



## **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 2023**

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The Directors are pleased to announce the unaudited financial results of the Group for the Third Quarter ended 30 September 2023.

## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income<sup>(1)</sup> For the Third Quarter Ended 30 September 2023

	Interim Quarter		Period-To-Date	
	Unaudited 30.09.2023	Unaudited 30.09.2022	Unaudited 30.09.2023	Unaudited 30.09.2022
Note	RM'000	RM'000	RM'000	RM'000
Revenue	150,697	86,833	464,394	256,848
Cost of sales	(149,136)	(117,574)	(456,287)	(282,270)
<b>Gross profit/(loss)</b>	1,561	(30,741)	8,107	(25,422)
Other income	445	170	1,094	678
Administrative and other operating expenses	(1,976)	(2,078)	(6,417)	(6,229)
Net loss on impairment of contract assets	-	(9,061)	-	(9,061)
Finance costs	(117)	(90)	(353)	(249)
<b>(Loss)/Profit before tax</b>	(87)	(41,800)	2,431	(40,283)
Tax (expense)/income	<b>B5</b> (26)	10,904	(745)	10,475
<b>(Loss)/Profit after tax</b>	(113)	(30,896)	1,686	(29,808)
Other comprehensive income	-	-	-	-
<b>(Loss)/Profit and total comprehensive Income for the period</b>	<u>(113)</u>	<u>(30,896)</u>	<u>1,686</u>	<u>(29,808)</u>
<i>Attributable to:</i>				
Equity holders of the Company	<u>(113)</u>	<u>(30,896)</u>	<u>1,686</u>	<u>(29,808)</u>
<b>Earnings per share</b>				
Basic/Diluted (sen) <sup>(2)</sup>	<b>B11</b> <u>(0.04)</u>	<u>(9.75)</u>	<u>0.53</u>	<u>(9.41)</u>

### Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income is disclosed in Note A1 and should be read in conjunction with the audited financial statements for financial year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.
- (2) 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. There are no dilutive instruments as at the end of the current quarter.

**Condensed Consolidated Statement of Financial Position<sup>(1)</sup>**  
**As At 30 September 2023**

	Note	Unaudited 30.09.2023 RM'000	Audited 31.12.2022 RM'000
<b>Assets</b>			
Property, plant and equipment		23,715	27,343
Right-of-use assets		45,526	42,750
Deferred tax assets		3,874	4,619
<b>Total non-current assets</b>		<u>73,115</u>	<u>74,712</u>
Trade and other receivables		150,306	105,706
Assets held for sale		1,751	3,173
Contract assets		154,842	128,252
Current tax assets		2,034	5,990
Cash and cash equivalents		49,865	63,359
<b>Total current assets</b>		<u>355,798</u>	<u>306,480</u>
<b>Total assets</b>		<u>431,913</u>	<u>381,192</u>
<b>Equity</b>			
Share capital		91,660	91,660
Merger reserve		(36,393)	(36,393)
Retained earnings		17,920	16,234
<b>Total equity</b>		<u>73,187</u>	<u>71,501</u>
<b>Liabilities</b>			
Loans and borrowings	B8	14,429	16,989
Lease liabilities		13,731	15,284
<b>Total non-current liabilities</b>		<u>28,160</u>	<u>32,273</u>
Trade and other payables		244,254	225,653
Loans and borrowings	B8	76,831	43,803
Lease liabilities		9,481	7,625
Contract liabilities		-	337
<b>Total current liabilities</b>		<u>330,566</u>	<u>277,418</u>
<b>Total liabilities</b>		<u>358,726</u>	<u>309,691</u>
<b>Total equity and liabilities</b>		<u>431,913</u>	<u>381,192</u>
Number of issued shares ('000)		316,829	316,829
<b>Net asset per share attributable to owners of the Company (RM)</b>		<u>0.23</u>	<u>0.23</u>

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 audited financial statements for financial year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.

**Condensed Consolidated Statement of Changes In Equity<sup>(1)</sup>**  
**For the Third Quarter Ended 30 September 2023**

	<i>Distributable</i>			
	Share capital	Merger reserve	Retained earnings	Total equity
	RM'000	RM'000	RM'000	RM'000
<b>At 31 December 2021/ 1 January 2022 (Audited)</b>	91,660	(36,393)	51,353	106,620
Loss and total comprehensive income for the year	-	-	(33,535)	(33,535)
Distribution to the owners				
- FY 2021 Final Dividend to owners of the Company	-	-	(1,584)	(1,584)
<b>At 31 December 2022 (Audited)</b>	<b>91,660</b>	<b>(36,393)</b>	<b>16,234</b>	<b>71,501</b>
Profit and total comprehensive income for the period	-	-	1,686	1,686
<b>At 30 September 2023 (Unaudited)</b>	<b>91,660</b>	<b>(36,393)</b>	<b>17,920</b>	<b>73,187</b>

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 audited financial statements for financial year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.

## Condensed Consolidated Statement of Cash Flows<sup>(1)</sup> For the Third Quarter Ended 30 September 2023

	Period-To-Date	
	Unaudited 30.09.2023 RM'000	Audited 31.12.2022 RM'000
<b>Cash flows from operating activities</b>		
Profit/(Loss) before tax	2,431	(44,895)
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	2,217	2,874
Depreciation of right-of-use assets	4,872	5,125
Finance costs	353	498
Finance income	(864)	(631)
Interest expense on lease liabilities recognised in cost of sales	-	625
Net loss/(gain) on disposal of property, plant and equipment	6	(3)
(Gain) on disposal of right-of-use assets	-	(65)
Property, plant and equipment written-off	5	384
Right-of-use assets written-off	86	-
Impairment loss on assets held for sale	-	318
Loss/(Gain) on lease modification	-	(2)
Net loss on impairment of contract assets	-	13,498
<b>Operating profit /(loss) before changes in working capital</b>	<b>9,106</b>	<b>(22,274)</b>
Change in trade, other receivables and assets held for sale	(44,600)	(17,642)
Change in trade and other payables	18,601	74,615
Change in contract assets	(26,590)	(42,471)
Change in contract liabilities	(337)	200
<b>Cash used in operations</b>	<b>(43,820)</b>	<b>(7,572)</b>
Tax refunded /(paid)	3,956	(755)
<b>Net cash used in operating activities</b>	<b>(39,864)</b>	<b>(8,327)</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(3,917)	(8,533)
Acquisition of right-of-use assets	(210)	(4,406)
Interest received from fixed deposits	863	631
Proceeds from disposal of property, plant and equipment	11	17
Proceeds from disposal of right-of-use assets	-	105
Proceeds from disposal of assets held for sale	1,422	-
<b>Net cash used in investing activities</b>	<b>(1,831)</b>	<b>(12,186)</b>

**Condensed Consolidated Statement of Cash Flows<sup>(1)</sup> (cont'd)**  
**For the Third Quarter Ended 30 September 2023**

	Period-To-Date	
	Unaudited 30.09.2023 RM'000	Audited 31.12.2022 RM'000
<b>Cash flows from financing activities</b>		
Change in pledged deposits	(5,141)	(11,712)
Dividends paid	-	(3,168)
Repayment of Invoice Financing/Trust Receipts	(280,130)	(97,751)
Proceeds from Invoice Financing/Trust Receipts	311,402	128,155
Interest paid on loans and borrowings	(353)	(498)
Interest expense on lease liabilities recognised in cost of sales	-	(625)
Payment of lease liabilities	(7,943)	(9,057)
Repayment of term loans	(5,708)	(6,621)
Drawdown of lease liabilities	7,618	6,607
<b>Net cash from financing activities</b>	<b>19,745</b>	<b>5,330</b>
<b>Net decrease in cash and cash equivalents</b>		
	<b>(21,950)</b>	<b>(15,183)</b>
Cash and cash equivalents at beginning of period	29,105	44,288
<b>Cash and cash equivalents at end of period</b>	<b>7,155</b>	<b>29,105</b>
Cash and cash equivalents comprised:		
Fixed deposits with licensed banks	41,679	37,534
Cash and bank balances	8,186	25,825
	49,865	63,359
Less: Bank overdraft	(3,316)	-
Pledged deposits	(39,395)	(34,254)
	<b>7,155</b>	<b>29,105</b>

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 audited financial statements for financial year ended 31 December 2022 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 interim financial report should be read in conjunction with the audited financial statements for financial year ended 31 December 2022 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 in the Group’s audited financial statements for financial year ended 31 December 2022 except for the adoption of following Amendments to MFRSs:

***MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023***

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosures 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 application of these Amendments to MFRSs have 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 2022 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**

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**

There were no dividends paid for the current quarter under review and the financial period to date.

### **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:

	<b>Unaudited 30.09.2023 RM'000</b>
Performance bond guarantees by a subsidiary for construction projects	<u>114,044</u>

### A14. Capital Commitments

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

	<b>Unaudited 30.09.2023 RM'000</b>	<b>Audited 31.12.2022 RM'000</b>
Authorised but not contracted for:		
Land	-	2,270
Plant and Machinery	<u>7,092</u>	<u>7,509</u>

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

### **B1. Group Performance Review**

#### Current Period Quarter versus Preceding Period Corresponding Quarter

For the current financial quarter, the Group recorded an increase in revenue of RM63.86 million or 73.55% to RM150.70 million as compared to RM86.83 million for the same financial quarter last year. The higher revenue recorded in current financial quarter is mainly due to higher work progress on the on-going projects.

The Group recorded a marginal loss before tax of RM0.09 million and loss after tax of RM0.11 million for the current financial quarter compared to loss before tax of RM41.80 million and loss after tax of RM30.90 million for the same financial quarter last year. The significant losses recorded in the preceding corresponding financial quarter arose mainly from the revision of project costs following the exceptional costs escalation on building materials, labour cost and operating costs as well as additional costs arising from the prolongation of contract durations impacted by the Movement Control Order ("MCO").

#### Current Period-to-Date versus Preceding Period-to-Date

For the current financial period ended 30 September 2023, the Group recorded an increase in revenue of RM207.55 million or 80.80% to RM464.39 million as compared to RM256.85 million for the same financial period last year. The higher revenue recorded in current financial period is mainly due to higher work progress on the on-going projects.

The Group recorded profit before tax of RM2.43 million and profit after tax of RM1.69 million for the current financial period compared to loss before tax of RM40.28 million and loss after tax of RM29.81 million for the same financial period last year. The significant losses recorded in the preceding corresponding financial period arose mainly from the revision of project costs following the exceptional costs escalation on building materials, labour cost and operating costs as well as additional costs arising from the prolongation of contract durations impacted by the MCO.

### **B2. Comparison with Immediate Preceding Quarter Results**

For the current financial quarter, the Group recorded a lower revenue of RM150.70 million as compared to revenue of RM164.45 million for the immediate preceding financial quarter, which is a decrease of RM13.75 million or 8.36%. Lower revenue is recorded in the current financial quarter as certain projects are nearing completion.

The Group recorded a marginal loss before tax of RM0.09 million and loss after tax of RM0.11 million for the current financial quarter compared to profit before tax of RM1.23 million and profit after tax of RM0.88 million for the immediate preceding financial quarter. The marginal loss recorded in the current financial quarter is in line with the lower revenue recorded in the current financial quarter.

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

### B3. Prospects of the Group

The Board of Directors anticipate that the financial year ending 31 December 2023 continue to be a challenging year amid the improving work momentum and revenue. The Group has implemented various measures to mitigate the impact of the escalated building material cost, labour cost as well as to ensure the stability of its business operations and financial position. The Group has balance unbilled order book of RM988.23 million as at 30 September 2023 with reputable clients, which would contribute positively until the financial years ending 31 December 2026.

### 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)/ Income

	Interim Quarter		Period-To-Date	
	Unaudited 30.09.2023 <sup>(1)</sup> RM'000	Unaudited 30.09.2022 RM'000	Unaudited 30.09.2023 <sup>(1)</sup> RM'000	Unaudited 30.09.2022 RM'000
<b><u>Current tax expense</u></b>				
Current period provision	-	(1,644)	-	-
Over provision in prior year	-	(860)	-	(860)
	-	(2,504)	-	(860)
<b><u>Deferred tax (income)/expense</u></b>				
Current period provision	26	(8,475)	745	(9,690)
Under provision in prior year	-	75	-	75
	-	(8,400)	745	(9,615)
<b>Net Tax Expense/(Income)</b>	<b>26</b>	<b>(10,904)</b>	<b>745</b>	<b>(10,475)</b>
Effective tax rate (%)	-	(26.08)	30.65	(26.00)
Statutory tax rate (%)	24.00	24.00	24.00	24.00

Notes:

(1) Tax expense/(income) is recognised based on management's best estimate.

### B6. Status of Corporate Proposals

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 <sup>(1)</sup>	Variation <sup>(2)</sup>	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	(2,786)	(4,000)	(17,214)	-	Within 24 months
- Purchase of land and construction of storage facilities	8,000	-	-	(2,705)	5,295	Within 36 months
Working capital	19,000	3,081	4,000	(26,081)	-	Within 12 months
Estimated IPO expenses	5,000	(295)	-	(4,705)	-	Within 3 months
<b>Total</b>	<b>56,000</b>	<b>-</b>	<b>-</b>	<b>(50,705)</b>	<b>5,295</b>	

Notes:

(1) The actual listing expenses and purchase of construction machinery and equipment, and BIM system software are lower than the estimated amount hence, the excess of RM3.08 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:

	<b>Unaudited 30.09.2023 RM'000</b>	<b>Audited 31.12.2022 RM'000</b>
<b>Non-current</b>		
Term loans	14,429	16,989
<b>Current</b>		
Term loans	4,961	5,700
Invoice Financing/Trust Receipts	68,554	38,103
Bank overdraft	3,316	-
	<u>76,831</u>	<u>43,803</u>
<b>Total borrowings</b>	<u><b>91,260</b></u>	<u><b>60,792</b></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

No dividends have been declared or recommend for payment by the Board of Directors of the Company during the current quarter and financial period-to-date.

### B11. Earnings Per Share

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

	<b>Interim Quarter</b>		<b>Period-To-Date</b>	
	<b>Unaudited 30.09.2023 RM'000</b>	<b>Unaudited 30.09.2022 RM'000</b>	<b>Unaudited 30.09.2023 RM'000</b>	<b>Unaudited 30.09.2022 RM'000</b>
(Loss)/Profit attributable to owners of the Company	<u>(113)</u>	<u>(30,896)</u>	<u>1,686</u>	<u>(29,808)</u>
Number of shares in issue ('000) <sup>(1)</sup>	<u>316,829</u>	<u>316,829</u>	<u>316,829</u>	<u>316,829</u>

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

### B11. Earnings Per Share (cont'd)

The basic and diluted earnings per share for the current quarter and financial period are computed as follows (cont'd):

	Interim Quarter		Period-To-Date	
	Unaudited 30.09.2023 RM'000	Unaudited 30.09.2022 RM'000	Unaudited 30.09.2023 RM'000	Unaudited 30.09.2022 RM'000
<b>(Loss)/Earnings per share</b>				
Basic/Diluted (sen) <sup>(1)</sup>	<u>(0.04)</u>	<u>(9.75)</u>	<u>0.53</u>	<u>(9.40)</u>

Notes:

(1) Basic and diluted EPS is calculated based on the PAT divided by the issued share capital of 316,828,700 ordinary shares. There are no dilutive instruments as at the end of the current quarter.

### B12. Notes to the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income<sup>(1)</sup>

The following amounts have been included in arriving profit/(loss) before:

	Interim Quarter		Period-To-Date	
	Unaudited 30.09.2023 RM'000	Unaudited 30.09.2022 RM'000	Unaudited 30.09.2023 RM'000	Unaudited 30.09.2022 RM'000
Interest expense	117	90	253	249
Depreciation of property, plant and equipment	672	898	2,217	2,148
Depreciation of right-of-use assets	1,700	1,495	4,872	3,570
Loss on disposal of property, plant and equipment	4	-	4	1
Loss on lease modification	-	38	-	38
Property, plant and equipment written-off	-	-	5	185
Impairment loss on assets held for sale	-	-	-	160
Impairment loss on contract assets	-	9,061	-	9,061
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
and after crediting:				
Interest income	322	143	864	546
Gain on disposal of right-of-use assets	10	-	10	65
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

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

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

### **B12. Notes to the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income<sup>(1)</sup> (cont'd)**

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 audited financial statements for financial year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.

### **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 27 November 2023.

By Order of the Board  
Company Secretary  
27 November 2023