



Tuju Setia Berhad

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

Interim Financial Report For The Fourth Quarter Ended 31 December 2021

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The Directors are pleased to announce the unaudited financial results of the Group for the fourth quarter ended 31 December 2021.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income⁽¹⁾ For the Fourth Quarter Ended 31 December 2021

	Interim Quarter		Period-To-Date	
	Unaudited 31.12.2021	Unaudited 31.12.2020 ⁽²⁾	Unaudited 31.12.2021	Audited 31.12.2020
Note	RM'000	RM'000	RM'000	RM'000
Revenue	98,461	N/A	245,773	255,768
Cost of sales	(92,392)	N/A	(228,071)	(232,507)
Gross profit	6,069	N/A	17,702	23,261
Other income	214	N/A	1,481	954
Administrative and other operating expenses	(1,815)	N/A	(7,653)	(8,107)
Net gain/(loss) on impairment of financial instruments and contract assets	-	N/A	-	6,030
Finance costs	(50)	N/A	(287)	(344)
Profit before tax	4,418	N/A	11,243	21,794
Tax expense	B5 (1,017)	N/A	(2,868)	(5,526)
Profit after tax	3,401	N/A	8,375	16,268
Other comprehensive income / (expenses)	-	N/A	-	-
Profit and total comprehensive Income for the period	<u>3,401</u>	<u>N/A</u>	<u>8,375</u>	<u>16,268</u>
<i>Attributable to:</i>				
Equity holders of the Company	<u>3,401</u>	<u>N/A</u>	<u>8,375</u>	<u>16,268</u>
Earnings per share				
Basic/Diluted (sen) ⁽³⁾	B11 <u>1.07</u>	<u>N/A</u>	<u>2.64</u>	<u>5.13</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 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 31 December 2021

	Note	Unaudited 31.12.2021 RM'000	Audited 31.12.2020 RM'000
Assets			
Property, plant and equipment		18,058	9,118
Right-of-use assets		22,638	21,959
Total non-current assets		40,696	31,077
Trade and other receivables		96,920	78,983
Contract assets		99,279	45,486
Current tax assets		4,439	-
Cash and cash equivalents		66,571	33,735
Total current assets		267,209	158,204
Total assets		307,905	189,281
Equity			
Share capital		91,693	^
Invested equity		-	1,500
Merger reserve		(36,393)	-
Retained earnings		53,035	52,660
Total equity		108,335	54,160
Liabilities			
Loans and borrowings	B8	23,739	3,363
Lease liabilities		1,965	3,046
Deferred tax liabilities		5,946	3,412
Total non-current liabilities		31,650	9,821
Trade and other payables		152,302	104,611
Loans and borrowings	B8	13,269	13,160
Lease liabilities		2,212	4,618
Contract liabilities		137	2,589
Current tax liabilities		-	322
Total current liabilities		167,920	125,300
Total liabilities		199,570	135,121
Total equity and liabilities		307,905	189,281
Number of issued shares ('000)		316,829	316,829
Net asset per share attributable to owners of the Company (RM)		0.34	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 Fourth Quarter Ended 31 December 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	-	-	-	8,375	8,375
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	(2,200)	-	-	-	(2,200)
At 31 December 2021 (Unaudited)	91,693	-	(36,393)	53,035	108,335

^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 Fourth Quarter Ended 31 December 2021

	Period-To-Date	
	Unaudited 31.12.2021 RM'000	Audited 31.12.2020 RM'000
Cash flows from operating activities		
Profit before tax	11,243	21,794
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	1,230	926
Depreciation of right-of-use assets	3,311	3,188
Finance costs	286	344
Finance income	(515)	(541)
Gain on disposal of property, plant and equipment	(24)	(3)
Gain on disposal of right-of-use assets	(607)	(61)
Loss on lease modification	6	(17)
Trade receivables written off	-	688
Net (gain)/loss on impairment of financial instruments and contract assets	-	(6,030)
IPO expenses	1,003	1,149
Operating profit before changes in working capital	15,933	21,437
Change in trade and other receivables	(18,321)	46,477
Change in trade and other payables	47,691	(34,718)
Change in contract assets	(53,793)	(7,992)
Change in contract liabilities	(2,452)	(1,403)
Cash used in operations	(10,942)	23,801
Tax paid	(5,094)	(7,305)
Net cash (used in)/from operating activities	(16,036)	16,496
Cash flows from investing activities		
Acquisition of property, plant and equipment	(13,061)	(442)
Interest received from fixed deposits	515	540
Proceeds from disposal of property, plant and equipment	52	8
Proceeds from disposal of right-of-use assets	1,184	61
Net cash (used in)/from investing activities	(11,310)	167

Condensed Consolidated Statement of Cash Flows⁽¹⁾ (cont'd)
For the Fourth Quarter Ended 31 December 2021

	Period-To-Date	
	Unaudited 31.12.2021 RM'000	Audited 31.12.2020 RM'000
Cash flows from financing activities		
Change in pledged deposits	(9,587)	851
Dividend paid	(8,000)	(6,000)
(Repayment of)/Proceeds from Invoice Financing/Trust Receipts	(2,395)	(1,910)
Interest paid on loans and borrowings	(286)	(344)
Payment of lease liabilities	(5,197)	(5,807)
(Repayment of)/Proceeds from term loans	25,282	(637)
(Repayment of)/Proceeds from related parties	-	(9,282)
Proceeds from issuance of shares	56,000	-
Payment of IPO expenses	(2,820)	(1,320)
Net cash (used in)/from financing activities	52,997	(24,449)
Net (decrease)/increase in cash and cash equivalents	25,651	(7,786)
Cash and cash equivalents at beginning of period	18,377	26,163
Cash and cash equivalents at end of period	44,028	18,377
Cash and cash equivalents comprised:		
Fixed deposits with licensed banks	44,818	13,227
Cash and bank balances	21,753	20,508
	66,571	33,735
Less: Bank overdraft	-	(2,401)
Pledged deposits	(22,543)	(12,957)
	44,028	18,377

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.

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 fourth quarter ended 31 December 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 31.12.2021 RM'000
Performance bond guarantees by a subsidiary for construction projects	<u>84,030</u>

A14. Capital Commitments

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

	Unaudited 31.12.2021 RM'000	Audited 31.12.2020 RM'000
Authorised and contracted for:		
Motor vehicle	148	124
Plant and Machinery	<u>26,153</u>	<u>-</u>
Authorised but not contracted for:		
Motor vehicle	-	-
Plant and Machinery	<u>4,729</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 RM98.46 million, gross profit of RM6.07 million, profit before tax of RM4.42 million and profit after tax of RM3.40 million. The Group's revenue for the current quarter is mainly derived from on-going projects.

The Government implemented the fourth 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 from June to August. Works resumed gradually from late August 2021.

For the current financial year ended 31 December 2021, the Group recorded revenue of RM245.77 million, gross profit of RM17.70 million, profit before tax of RM11.24 million and profit after tax of RM8.38 million. The revenue for the financial year under review is contributed by the on-going projects. The profit before tax for the financial year ended 31 December 2021 of RM11.24 million include a gain on disposal of a right-of-use asset of RM0.573 million and IPO expenses of RM1.00 million.

There are no comparative figures for the preceding corresponding quarter as the Company was listed on 19 May 2021 and there is no interim financial report prepared for the comparative period concerned.

B2. Comparison with Immediate Preceding Quarter Results

For the current financial quarter, the Group recorded revenue of RM98.46 million as compared to revenue of RM42.32 million in the preceding quarter. The increase is mainly due to the resumption of work progress after the gradual lifting of the MCO restrictions at the end of Quarter 3 2021.

Correspondingly, the Group recorded profit before tax of RM4.42 million for this current financial quarter as compared to profit before tax of RM0.34 million in the preceding quarter. The increase in the Group's profit before tax is in line with the increase in revenue.

B3. Prospects of the Group

Notwithstanding the COVID-19 pandemic, the Board of Directors is optimistic of the Group's financial performance and expects the on-going projects to contribute positively to the Group's revenue and earnings in the coming financial year. As at 31 December 2021, the Group has balance unbilled order book of RM1.38 billion.

The Group will continue to monitor the impact of the COVID-19 Pandemic and take appropriate and timely measures 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 31.12.2021 ⁽¹⁾ RM'000	Unaudited 31.12.2020 ⁽²⁾ RM'000	Unaudited 31.12.2021 ⁽¹⁾ RM'000	Audited 31.12.2020 RM'000
<u>Current tax expense</u>				
Current period provision	(127)	N/A	904	4,719
Under/ (over) provision in prior year	-	N/A	(571)	(629)
	<u>(127)</u>	<u>N/A</u>	<u>333</u>	<u>4,090</u>
Deferred tax expense	<u>1,144</u>	<u>N/A</u>	<u>2,535</u>	<u>1,436</u>
	<u>1,017</u>	<u>N/A</u>	<u>2,868</u>	<u>5,526</u>
Effective tax rate (%)	23.02	N/A	25.50	25.36
Statutory tax rate (%)	24.00	N/A	24.00	24.00

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.

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	Initial Allocation	Deviation ⁽¹⁾	Variation ⁽²⁾	Actual Utilisation	Balance Unutilised	Estimated time frame for use (From the Listing date)
	RM'000	RM'000	RM'000	RM'000	RM'000	
Capital expenditure						
- Purchase of construction machinery and equipment, and BIM system software	24,000	-	(4,000)	(5,316)	14,684	Within 24 months
- Purchase of land and construction of storage facilities	8,000	-	-	(230)	7,770	Within 36 months
Working capital	19,000	427	4,000	(19,427)	4,000	Within 12 months
Estimated IPO expenses	5,000	(427)	-	(4,573)	-	Within 3 months
Total	56,000	-	-	29,546	26,454	

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 31.12.2021 RM'000	Audited 31.12.2020 RM'000
Non-current		
Term loans	23,739	3,363
Current		
Term loans	5,570	665
Invoice Financing/Trust Receipts	7,699	10,094
Bank overdraft	-	2,401
	<u>13,269</u>	<u>13,160</u>
Total borrowings	<u>37,008</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 was based on the record of depositors as at 6 January 2022 whilst the payment date was 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 31.12.2021 RM'000	Unaudited 31.12.2020⁽¹⁾ RM'000	Unaudited 31.12.2021 RM'000	Audited 31.12.2020 RM'000
Profit attributable to owners of the Company	3,401	N/A	8,375	16,268
Number of shares in issue ('000) ⁽²⁾	316,829	N/A	316,829	316,829
Earnings per share				
Basic/Diluted (sen) ⁽²⁾	1.07	N/A	2.64	5.13

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 31.12.2021 RM'000	Unaudited 31.12.2020 ⁽²⁾ RM'000	Unaudited 31.12.2021 RM'000	Audited 31.12.2020 RM'000
Interest income	(108)	N/A	(515)	(541)
Interest expense	50	N/A	286	344
IPO expenses	(11)	N/A	1,003	1,149
Depreciation of property, plant and equipment	450	N/A	1,230	926
Depreciation of right-of-use assets	898	N/A	3,311	3,188
(Gain)/Loss on disposal of property, plant and equipment	-	N/A	(24)	(3)
(Gain)/Loss on disposal of right-of-use assets	-	N/A	(607)	(61)
(Gain)/Loss on lease modification	6	N/A	6	(17)

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 28 February 2022.

By Order of the Board
Company Secretary
28 February 2022