



Tuju Setia Berhad

(Registration No. 202001005607 (1361927-V))
(Incorporated in Malaysia under the Companies Act 2016)

Interim Financial Report For The Third Quarter Ended 30 September 2021

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The Directors are pleased to announce the unaudited financial results of the Group for the third quarter ended 30 September 2021.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income⁽¹⁾ For the Third Quarter Ended 30 September 2021

	Note	Interim Quarter		Period-To-Date	
		Unaudited 30.09.2021 RM'000	Unaudited 30.09.2020 ⁽²⁾ RM'000	Unaudited 30.09.2021 RM'000	Unaudited 30.09.2020 ⁽²⁾ RM'000
Revenue		42,324	N/A	147,312	N/A
Cost of sales		(40,699)	N/A	(135,679)	N/A
Gross profit		1,625	N/A	11,633	N/A
Other income		348	N/A	1,267	N/A
Administrative and other operating expenses		(1,570)	N/A	(5,838)	N/A
Finance costs		(62)	N/A	(237)	N/A
Profit before tax		341	N/A	6,825	N/A
Tax expense	B5	195	N/A	(1,851)	N/A
Profit after tax		536	N/A	4,974	N/A
Other comprehensive income / (expenses)		-	N/A	-	N/A
Profit and total comprehensive Income for the period		<u>536</u>	<u>N/A</u>	<u>4,974</u>	<u>N/A</u>
<i>Attributable to:</i>					
Equity holders of the Company		<u>536</u>	<u>N/A</u>	<u>4,974</u>	<u>N/A</u>
Earnings per share					
Basic/Diluted (sen) ⁽³⁾	B11	<u>0.17</u>	<u>N/A</u>	<u>1.57</u>	<u>N/A</u>

Notes:

- (1) The basis of preparation of the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the prospectus of the Company dated 26 April 2021 ("**Prospectus**") and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the interim financial report announced in compliance with the Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"). There are no comparative figures for the preceding corresponding quarter and period as there is no interim financial report prepared for the comparative period concerned.
- (3) Basic and diluted EPS is calculated based on the Profit after tax ("PAT") divided by the issued share capital of 316,828,700 ordinary shares after the completion of the Initial Public Offering as disclosed in Note B6. There are no dilutive instruments as at the end of the current quarter.

N/A - Not applicable

Condensed Consolidated Statement of Financial Position⁽¹⁾
As At 30 September 2021

	Note	Unaudited 30.09.2021 RM'000	Audited 31.12.2020 RM'000
Assets			
Property, plant and equipment		10,685	9,118
Right-of-use assets		21,173	21,959
Total non-current assets		31,858	31,077
Trade and other receivables		70,290	78,983
Contract assets		79,517	45,486
Current tax assets		3,695	-
Cash and cash equivalents		64,329	33,735
Total current assets		217,831	158,204
Total assets		249,689	189,281
Equity			
Share capital		91,689	^
Invested equity		-	1,500
Merger reserve		(36,393)	-
Retained earnings		49,634	52,660
Total equity		104,930	54,160
Liabilities			
Loans and borrowings	B8	25,426	3,363
Lease liabilities		2,371	3,046
Deferred tax liabilities		4,804	3,412
Total non-current liabilities		32,601	9,821
Trade and other payables		100,380	104,611
Loans and borrowings	B8	6,476	13,160
Lease liabilities		3,005	4,618
Contract liabilities		2,297	2,589
Current tax liabilities		-	322
Total current liabilities		112,158	125,300
Total liabilities		144,759	135,121
Total equity and liabilities		249,689	189,281
Number of issued shares ('000)		316,829	316,829
Net asset per share attributable to owners of the Company (RM)		0.33	0.17

^ denotes RM100

Notes:

- (1) The basis of preparation of the Condensed Consolidated Statement of Financial Position is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.

**Condensed Consolidated Statement of Changes In Equity⁽¹⁾
For the Third Quarter Ended 30 September 2021**

	<i>Non-distributable</i>		<i>Distributable</i>		
	Share capital	Invested equity	Merger reserve	Retained earnings	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 December 2020/ 1 January 2021 (Audited)	^	1,500	-	52,660	54,160
Profit and total comprehensive income for the period	-	-	-	4,974	4,974
Effects pursuant to the acquisition of a subsidiary	37,893	(1,500)	(36,393)	-	-
Distribution to the former shareholder of a subsidiary - Dividend	-	-	-	(8,000)	(8,000)
New shares issued by the Company for the Public Issue	56,000	-	-	-	56,000
New shares issuance expenses for the Public Issue	(2,204)	-	-	-	(2,204)
At 30 September 2021 (Unaudited)	91,689	-	(36,393)	49,634	104,930

^denotes RM100

Notes:

- (1) The basis of preparation of the Condensed Consolidated Statement of Changes in Equity is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.
- (2) There are no comparative figures for the preceding corresponding period as there is no interim financial report prepared for the comparative period concerned.

Condensed Consolidated Statement of Cash Flows⁽¹⁾
For the Third Quarter Ended 30 September 2021

	Period-To-Date	
	Unaudited 30.09.2021 RM'000	Unaudited 30.09.2020⁽²⁾ RM'000
Cash flows from operating activities		
Profit before tax	6,825	N/A
<i>Adjustments for:</i>		N/A
Depreciation of property, plant and equipment	780	N/A
Depreciation of right-of-use assets	2,413	N/A
Finance costs	236	N/A
Finance income	(407)	N/A
Gain on disposal of property, plant and equipment	(24)	N/A
Gain on disposal of right-of-use assets	(607)	N/A
Loss on lease modification	6	
IPO expenses	1,014	N/A
Operating profit before changes in working capital	10,236	N/A
Change in trade and other receivables	8,311	N/A
Change in trade and other payables	(4,232)	N/A
Change in contract assets	(34,031)	N/A
Change in contract liabilities	(293)	N/A
Cash used in operations	(20,009)	N/A
Tax paid	(4,475)	N/A
Net cash used in operating activities	(24,484)	N/A
Cash flows from investing activities		
Acquisition of property, plant and equipment	(2,570)	N/A
Interest received from fixed deposits	407	N/A
Proceeds from disposal of property, plant and equipment	33	N/A
Proceeds from disposal of right-of-use assets	1,184	N/A
Net cash used in investing activities	(946)	N/A

Condensed Consolidated Statement of Cash Flows⁽¹⁾ (cont'd)
For the Third Quarter Ended 30 September 2021

	Period-To-Date	
	Unaudited 30.09.2021 RM'000	Unaudited 30.09.2020⁽²⁾ RM'000
Cash flows from financing activities		
Change in pledged deposits	(8,221)	N/A
Dividend paid	(8,000)	N/A
(Repayment of)/Proceeds from revolving credits	(9,180)	N/A
Interest paid on loans and borrowings	(236)	N/A
Payment of lease liabilities	(4,284)	N/A
(Repayment of)/Proceeds from term loans	26,961	N/A
Proceeds from issuance of shares	56,000	N/A
Payment of IPO expenses	(2,835)	N/A
Net cash from financing activities	50,205	N/A
Net (decrease)/increase in cash and cash equivalents		
	24,775	N/A
Cash and cash equivalents at beginning of period	18,377	N/A
Cash and cash equivalents at end of period	43,152	N/A
Cash and cash equivalents comprised:		
Fixed deposits with licensed banks	43,451	N/A
Cash and bank balances	20,878	N/A
	64,329	N/A
Less: Bank overdraft	-	N/A
Pledged deposits	(21,177)	N/A
	43,152	N/A

Notes:

- (1) The basis of preparation of the Condensed Consolidated Statement of Cash Flows is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding period as there is no interim financial report prepared for the comparative period concerned.

N/A - Not applicable

A. Notes to the Interim Financial Report

A1. Basis of Preparation

The interim financial report of Tuju Setia Berhad (“Tuju Setia” or “Company”) and its subsidiary (“Tuju Setia Group” or “Group”) are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting, and Paragraph 9.22 as well as Appendix 9B of the Main Market Listing Requirements of Bursa Securities.

This is the interim financial report of unaudited condensed consolidated financial results for the third quarter ended 30 September 2021 being announced by the Group in compliance with the Listing Requirements of Bursa Securities. As such, there are no comparative figures for the preceding corresponding period.

This interim financial report should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.

A2. Significant Accounting Policies

The significant accounting policies and presentations adopted by the Group in this interim financial report are consistent with those adopted in the preparation of the Accountants’ Report as disclosed in the Prospectus except for the adoption of following Amendments to MFRSs:

Amendments to MFRSs effective for annual periods beginning on or after 1 January 2021

- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts*, MFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*

The application of these Amendments to MFRSs has no significant financial impact on the financial statements of the Group.

A3. Auditors’ Report

The audited financial statements of the Group for the financial year ended 31 December 2020 were not subject to any qualification.

A4. Seasonal or Cyclical Factors

The business operations of the Group during the current quarter under review have not been materially affected by any seasonal or cyclical factors.

A5. Items or Incidence of an Unusual Nature

There were no unusual items or incidence which may or has substantially affect the value of assets, liabilities, equity, net income or cash flows of the Group for the current quarter under review.

A. Notes to the Interim Financial Report (cont'd)

A6. Changes in Estimates

There were no material changes in estimates that may have a material effect in the current quarter under review.

A7. Debt and Equity Securities

Save as disclosed in Note B6, there were no issuance and repayment of debt and equity securities, share buy backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial quarter under review.

A8. Dividends

The dividend paid of RM8.00 million is in respect of the financial year ended 31 December 2020 payable to the former shareholder of a subsidiary and it was paid on 15 April 2021.

A9. Segmental Reporting

The Group is solely engaged in the provision of construction services, the only business segment. All the Group's operations are carried out in Malaysia.

A10. Significant Events Subsequent to the End of the Interim Financial Period

There were no material events subsequent to the end of the current quarter and financial period under review that have not been reflected in the interim financial report.

A11. Changes in the Composition of the Group

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

A12. Fair Value of Financial Instruments

There were no gains or losses arising from fair value changes for all financial assets and liabilities for the current quarter under review.

A. Notes to the Interim Financial Report (cont'd)

A13. Performance bond guarantees

Save as disclosed below, there is no indirect and/or material performance bond guarantee incurred by the Group, which may have a substantial impact on the financial position of the Group as at the end of the current quarter and up to the date of this report:

	Unaudited 30.09.2021 RM'000
Performance bond guarantees by a subsidiary for construction projects	<u>84,460</u>

A14. Capital Commitments

Save as disclosed below, there were no other material capital commitments as at the end of the current quarter:

	Unaudited 30.09.2021 RM'000	Audited 31.12.2020 RM'000
Authorised and contracted for:		
Motor vehicle	-	124
Plant and Machinery	<u>14,711</u>	<u>-</u>
Authorised but not contracted for:		
Plant and Machinery	<u>6,395</u>	<u>-</u>

B. Additional Information Required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

B1. Group Performance Review

For the current financial quarter, the Group recorded revenue of RM42.32 million, gross profit of RM1.63 million, profit before tax of RM0.34 million and profit after tax of RM0.54 million. The Group's revenue for the current quarter is mainly derived from on-going projects.

The Government implemented the third Movement Control Order ("MCO") from 12 May 2021 to 31 May 2021, Full Movement Control Order ("FMCO") nationwide from 1 June 2021 to 14 June 2021 followed by the implementation of Phase 1 National Recovery Plan ("NRP") from 15 June 2021 which contains a four-phase exit strategy to transition out of the COVID-19 crisis. The significant drop in daily positive COVID-19 cases and high vaccination rate achieved in Klang Valley, the Government decided to move Klang Valley from Phase 1 to Phase 2 from 10 September 2021 and from Phase 2 to Phase 3 on 1 October 2021. The Group's projects which are located at Klang Valley were impacted by the above for the month of July and August. Works resumed gradually from late August 2021.

For the current financial year-to-date ended 30 September 2021, the Group recorded revenue of RM147.31 million, gross profit of RM11.63 million, profit before tax of RM6.83 million and profit after tax of RM4.97 million. The revenue for the nine months period under review is contributed by the on-going projects. The profit before tax for the financial year-to-date ended 30 September 2021 of RM6.93 million include gain on disposal of right-of-use asset of RM0.573 million and IPO expenses of RM1.01 million.

No comparative figures for the preceding year's quarter and year-to-date are available as this the third interim financial report on the consolidated results for the third quarter ended 30 September 2021 announced by the Company in compliance with the Listing Requirements.

B2. Comparison with Immediate Preceding Quarter Results

For the current financial quarter, the Group recorded revenue of RM42.32 million as compared to revenue of RM45.70 million in the preceding quarter. The slight decline in revenue for the current quarter as the business operations were impacted by the various movement controls as mentioned above. Correspondingly, the Group recorded profit before tax of RM0.34 million for this current financial quarter as compared to RM1.60 million in the preceding quarter. The profit before tax for this current financial quarter include IPO expenses of RM0.05 million as compared to RM0.686 million in the preceding quarter.

B3. Prospects for the Financial Year Ending 31 December 2021

Notwithstanding the COVID-19 pandemic and the imposition of the various movement controls, the Board of Directors expects the financial performance to remain profitable in the current financial year ending 31 December 2021. As at 30 September 2021, the Group has balance unbilled order book of RM1.17 billion.

The Group will continue to monitor the impact of the COVID-19 Pandemic and take appropriate and timely measure to ensure the stability of its business operations and financial position.

B. Additional Information Required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (cont'd)

B4. Profit Forecast

The Group did not issue any profit forecast or guarantee during the current quarter under review and the financial period to date.

B5. Tax Expense

	Interim Quarter		Period-To-Date	
	Unaudited 30.09.2021 ⁽¹⁾ RM'000	Unaudited 30.09.2020 ⁽²⁾ RM'000	Unaudited 30.09.2021 ⁽¹⁾ RM'000	Unaudited 30.09.2020 ⁽²⁾ RM'000
In respect of current period:				
Income tax expenses/(income)	(195)	N/A	1,851	N/A
Effective tax rate ⁽³⁾ (%)	(56.69)	N/A	27.11	N/A
Statutory tax rate (%)	24.00	N/A	24.00	N/A

Notes:

- (1) Tax expense is recognised based on management's best estimate.
- (2) This is the interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding period as there is no interim financial report prepared for the comparative period concerned.
- (3) A negative effective tax rate recorded for the current quarter is mainly due to reversal of previous year tax overprovision. The effective tax rate for year-to-date under review is higher than the statutory tax rate mainly due to adjustments for non-tax-deductible expenses such as IPO expenses.

N/A - Not applicable

B. Additional Information Required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (cont'd)

B6. Status of Corporate Proposals

In conjunction with the listing of the Company on the Main Market of Bursa Malaysia Securities Berhad, the Company acquired the entire issued share capital of a subsidiary, Pembinaan Tuju Setia Sdn Bhd for a purchase consideration of RM37,892,576 and undertook an Initial Public Offering ("IPO") of 107,000,000 ordinary shares ("Shares") at an IPO price of RM0.70 per Share comprising:

- (I) Public Issue of 80,000,000 new ordinary shares ("Issue Shares") in the following manner:
- 15,842,000 Issue Shares to the Malaysian public;
 - 6,336,000 Issue Shares to the eligible directors, employees and persons who have contributed to the success of the Group;
 - 26,139,000 Issue Shares to selected investors by way of private placement; and
 - 31,683,000 Issue Shares to selected Bumiputera investors approved by the Ministry of International Trade and Industry by way of private placement;

and

- (II) Offer for sale of 27,000,000 existing Shares to selected investors by way of private placement.

Upon the completion of the Public Issue, the enlarged issued share capital of the Company is RM93,892,676 comprising 316,828,700 shares.

The Prospectus was launched on 26 April 2021 and the Company's shares were listed on the Main Market of Bursa Malaysia Securities Berhad on 19 May 2021.

Save as disclosed above, there are no other corporate proposals announced by the Company but not completed as at the date of this interim financial report.

B. Additional Information Required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (cont'd)

B7. Utilisation of Proceeds Raised from Public Issue

The utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus. The total gross proceeds of RM56.00 million from the Public Issue is intended to be used in the following manner:

Purposes	Proposed Utilisation	Deviation ⁽¹⁾	Actual Utilisation	Balance Unutilised	Variation ⁽²⁾	Balance After Variation	Estimated time frame for use (From the Listing date)
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Capital expenditure							
- Purchase of construction machinery and equipment, and BIM system software	24,000	-	(1,645)	22,355	(4,000)	18,355	Within 24 months
- Purchase of land and construction of storage facilities	8,000	-	-	8,000	-	8,000	Within 36 months
Working capital	19,000	429	(19,429)	-	4,000	4,000	Within 12 months
Estimated IPO expenses	5,000	(429)	(4,571)	-	-	-	Within 3 months
Total	56,000	-	(25,645)	30,355	-	30,355	

Notes:

(1) The actual listing expenses are lower than the estimated amount hence, the excess of RM0.43 million was used for working capital purposes.

(2) The initial allocation of RM4.00 million to purchase on-site batching plants has been re-allocated for working capital.

B. Additional Information Required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (cont'd)

B8. Borrowings

The details of the borrowings of the Group are as follows:

	Unaudited 30.09.2021 RM'000	Audited 31.12.2020 RM'000
Non-current		
Term loans	25,426	3,363
Current		
Term loans	5,563	665
Revolving credits	913	10,094
Bank overdraft	-	2,401
	<u>6,476</u>	<u>13,160</u>
Total borrowings	<u>31,902</u>	<u>16,523</u>

All the borrowings are secured and denominated in Ringgit Malaysia.

B9. Material Litigations

There are no litigation or arbitration which have a material effect on the financial position of the Group. The Board of Directors is not aware of any pending proceedings or of any fact likely to give rise to any proceedings as at the date of this interim financial report.

B10. Dividends Payable

On 26 November 2021, the Board has approved the declaration and payment of first single-tier interim dividend of 0.50 sen per ordinary share totaling RM1,584,143.50 in respect of the financial year ending 31 December 2021. The entitlement to dividend to be determined based on the record of depositors as at 6 January 2022 whilst the payment date has been fixed on 20 January 2022.

B11. Earnings Per Share

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

	Interim Quarter		Period-To-Date	
	Unaudited 30.09.2021 RM'000	Unaudited 30.09.2020⁽¹⁾ RM'000	Unaudited 30.09.2021 RM'000	Unaudited 30.09.2020⁽¹⁾ RM'000
Profit attributable to owners of the Company	536	N/A	4,974	N/A
Number of shares in issue ('000) ⁽²⁾	316,829	N/A	316,829	N/A
Earnings per share				
Basic/Diluted (sen) ⁽²⁾	0.17	N/A	1.57	N/A

B. Additional Information Required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (cont'd)

Notes:

- (1) This is the interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding period as there is no interim financial report was prepared for the comparative period concerned.
- (2) Basic and diluted EPS is calculated based on the PAT divided by the issued share capital of 316,828,700 ordinary shares after the completion of the Initial Public Offering as disclosed in Note B6. There are no dilutive instruments as at the end of the current quarter.

N/A - Not applicable

B12. Notes to the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income⁽¹⁾

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

	Interim Quarter		Period-To-Date	
	Unaudited 30.09.2021 RM'000	Unaudited 30.09.2020 ⁽²⁾ RM'000	Unaudited 30.09.2021 RM'000	Unaudited 30.09.2020 ⁽²⁾ RM'000
Interest income	(191)	N/A	(407)	N/A
Interest expense	62	N/A	236	N/A
IPO expenses	49	N/A	1,014	N/A
Depreciation of property, plant and equipment	275	N/A	780	N/A
Depreciation of right-of-use assets	843	N/A	2,413	N/A
(Gain)/Loss on disposal of property, plant and equipment	(16)	N/A	(24)	N/A
(Gain)/Loss on disposal of right-of-use assets	(35)	N/A	(607)	N/A

Save as disclosed above, the other disclosure items as required under Paragraph 16 of Appendix 9B of the Listing Requirements are not applicable.

Notes:

- (1) The basis of preparation of the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding period as there is no interim financial report prepared for the comparative period concerned.

N/A - Not applicable

B. Additional Information Required by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (cont'd)

B13. Derivative Financial Instruments

The Group has not entered into any derivatives as at the date of this interim financial report.

B14. Authorisation for Issue

The interim financial report was authorised for issue by the Board of Directors of the Company in accordance with a resolution of the Directors on 26 November 2021.

By Order of the Board
Company Secretary
26 November 2021