



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 2024

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The Directors are pleased to announce the unaudited financial results of the Group for the Third Quarter ended 30 September 2024.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income⁽¹⁾ For the Third Quarter Ended 30 September 2024

	Interim Quarter		Period-To-Date	
	Unaudited 30.09.2024	Unaudited 30.09.2023	Unaudited 30.09.2024	Unaudited 30.09.2023
Note	RM'000	RM'000	RM'000	RM'000
Revenue	128,647	150,697	392,237	464,394
Cost of sales	(125,755)	(149,136)	(383,518)	(456,287)
Gross profit	2,892	1,561	8,719	8,107
Other income	1,456	445	4,138	1,094
Administrative and other operating expenses	(2,343)	(1,976)	(7,242)	(6,417)
Finance costs	(135)	(117)	(474)	(353)
Profit/(Loss) before tax	1,870	(87)	5,141	2,431
Tax expense	B5 (510)	(26)	(1,418)	(745)
Profit/(Loss) after tax	1,360	(113)	3,723	1,686
Other comprehensive income / (expenses)	-	-	-	-
Profit/(Loss) and total comprehensive Income for the period	<u>1,360</u>	<u>(113)</u>	<u>3,723</u>	<u>1,686</u>
<i>Attributable to:</i>				
Equity holders of the Company	<u>1,360</u>	<u>(113)</u>	<u>3,723</u>	<u>1,686</u>
Earnings per share				
Basic/Diluted (sen) ⁽²⁾	B11 <u>0.43</u>	<u>(0.04)</u>	<u>1.18</u>	<u>0.53</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 2023 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⁽¹⁾
As At 30 September 2024

	Note	Unaudited 30.09.2024 RM'000	Audited 31.12.2023 RM'000
Assets			
Property, plant and equipment		32,515	33,667
Right-of-use assets		47,448	39,393
Deferred tax assets		3,816	5,210
Total non-current assets		<u>83,779</u>	<u>78,270</u>
Trade and other receivables		148,258	172,677
Assets held for sale		1,255	1,255
Contract assets		180,917	128,276
Current tax assets		1,599	2,099
Cash and cash equivalents		43,735	47,162
Total current assets		<u>375,764</u>	<u>351,469</u>
Total assets		<u>459,543</u>	<u>429,739</u>
Equity			
Share capital		91,660	91,660
Merger reserve		(36,393)	(36,393)
Retained earnings		10,462	6,739
Total equity		<u>65,729</u>	<u>62,006</u>
Liabilities			
Loans and borrowings	B8	6,244	11,171
Lease liabilities		16,142	9,365
Total non-current liabilities		<u>22,386</u>	<u>20,536</u>
Trade and other payables		249,254	247,108
Loans and borrowings	B8	109,607	87,704
Lease liabilities		12,567	11,392
Contract liabilities		-	993
Total current liabilities		<u>371,428</u>	<u>347,197</u>
Total liabilities		<u>393,814</u>	<u>367,733</u>
Total equity and liabilities		<u>459,543</u>	<u>429,739</u>
Number of issued shares ('000)		316,829	316,829
Net asset per share attributable to owners of the Company (RM)		<u>0.21</u>	<u>0.20</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 2023 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 2024

	Share capital	Restruc- turing reserve	Distributable retained earnings	Total Equity
	RM'000	RM'000	RM'000	RM'000
At 31 December 2022/ 1 January 2023 (Audited)	91,660	(36,393)	16,233	71,500
Loss and total comprehensive expense for the year	-	-	(9,494)	(9,494)
At 31 December 2023 (Audited)	91,660	(36,393)	6,739	62,006
Profit and total comprehensive income for the period	-	-	3,723	3,723
At 30 September 2024 (Unaudited)	91,660	(36,393)	10,462	65,729

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 2023 and the accompanying explanatory notes attached to this interim financial report.

Condensed Consolidated Statement of Cash Flows⁽¹⁾ For the Third Quarter Ended 30 September 2024

	Period-To-Date	
	Unaudited 30.09.2024 RM'000	Audited 31.12.2023 RM'000
Cash flows from operating activities		
Profit/(Loss) before tax	5,141	(10,150)
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	2,446	3,095
Depreciation of right-of-use assets	5,282	6,617
Finance costs	474	474
Finance income	(796)	(1,077)
Interest expense on lease liabilities recognised in cost of Sales	656	1,350
(Gain)/ Loss on disposal of property, plant and equipment	(1,667)	7
(Gain) on disposal of right-of-use assets	(1,269)	-
(Gain) on disposal of assets held for sale	-	(149)
Property, plant and equipment written-off	15	5
Loss on lease modification	15	86
Net loss on impairment of contract assets	349	1,203
Operating profit before changes in working capital	10,647	1,461
Change in trade and other receivables	24,419	(66,972)
Change in trade and other payables	2,145	21,455
Change in contract assets	(53,983)	(1,227)
Change in contract liabilities	-	657
Cash used in operations	(16,772)	(44,626)
Tax refunded	500	3,956
Tax paid	(25)	-
Net cash used in operating activities	(16,297)	(40,670)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(1,628)	(11,567)
Acquisition of right-of-use assets	(14,834)	(593)
Interest received from fixed deposits	796	1,077
Proceeds from disposal of property, plant and equipment	916	11
Proceeds from disposal of right-of-use assets	3,823	-
Proceeds from disposal of assets held for sale	-	2,066
Net cash used in investing activities	(10,927)	(9,006)

Condensed Consolidated Statement of Cash Flows⁽¹⁾ (cont'd) For the Third Quarter Ended 30 September 2024

	Period-To-Date	
	Unaudited 30.09.2024 RM'000	Audited 31.12.2023 RM'000
Cash flows from financing activities		
Change in pledged deposits	5,379	(6,545)
Net drawdown of invoice financing/revolving credits	18,737	35,530
Interest paid on loans and borrowings	(461)	(453)
Interest paid on lease liabilities	(13)	(21)
Interest expense on lease liabilities recognised in cost of Sales	(656)	(1,350)
Net drawdown/(payment) of lease liabilities	7,951	(2,780)
Repayment of term loans	(4,937)	(4,940)
Net cash from financing activities	26,000	19,441
Net decrease in cash and cash equivalents	(1,224)	(30,235)
Cash and cash equivalents at beginning of period	(1,130)	29,105
Cash and cash equivalents at end of period	(2,354)	(1,130)
Cash and cash equivalents comprised:		
Fixed deposits with licensed banks	35,712	41,586
Cash and bank balances	8,023	5,576
	43,735	47,162
Less: Bank overdraft	(10,669)	(7,493)
Pledged deposits	(35,420)	(40,799)
	(2,354)	(1,130)

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 2023 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 subsidiaries (“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 2023 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 Group’s audited financial statements for financial year ended 31 December 2023 except for the adoption of following Amendments to MFRSs:

Amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements*

Amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

Amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

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 2023 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.

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

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.

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.

Subsequent to the period end, the Company has on 30 October 2024 announced the proposal to undertake a Private Placement of up to 31,682,870 new ordinary shares of the Company, representing up to 10 % of the total number of issued shares of the Company. Approval from Bursa Malaysia Securities Berhad has been obtained on 15 November 2024 and the Private Placement was completed on 25 November 2024 with the listing and quotation of the 31,682,870 shares on Bursa Malaysia on 25 November 2024.

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 30.09.2024 RM'000
Performance bond guarantees by a subsidiary for construction projects	<u>101,475</u>

A14. Capital Commitments

There were no material capital commitments as at the end of the current quarter.

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

B1. Group Performance Review

For quarter ended 30 September 2024

For the current financial quarter, the Group recorded a decrease in revenue of RM22.05 million or 14.60% to RM128.65 million as compared to RM150.70 million for the same quarter last year. The lower revenue recorded in the current financial quarter is mainly because several on-going projects that were active in the comparative quarter last year have been completed/near completion during the financial period ended 30 September 2024.

The Group recorded profit before tax of RM1.87 million and profit after tax of RM1.36 million for the current quarter compared to loss before tax of RM0.09 million and loss after tax of RM0.11 million for the same quarter last year. The higher profit before tax and profit after tax for the current financial quarter is mainly due to higher profit margin from the current on-going projects and the gain on disposal of property, plant and equipment and right-of-use assets of RM0.96 million.

For period to date ended 30 September 2024

For the current financial period ended 30 September 2024, the Group recorded a decrease in revenue of RM72.15 million or 15.54% to RM392.24 million as compared to RM464.39 million for the same period last year. The lower revenue recorded in the current financial period is mainly because several on-going projects that were active in the comparative period last year have been completed/near completion during the financial period ended 30 September 2024.

The Group recorded profit before tax of RM5.14 million and profit after tax of RM3.72 million for the current period compared to profit before tax of RM2.43 million and profit after tax of RM1.69 million for the same period last year. The higher profit before tax and profit after tax for the current financial period is mainly due to higher profit margin from the current on-going projects and the gain on disposal of property plant & equipment and right-of-use assets of RM2.94 million.

B2. Comparison with Immediate Preceding Quarter Results

For the current financial quarter, the Group recorded lower revenue of RM128.65 million as compared to revenue of RM130.12 million for the immediate preceding quarter, which is a slight decrease of RM1.47 million or 1.13%.

The Group recorded profit before tax of RM1.87 million and profit after tax of RM1.36 million for the current quarter compared to profit before tax of RM2.50 million and profit after tax of RM1.84 million for the immediate preceding quarter. The gross profit for the current and preceding quarters remained consistent; the higher profit before tax and profit after tax for the preceding financial quarter is mainly due to the higher gain on disposal of property, plant and equipment and right-of-use assets of RM1.89 million in the preceding quarter as compared to gain of RM 0.86 for the current quarter.

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 RM961 million as at 30 September 2024; subsequent to the period end, the Group has further secured two (2) contract awards totalling RM 729 million thereby increasing the unbilled order book to RM 1.69 billion which would contribute positively until the financial years ending 31 December 2027.

The Board of Directors anticipate that the financial year ending 31 December 2024 continue to be a challenging year. The Group is continuing with its 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 confident 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 period to date.

B5. Tax Expense

	Interim Quarter		Period-To-Date	
	Unaudited 30.09.2024 ⁽¹⁾ RM'000	Unaudited 30.09.2023 RM'000	Unaudited 30.09.2024 ⁽¹⁾ RM'000	Unaudited 30.09.2023 RM'000
<u>Current tax expense</u>				
Current period provision	-	-	-	-
Prior year under provision	24	-	24	-
<u>Deferred tax expense</u>				
Current period provision	486	26	1,394	745
Net Tax Expense	510	26	1,418	745
Effective tax rate (%)	27.27	-	27.58	30.65
Statutory tax rate (%)	24.00	24.00	24.00	24.00

Notes:

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

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

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 (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	(2,786)	(4,000)	(17,214)	-	Within 24 months
- Purchase of land and construction of storage facilities	8,000	-	-	(2,705)	5,295	Within 60 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
Total	56,000	-	-	(50,705)	5,295	

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:

	Unaudited 30.09.2024 RM'000	Audited 31.12.2023 RM'000
Non-current		
Term loans	6,244	11,171
Current		
Term loans	6,568	6,578
Invoice Financing/Trust Receipts	92,370	73,633
Bank overdraft	10,669	7,493
	<u>109,607</u>	<u>87,704</u>
Total borrowings	<u>115,851</u>	<u>98,875</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 dividend 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 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 30.09.2024 RM'000	Unaudited 30.09.2023 RM'000	Unaudited 30.09.2024 RM'000	Unaudited 30.09.2023 RM'000
Profit/(Loss) attributable to owners of the Company	1,360	(113)	3,723	1,686
Number of shares in issue ('000) ⁽¹⁾	316,829	316,829	316,829	316,829
Earnings per share				
Basic/Diluted (sen) ⁽¹⁾	<u>0.43</u>	<u>(0.04)</u>	<u>1.18</u>	<u>0.53</u>

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

B11. Earnings Per Share (cont'd)

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⁽¹⁾

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

	Interim Quarter		Period-To-Date	
	Unaudited 30.09.2024 RM'000	Unaudited 30.09.2023 RM'000	Unaudited 30.09.2024 RM'000	Unaudited 30.09.2023 RM'000
Interest income	(336)	(322)	(796)	(864)
Interest expense	135	117	474	253
Depreciation of property, plant and equipment	733	672	2,446	2,217
Depreciation of right-of-use assets	1,847	1,700	5,282	4,872
(Gain) on disposal of property, plant and equipment and right-of-use assets	(860)	(6)	(2,936)	(6)
Loss on lease modification	39	-	15	-
Property, plant and equipment written-off	10	-	15	5
Impairment loss on contract assets	146	-	349	-

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 2023 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 25 November 2024.

By Order of the Board
Company Secretary
25 November 2024