The financial effects of the abovementioned preceding corresponding period, the reclassification in certain comparative amounts to conform with the current year’s financial statements presentation of the Group are as follows:

- (i) Impact on the Group’s statements of cash flow as at 30 September 2022

	As per previously reported RM’000	Reclassification RM’000	As reclassified RM’000
Change in working capital			
Inventories	26,265	(23,957)	2,308
Contract cost assets	-	24,686	24,686
Contract assets/liabilities	55,463	(729)	54,734

- (ii) Impact on the Group’s statements of profit or loss and other comprehensive income for the preceding corresponding period ended 30 September 2022

	As per previously reported RM’000	Reclassification RM’000	As reclassified RM’000
<u>Individual quarter</u>			
Cost of sales	(53,658)	(993)	(54,651)
Other operating expenses	(2,771)	993	(1,778)
<u>Cumulative quarter</u>			
Cost of sales	(144,961)	(3,630)	(148,591)
Other operating expenses	(6,510)	3,630	(2,880)

**PART A - EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL
REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING (CONT’D)**

A3. Auditors’ report on preceding annual financial statements

The audited report and financial statements of TSG for the financial year ended 31 December 2022 was not subject to any qualification.

A4. Seasonal or cyclical factors

The business operations of the Group were not materially affected by seasonal and cyclical effects.

A5. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no material exceptional items during the current financial quarter under review.

A6. Material changes in Accounting Estimates

There were no material exceptional items during the current financial quarter under review.

A7. Debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter except for the following:

Warrants

During the current financial period, the Company issued 448,500 new ordinary shares for cash at RM224,250 pursuant to the exercise of warrants. As at 30 September 2023, the outstanding unexercised number of warrants was 237,382,597.

A8. Dividends paid

There were no dividends paid during the financial quarter under review.

A9. Valuation of property, plant and equipment

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

**PART A - EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL
REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING (CONT’D)**

A10. Capital commitments

**UNAUDITED
As at
30.09.2023
RM’000**

Authorised and contracted for:

- Land held for property development	67,063
- Capital Work in Progress	<u>3,264</u>

A11. Material Subsequent Events

There were no material events subsequent to the end of the current financial quarter.

A12. Changes in the composition of the Group

Save as disclosed in A7, there were no other material changes in the composition of the Group for the current financial quarter under review.

A13. Contingent assets and contingent liabilities

There were no contingent assets and contingent liabilities as at the date of this interim report.

A14. Related party transactions

**UNAUDITED
As at
30.09.2023
RM’000**

Transactions with a director:-

Progress billing on sales of properties	<u>140</u>
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Transactions with director’s spouse:-

Renovation package on sale of properties	<u>40</u>
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Transactions with a company that director has interest:-

Provision of online investor relation services	<u>12</u>
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PART B – EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Performance

(a) Results for current quarter

	INDIVIDUAL QUARTER		VARIANCE	
	UNAUDITED 3 months ended 30.09.2023 RM'000	UNAUDITED 3 months ended 30.09.2022 RM'000	RM'000	%
Revenue	68,560	75,875	(7,315)	(9.64)
PBT	9,002	15,508	(6,506)	(41.95)

The Group recorded a revenue of RM68.56 million for the current financial quarter ended 30 September 2023 (Q3 2023) as compared to RM75.88 million in the same quarter ended 30 September 2022 (Q3 2022), a decrease of RM7.32 million. This quarter's revenue was mainly derived from Taman Desa Bertam Phase 3B and 4A, and Taman Bertam Heights Phase 1B. The decrease in revenue is mainly due to decrease in revenue recognised from Bali Residences as it was fully completed in Q3 2022 and Taman Desa Bertam Phase 3A due to its completion in Q2 2023.

The Group registered a PBT of RM9.00 million in Q3 2023 as compared to PBT of RM15.51 million in Q3 2022, which represents a decrease of RM6.51 million. The decrease in PBT was mainly due to lower revenue generated and an increase in administrative expenses in Q3 2023.

(b) Results for financial year-to-date

	CUMULATIVE QUARTER		VARIANCE	
	UNAUDITED 9 months ended 30.09.2023 RM'000	UNAUDITED 9 months ended 30.09.2022 RM'000	RM'000	%
Revenue	202,792	210,381	(7,589)	(3.61)
PBT	31,312	47,195	(15,883)	(33.65)

The Group recorded a revenue of RM202.79 million for 9 months ended 30 September 2023 (Q3 YTD 2023), a decrease of RM7.59 million from RM210.38 million for the 9 months ended 30 September 2022 (Q3 YTD 2022). The decrease is mainly due to lower contribution from sales of completed projects of Bali Residences, Taman Desa Bertam Phase 2 and Phase 3A. However, the decrease is partially offset by higher contribution from ongoing projects of Taman Desa Bertam Phase 3B Phase 4A, and Taman Bertam Heights Phase 1B and Taman Impiana Kesang Phase 1A.

The Group registered a PBT of RM31.31 million in Q3 YTD 2023 as compared to PBT of RM47.20 million in Q3 YTD 2022, which represents a decrease of RM15.89 million. The decrease in PBT was mainly due to lower revenue generated and an increase in administrative expenses in Q3 YTD 2023.

PART B – EXPLANATORY NOTES PERSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B2. Comparison with immediate preceding quarter's results

	INDIVIDUAL QUARTER		VARIANCE	
	UNAUDITED Current Quarter 30.09.2023 RM'000	UNAUDITED Preceding Quarter 30.06.2023 RM'000	RM'000	%
Revenue	68,560	72,624	(4,064)	5.60
PBT	9,002	11,219	(2,217)	19.76

The Group recorded revenue of RM68.56 million for the current financial quarter ended 30 September 2023 as compared to RM72.62 million in the preceding quarter ended 30 June 2023, a decrease of RM4.06 million during the current financial quarter. The decrease in revenue is mainly due to a decrease in revenue recognised from the completed project of Bali Residences and Taman Desa Bertam Phase 3A.

The Group registered a PBT of RM9.00 million in the current financial quarter under review, a decrease of RM2.22 million from PBT of RM11.22 million in the preceding quarter.

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**PART B – EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**

B3. Prospects and Outlook for current Financial Year

In Q3FY23, Teladan Group Berhad (formerly known as Teladan Setia Group Berhad) (“Teladan” or “Group”) launched a new property, namely Taman Impiana Kesang Phase 1B with a gross development value (“GDV”) of RM24.8 million.

In parallel, the Group received positive market responses for its ongoing projects, including Taman Desa Bertam Phase 3B and Phase 4A, Taman Bertam Heights Phase 1B, as well as Taman Impiana Kesang Phase 1A, all of which have garnered favourable take-up rates of 96.1%, 73.1%, 98.9% and 66.7%, respectively.

Contributed by the sales from Teladan’s completed, ongoing, and newly launched projects, the Group reported an encouraging total property sales totalling RM187.9 million in 9MFY23.

Looking ahead, the recent unveiling of the Budget 2024 holds promising prospects for the property development market. The government’s commitment to promoting homeownership, improving housing affordability, fostering development in Malaysia, and its focus on mega infrastructure projects is expected to stimulate the property market and boost market sentiments.

Nonetheless, Teladan remains cognisant of the prevailing market uncertainties, including potential interest rate hikes that could impact consumer confidence. As such, the Group remains prudent in implementing well-strategised property rollouts to align with homebuyers’ needs.

Additionally, the Group has substantial undeveloped landbanks of around 979.4 acres in Melaka as at 30 September 2023. This allows the Group to continually explore new development opportunities and unlock significant commercial value over the long term.

Leveraging on Teladan’s strong landbank inventory, prudent management practices, and strategic property development rollouts, the Group is optimistic about sustaining a healthy financial performance in the current business environment.

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PART B – EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B4. Variance of Actual Profit from Forecast Profit

There is no issue of any profit forecast or profit guarantee in the current financial quarter under review.

B5. Income tax expenses

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited Current Year- Quarter 30.09.2023 RM'000	Unaudited Preceding Year Corresponding Quarter 30.09.2022 RM'000	Unaudited Current Year- To-Date 30.09.2023 RM'000	Unaudited Preceding Year Corresponding Period 30.09.2022 RM'000
Income tax expense:				
- Current year	2,576	3,863	7,608	11,841
- Prior years	(1,025)	(10)	(1,025)	(10)
Deferred tax expense:				
- Current year	(123)	-	816	-
- Prior years	(30)	-	(30)	-
Total tax expense	1,398	3,853	7,369	11,831
Effective tax rate (%)	15.53	24.85	23.53	25.07

Notes:

- (1) The applicable Malaysian income tax rate is 24% for the financial period ended 30 September 2023. The Company's effective tax rate for the current quarter and financial year under review is lower than the statutory tax rate primarily due to overprovision of tax expense in prior years.
- (2) Income tax expenses are recognised based on management's estimate.

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PART B – EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B6 Status of Corporate Proposals

Save as disclosed below, there were no corporate proposals announced but not completed as at the date of this report.

(i) Proposed Acquisition

- (a) On 31 January 2023, the Company announced that Asal Harta Sdn Bhd, a wholly-owned subsidiary of the Company, entered into a conditional Sale and Purchase Agreement (“SPA”) with Mega Mastika Sdn Bhd for the proposed acquisition of one piece of leasehold land measuring approximately 7.54 acres in area expiring on 28 November 2111, forming part of the Master Land held under PN 56725, Lot 11357, Kawasan Bandar XLII, Daerah Melaka Tengah, Negeri Melaka measuring 9.98 hectares in total land area for a total purchase consideration of RM48.54 million. The proposed acquisition is expected to be completed in 2nd half of year 2024.
- (b) On 7 March 2023, the Company announced that Pavilion Link Sdn Bhd, a wholly-owned subsidiary of the Company, entered into a SPA with Complete Achievement Sdn Bhd for the proposed acquisition of one piece of freehold vacant land held under Geran 179151, Lot 14121 Mukim Seremban, District of Seremban and State of Negeri Sembilan measuring approximately 740,020 sq metres in land area for a total purchase consideration of RM24.12 million. The proposed acquisition was completed in August 2023.

(ii) Proposed Transfer

On 28 April 2023, the Company announced that it proposed to undertake the following:

- (a) Proposed transfer of the listing of and quotation for the entire issued share capital and the outstanding warrants of the Company from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Proposed Transfer”); and
- (b) Proposed amendments to the Constitution of the Company to facilitate the implementation of the Proposed Transfer (“Proposed Amendments”)

The application for the Proposed Transfer has been submitted to Securities Commission on 8 June 2023.

The Proposed Amendments had been approved by the shareholders at the Fourth Annual General Meeting held on 9 June 2023. The revised Constitution will be adopted with effect from the date the Company is transferred from the ACE Market to Main Market of Bursa Malaysia Securities Berhad pursuant to the Proposed Transfer.

As of the date of this report, the Proposed Transfer is pending the approvals from relevant authorities.

PART B – EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B7. Bank borrowings

	<u>UNAUDITED</u>	<u>UNAUDITED</u>
	As at 30.09.2023 RM'000	As at 30.09.2022 RM'000
Non-current:		
Term loans	291,675	280,945
	<u>291,675</u>	<u>280,945</u>
Current:		
Term loans	30,718	29,939
Bank overdraft	1,915	-
	<u>32,633</u>	<u>29,939</u>
Total bank borrowings	<u>324,308</u>	<u>310,884</u>

The borrowings are denominated in Ringgit Malaysia.

B8. Material litigation

There were no material litigation involving the Group as at 30 September 2023.

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PART B – EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B9. Dividend proposed

On 20 November 2023, the Board of Directors declared a single-tier interim dividend of RM0.005 per ordinary share for the financial year ending 31 December 2023.

The entitlement date is on 1 December 2023 and the dividend is to be paid on 18 December 2023.

B10. Earnings per share

The basic and diluted earnings per share for the current financial quarter and financial year to date are computed as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year-Quarter 30.09.2023	Preceding Year Corresponding Quarter 30.09.2022	Current Year-To-Date 30.09.2023	Preceding Year Corresponding Period 30.09.2022
Net profit for the period (RM'000)	7,604	11,655	23,943	35,364
Weighted average number of ordinary shares for basic earning per ordinary share computation ('000)	809,419	805,457	808,823	805,352
Basic EPS (sen) ⁽¹⁾	0.94	1.45	2.96	4.39

Notes:

- (1) Basic earnings per share ("EPS") is calculated based on the Company's weighted average number of ordinary shares takes into account the weighted average effects of the conversion of warrants to ordinary shares during the financial period under review.

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PART B – EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B11. Diluted EPS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year-Quarter 30.09.2023	Preceding Year Corresponding Quarter 30.09.2022	Current Year-To-Date 30.09.2023	Preceding Year Corresponding Period 30.09.2022
Net profit for the period (RM'000)	7,604	11,655	23,943	35,364
Weighted average number of ordinary shares for basic earnings per ordinary share computation ('000)	809,419	805,457	808,823	805,352
Effects of dilution from conversion of warrants to ordinary shares ('000)	136,429	85,520	138,124	63,450
Weighted average number of ordinary shares for diluted earnings per ordinary share computation ('000)	945,848	890,977	946,947	868,802
Diluted EPS (sen) ⁽¹⁾	0.80	1.31	2.53	4.07

Notes:

- ⁽¹⁾ The calculation of diluted EPS has taken into consideration of the adjustment of weighted average number of ordinary shares in issue during the period for the dilutive effect of all potential ordinary shares.

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PART B – EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B12. Notes to the Statement of Profit or Loss and Other Comprehensive Income

Profit before tax is arrived after charging/(crediting):

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year-Quarter 30.09.2023 RM'000	Preceding Year Corresponding Quarter 30.09.2022 RM'000	Current Year-To-Date 30.09.2023 RM'000	Preceding Year Corresponding Period 30.09.2022 RM'000
Depreciation of property, plant and equipment	175	248	507	687
Depreciation of right-of-use assets	223	44	705	130
Interest expense	492	839	918	2,365
Interest expense on lease liabilities	24	11	79	30
Interest income	(426)	(247)	(1,139)	(629)
Gain on disposal of property, plant and equipment	(43)	-	(193)	(82)
Property, plant and equipment written off	1	-	1	-
Reassessment of lease liability	(15)	-	(15)	-

BY ORDER OF THE BOARD

**TELADAN GROUP BERHAD
(formerly known as Teladan Setia Group Berhad)**

20 NOVEMBER 2023