



## **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 2023**

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The Directors are pleased to announce the unaudited financial results of the Group for the Fourth Quarter ended 31 December 2023.

## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income<sup>(1)</sup> For the Fourth Quarter Ended 31 December 2023

	Interim Quarter		Year-To-Date	
	Unaudited 31.12.2023	Unaudited 31.12.2022	Unaudited 31.12.2023	Audited 31.12.2022
Note	RM'000	RM'000	RM'000	RM'000
Revenue	121,574	136,453	585,967	393,302
Cost of sales	<u>(130,894)</u>	<u>(134,195)</u>	<u>(587,180)</u>	<u>(416,466)</u>
<b>Gross (loss)/profit</b>	(9,320)	2,258	(1,213)	(23,164)
Other income	432	121	1,526	799
Administrative and other operating expenses	(3,572)	(6,743)	(9,988)	(22,032)
Finance costs	<u>(122)</u>	<u>(249)</u>	<u>(475)</u>	<u>(498)</u>
<b>Loss before tax</b>	(12,582)	(4,613)	(10,150)	(44,895)
Tax income	<b>B5</b> <u>1,979</u>	<u>885</u>	<u>1,234</u>	<u>11,360</u>
<b>Loss and total comprehensive Income for the period</b>	<u>(10,603)</u>	<u>(3,728)</u>	<u>(8,916)</u>	<u>(33,535)</u>
<i>Attributable to:</i>				
Equity holders of the Company	<u>(10,603)</u>	<u>(3,728)</u>	<u>(8,916)</u>	<u>(33,535)</u>
<b>Loss per share</b>				
Basic/Diluted (sen) <sup>(2)</sup>	<b>B11</b> <u>(3.35)</u>	<u>(1.18)</u>	<u>(2.81)</u>	<u>(10.58)</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 31 December 2023**

	Note	Unaudited 31.12.2023 RM'000	Audited 31.12.2022 RM'000
<b>Assets</b>			
Property, plant and equipment		28,955	27,343
Right-of-use assets		44,106	42,750
Deferred tax assets		5,853	4,619
<b>Total non-current assets</b>		<u>78,914</u>	<u>74,712</u>
Trade receivables		88,394	47,244
Trade receivables retention sum		73,389	47,384
Other receivables, deposits and prepayments		11,428	11,078
Assets held for sale		1,255	3,173
Contract assets		127,282	128,252
Current tax assets		2,034	5,990
Cash and cash equivalents		47,163	63,359
<b>Total current assets</b>		<u>350,945</u>	<u>306,480</u>
<b>Total assets</b>		<u>429,859</u>	<u>381,192</u>
<b>Equity</b>			
Share capital		91,660	91,660
Merger reserve		(36,393)	(36,393)
Retained earnings		7,318	16,234
<b>Total equity</b>		<u>62,585</u>	<u>71,501</u>
<b>Liabilities</b>			
Loans and borrowings	<b>B8</b>	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		247,641	225,653
Loans and borrowings	<b>B8</b>	84,446	43,803
Lease liabilities		7,027	7,625
Contract liabilities		-	337
<b>Total current liabilities</b>		<u>339,114</u>	<u>277,418</u>
<b>Total liabilities</b>		<u>367,274</u>	<u>309,691</u>
<b>Total equity and liabilities</b>		<u>429,859</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>0.20</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 Fourth Quarter Ended 31 December 2023

	Non-distributable Share capital RM'000	Merger reserve RM'000	Distributable Retained earnings RM'000	Total equity 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 Dividends to owners of the Company	-	-	(1,584)	(1,584)
<b>At 31 December 2022 (Audited)</b>	91,660	(36,393)	16,234	71,501
Loss and total comprehensive income for the year	-	-	(8,916)	(8,916)
<b>At 31 December 2023 (Unaudited)</b>	91,660	(36,393)	7,318	62,585

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 Fourth Quarter Ended 31 December 2023**

	Year-To-Date	
	Unaudited 31.12.2023 RM'000	Audited 31.12.2022 RM'000
<b>Cash flows from operating activities</b>		
Loss before tax	(10,150)	(44,895)
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	3,080	2,874
Depreciation of right-of-use assets	6,632	5,125
Finance costs	475	498
Interest expense on lease liabilities recognised in cost of Sales	1,350	625
Finance income	(1,078)	(631)
Loss/(Gain) on disposal of property, plant and equipment	6	(3)
Gain on disposal of right-of-use assets	-	(65)
Gain on disposal of assets held for sale	(503)	-
Property, plant and equipment written-off	5	384
Impairment loss on assets held for sale	-	318
Loss/(Gain) on lease modification	86	(2)
Net loss on impairment of contract assets	1,203	13,499
<b>Operating profit/(loss) before changes in working capital</b>	<b>1,106</b>	<b>(22,273)</b>
Change in trade and other receivables	(67,503)	(17,642)
Change in trade and other payables	21,987	74,615
Change in contract assets/contract liabilities	(570)	(42,271)
<b>Cash used in operations</b>	<b>(44,980)</b>	<b>(7,571)</b>
Tax refund/(paid)	3,956	(755)
<b>Net cash used in operating activities</b>	<b>(41,024)</b>	<b>(8,326)</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(4,714)	(12,939)
Acquisition of right-of-use assets	(5,893)	-
Interest received from fixed deposits	1,078	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	2,420	-
<b>Net cash used in investing activities</b>	<b>(7,098)</b>	<b>(12,186)</b>

**Condensed Consolidated Statement of Cash Flows<sup>(1)</sup> (cont'd)**  
**For the Fourth Quarter Ended 31 December 2023**

	Year-To-Date	
	Unaudited 31.12.2023 RM'000	Audited 31.12.2022 RM'000
<b>Cash flows from financing activities</b>		
Change in pledged deposits	(6,545)	(11,712)
Dividends paid	-	(3,169)
Repayment of Invoice Financing/Trust Receipts	(156,028)	(97,751)
Proceeds from Invoice Financing/Trust Receipts	192,684	128,155
Interest paid on loans and borrowings	(475)	(498)
Interest paid in relation to lease liabilities recognised in cost of Sales	(1,350)	(625)
Payment of lease liabilities	(536)	(398)
Repayment of finance lease liabilities	(10,772)	(8,659)
Drawdown of finance lease liabilities	8,529	6,607
Repayment of term loans	(7,619)	(6,621)
<b>Net cash from financing activities</b>	<b>17,888</b>	<b>5,329</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(30,234)</b>	<b>(15,183)</b>
Cash and cash equivalents at beginning of financial year	29,105	44,288
<b>Cash and cash equivalents at end of financial year</b>	<b>(1,129)</b>	<b>29,105</b>
Cash and cash equivalents comprised:		
Fixed deposits with licensed banks	41,586	37,534
Cash and bank balances	5,577	28,825
	47,163	63,359
Less: Bank overdraft	(7,493)	-
Pledged deposits	(40,799)	(34,254)
	<b>(1,129)</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 and financial year under review.

### **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 year 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 31.12.2023 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 31.12.2023 RM'000</b>	<b>Audited 31.12.2022 RM'000</b>
Authorised and contracted for:		
Right-of-use assets	-	24,525
Property, plant and equipment	-	1,628
	<u>-</u>	<u>26,153</u>
Authorised but not contracted for:		
Property, plant and equipment	-	9,779
	<u>-</u>	<u>9,779</u>

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

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

#### For quarter ended 31 December 2023

For the current financial quarter, the Group recorded a decrease in revenue of RM14.88 million or 10.90% to RM121.57 million from RM136.45 million recorded for the same quarter last year. Lower revenue is recorded in the current financial quarter as a number of the on-going projects are nearing the completion stage, hence lower revenue is recorded.

The Group recorded loss before tax of RM12.58 million and loss after tax of RM10.60 million for the current year quarter compared to loss before tax of RM4.61 million and loss after tax of RM3.73 million for the same quarter last year as a number of the on going projects that are nearing the completion stage are still impacted by the escalated building materials cost, labour cost and higher operating cost. The losses are however mitigated by positive contribution from the new projects secured post the MCO period.

#### For year to date ended 31 December 2023

For the current year ended 31 December 2023, the Group recorded an increase in revenue of RM192.67 million or 48.99% to RM585.97 million as compared to RM393.30 million for the previous year. The higher revenue recorded for the current year under review is mainly due to the higher construction progress works on the on-going projects and commencement of works on new projects secured.

The Group recorded loss before tax of RM10.15 million and loss after tax of RM8.92 million for the current year compared to loss before tax of RM44.90 million and loss after tax of RM33.54 million for last year. The losses recorded for the year were mainly due to the on going projects nearing completion which are still impacted by the escalated building materials cost, labour cost and higher operating cost. The losses are however mitigated by positive contribution from the new projects secured post the MCO period.

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

For the current financial quarter, the Group recorded a lower revenue of RM121.57 million as compared to revenue of RM150.70 million for the immediate preceding quarter representing a decrease of RM29.13 million or 19.33%. The decrease is mainly due to the decrease of construction activities for a number of the on-going projects which are nearing completion.

The Group recorded a loss before tax of RM12.58 million and loss after tax of RM10.60 million, compared to a loss before tax of RM0.09 million and loss after tax of RM0.11 million for the immediate preceding quarter. The higher loss before tax and loss after tax in the current quarter is mainly due to the revision of project cost for the on-going projects nearing completion.

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

### B3. Prospects of the Group

The Group's current unbilled order book is at RM866.04 million as at 31 December 2023. Subsequent to the year end, in January 2024, the Group secured a new project of RM209 million bringing the balance unbilled order book to RM 1.075 billion, which would contribute positively until the financial years ending 31 December 2026.

The Board of Directors anticipate that the financial year ending 31 December 2024 continue to be a challenging year. The Group has implemented various measures to mitigate the impact of rising building material cost, labour cost as well as to ensure the stability of its business operations and financial position. The Group has a healthy order book with reputable clients and strong financial resources; barring any unforeseen circumstances, the Board of Directors is of the view that the Group's financial results for the financial year ending 31 December 2024 will be satisfactory.

### B4. Profit Forecast

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

### B5. Tax (Income)/Expense

	Interim Quarter		Year-To-Date	
	Unaudited 31.12.2023 <sup>(1)</sup> RM'000	Unaudited 31.12.2022 RM'000	Unaudited 31.12.2023 <sup>(1)</sup> RM'000	Unaudited 31.12.2022 RM'000
<u>Current tax (income)/expense</u>				
Current year provision	-	65	-	65
Over provision in prior year	-	-	-	(860)
		65		(795)
<u>Deferred tax (income)/expense</u>				
Current year provision	(2,295)	(1,089)	(1,550)	(10,779)
Under provision in prior year	316	139	316	214
	(1,979)	(950)	(1,234)	(10,565)
<b>Net Tax Income</b>	<b>(1,979)</b>	<b>(885)</b>	<b>(1,234)</b>	<b>(11,360)</b>
Effective tax rate (%)	N/A <sup>(2)</sup>	N/A <sup>(2)</sup>	N/A <sup>(2)</sup>	N/A <sup>(2)</sup>
Statutory tax rate (%)	24.00	24.00	24.00	24.00

Notes:

- (1) Tax (income)/expense is recognised based on management's best estimate.
- (2) The effective tax rate of the Group for the current financial quarter and year are not applicable due to loss before taxation.

**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 31.12.2023 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	4,578	5,700
Invoice Financing/Trust Receipts	72,375	38,103
Bank overdraft	7,493	-
	<u>84,446</u>	<u>43,803</u>
<b>Total borrowings</b>	<b><u>98,875</u></b>	<b><u>60,792</u></b>

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 has been declared or recommend for payment by the Board of Directors of the Company during the current quarter and financial year-to-date.

### B11. Earnings/(Loss) Per Share

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

	<b>Interim Quarter</b>		<b>Year-To-Date</b>	
	<b>Unaudited 31.12.2023 RM'000</b>	<b>Unaudited 31.12.2022 RM'000</b>	<b>Unaudited 31.12.2023 RM'000</b>	<b>Unaudited 31.12.2022 RM'000</b>
Loss attributable to owners of the Company	<u>(10,603)</u>	<u>(3,728)</u>	<u>(8,916)</u>	<u>(33,535)</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>Loss per share</b>				
Basic/Diluted (sen) <sup>(1)</sup>	<u>(3.35)</u>	<u>(1.18)</u>	<u>(2.81)</u>	<u>(10.58)</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.

## 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>

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

	Interim Quarter		Year-To-Date	
	Unaudited 31.12.2023 RM'000	Unaudited 31.12.2022 RM'000	Unaudited 31.12.2023 RM'000	Unaudited 31.12.2022 RM'000
Interest income	(214)	(85)	(1,078)	(631)
Interest expense	122	249	475	498
Interest expense on lease liabilities recognised in cost of sales	303	307	1,350	625
Depreciation of property, plant and equipment	863	726	3,080	2,874
Depreciation of right-of-use assets	1,760	1,555	6,632	5,125
Loss/(Gain) on disposal of property, plant and equipment	3	(4)	6	(3)
Gain on disposal of right-of-use assets	-	-	-	(65)
Loss on lease modification	86	-	86	38
Property, plant and equipment written-off	-	199	5	384
Impairment loss on assets held for sale	-	158	-	318
Impairment loss on contract assets	1,203	4,437	1,203	13,499

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



## **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 2024.

By Order of the Board  
Company Secretary