



Tuju Setia Berhad

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

Interim Financial Report For The First Quarter Ended 31 March 2024

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The Directors are pleased to announce the unaudited financial results of the Group for the First Quarter ended 31 March 2024.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income⁽¹⁾ For the First Quarter Ended 31 March 2024

	Note	Interim Quarter		Period-To-Date	
		Unaudited 31.03.2024 RM'000	Unaudited 31.03.2023 RM'000	Unaudited 31.03.2024 RM'000	Unaudited 31.03.2023 RM'000
Revenue		133,471	149,246	133,471	149,246
Cost of sales		(130,458)	(145,889)	(130,458)	(145,889)
Gross profit		3,013	3,357	3,013	3,357
Other income		429	445	429	445
Administrative and other operating expenses		(2,528)	(2,433)	(2,528)	(2,433)
Finance costs		(139)	(84)	(139)	(84)
Profit before tax		775	1,285	775	1,285
Tax expense	B5	(254)	(363)	(254)	(363)
Profit after tax		521	922	521	922
Other comprehensive expenses		-	-	-	-
Profit and total comprehensive Income for the period		521	922	521	922
<i>Attributable to:</i>					
Equity holders of the Company		521	922	521	922
Earnings per share					
Basic/Diluted (sen) ⁽²⁾	B11	0.16	0.29	0.16	0.29

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 31 March 2024

	Note	Unaudited 31.03.2024 RM'000	Audited 31.12.2023 RM'000
Assets			
Property, plant and equipment		34,364	33,667
Right-of-use assets		45,457	39,393
Deferred tax assets		4,956	5,210
Total non-current assets		<u>84,777</u>	<u>78,270</u>
Trade and other receivables		146,066	172,677
Assets held for sale		1,255	1,255
Contract assets		171,056	128,276
Current tax assets		2,099	2,099
Cash and cash equivalents		46,466	47,162
Total current assets		<u>366,942</u>	<u>351,469</u>
Total assets		<u>451,719</u>	<u>429,739</u>
Equity			
Share capital		91,660	91,660
Restructuring reserve		(36,393)	(36,393)
Retained earnings		7,260	6,739
Total equity		<u>62,527</u>	<u>62,006</u>
Liabilities			
Loans and borrowings	B8	11,386	11,171
Lease liabilities		13,731	9,365
Total non-current liabilities		<u>25,117</u>	<u>20,536</u>
Trade and other payables		256,581	247,108
Loans and borrowings	B8	96,148	87,704
Lease liabilities		11,346	11,392
Contract liabilities		-	993
Total current liabilities		<u>364,075</u>	<u>347,197</u>
Total liabilities		<u>389,192</u>	<u>367,733</u>
Total equity and liabilities		<u>451,719</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>0.20</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 First Quarter Ended 31 March 2024**

	Share capital	Restruc- turing reserve	Distributable retained earnings	Total equity
	RM'000	RM'000	RM'000	RM'000
At 31 December 2021/ 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	-	-	521	521
At 31 March 2024 (Unaudited)	91,660	(36,393)	7,260	62,527

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 First Quarter Ended 31 March 2024

	Period-To-Date	
	Unaudited 31.03.2024 RM'000	Audited 31.12.2023 RM'000
Cash flows from operating activities		
Profit/(Loss) before tax	775	(10,150)
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	839	3,095
Depreciation of right-of-use assets	1,408	6,617
Finance costs	139	474
Finance income	(284)	(1,077)
Interest expense on lease liabilities recognised in cost of sales	277	1,350
(Gain)/ Loss on disposal of property, plant and equipment	(57)	7
Gain on disposal of right-of-use assets	(36)	-
Gain on disposal of assets held for sale	-	(149)
Property, plant and equipment written-off	8	5
(Gain)/Loss on lease modification	(24)	86
Net loss on impairment of contract assets	162	1,203
Operating profit before changes in working capital	3,207	1,461
Change in trade and other receivables	26,611	(66,972)
Change in trade and other payables	9,473	21,455
Change in contract assets	(42,943)	(1,227)
Change in contract liabilities	(993)	657
Cash used in operations	(4,645)	(44,626)
Tax refunded	-	3,956
Net cash used in operating activities	(4,645)	(40,670)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(1,492)	(11,567)
Acquisition of right-of-use assets	(3,685)	(593)
Interest received from fixed deposits	284	1,077
Proceeds from disposal of property, plant and equipment	370	11
Proceeds from disposal of right-of-use assets	363	-
Proceeds from disposal of assets held for sale	-	2,066
Net cash used in investing activities	(4,160)	(9,006)

Condensed Consolidated Statement of Cash Flows⁽¹⁾ (cont'd)
For the First Quarter Ended 31 March 2024

	Period-To-Date	
	Unaudited 31.03.2024 RM'000	Audited 31.12.2023 RM'000
Cash flows from financing activities		
Change in pledged deposits	3,115	(6,545)
Net drawdown of invoice financing/revolving credits	8,280	35,530
Interest paid on loans and borrowings	(135)	(453)
Interest paid on lease liabilities	(4)	(21)
Interest expense on lease liabilities recognised in cost of sales	(277)	(1,350)
Payment of lease liabilities	(134)	(2,780)
Repayment of term loans	(663)	(4,940)
Net cash from financing activities	10,182	19,441
Net increase/(decrease) in cash and cash equivalents		
	1,377	(30,235)
Cash and cash equivalents at beginning of period	(1,130)	29,105
Cash and cash equivalents at end of period	247	(1,130)
Cash and cash equivalents comprised:		
Fixed deposits with licensed banks	37,877	41,586
Cash and bank balances	8,588	5,576
	46,466	47,162
Less: Bank overdraft	(8,535)	(7,493)
Pledged deposits	(37,684)	(40,799)
	247	(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 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 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.

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 31.03.2024 RM'000
Performance bond guarantees by a subsidiary for construction projects	<u>113,802</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 31 March 2024

For the current financial quarter, the Group recorded a lower revenue of RM133.47 million as compared to RM149.25 million for the same quarter last year (decrease of RM15.78 million or 10.57%). 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.

Notwithstanding the lower revenue, the Group recorded profit before tax of RM0.78 million and profit after tax of RM0.52 million for the current quarter compared to profit before tax of RM1.29 million and profit after tax of RM0.92 million for the same quarter last year as work progress on new projects secured have increased.

B2. Comparison with Immediate Preceding Quarter Results

For the current financial quarter, the Group recorded a higher revenue of RM133.47 million as compared to revenue of RM121.57 million for the immediate preceding quarter (increase of RM11.90 million or 9.79%). The increase is mainly due to the increasing work progress on the new projects secured post the Movement Control Order ("MCO") period.

The Group recorded a profit before tax of RM0.78 million and profit after tax of RM0.52 million for the current quarter compared to loss before tax of RM12.58 million and loss after tax of RM11.18 million for the immediate preceding quarter. The loss recorded in the preceding quarter was mainly due to finalisation of projects cost for projects nearing completion which are still impacted by the exceptional escalated building materials cost, labour cost and higher operating costs incurred.

B3. Prospects of the Group

The Group's current unbilled order book is at RM949 million as at 31 March 2024, 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 confident that the Group's financial results for the financial year ending 31 December 2024 will be satisfactory.

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 31.03.2024 ⁽¹⁾ RM'000	Unaudited 31.03.2023 RM'000	Unaudited 31.03.2024 ⁽¹⁾ RM'000	Unaudited 31.03.2023 RM'000
<u>Current tax expense</u>				
Current period provision	-	79	-	79
<u>Deferred tax expense</u>				
Current period provision	254	284	254	284
Net Tax Expense	<u>254</u>	<u>363</u>	<u>254</u>	<u>363</u>
Effective tax rate (%)	32.77	28.25	32.77	28.25
Statutory tax rate (%)	24.00	24.00	24.00	24.00

Notes:

(1) Tax expense 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 ⁽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 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
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 31.03.2024 RM'000	Audited 31.12.2023 RM'000
Non-current		
Term loans	11,386	11,171
Current		
Term loans	5,700	6,578
Invoice Financing/Trust Receipts	81,913	73,633
Bank overdraft	8,535	7,493
	<u>96,148</u>	<u>87,704</u>
Total borrowings	<u>107,535</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 dividends have 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 31.03.2024 RM'000	Unaudited 31.03.2023 RM'000	Unaudited 31.03.2024 RM'000	Unaudited 31.03.2023 RM'000
Profit attributable to owners of the Company	521	922	521	922
Number of shares in issue ('000) ⁽¹⁾	316,829	316,829	316,829	316,829
Earnings per share				
Basic/Diluted (sen) ⁽¹⁾	0.16	0.29	0.16	0.29

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

	Interim Quarter		Period-To-Date	
	Unaudited 31.03.2024 RM'000	Unaudited 31.03.2023 RM'000	Unaudited 31.03.2024 RM'000	Unaudited 31.03.2023 RM'000
Interest income	(284)	(387)	(284)	(387)
Interest expense	139	84	139	84
Depreciation of property, plant and equipment	839	748	839	748
Depreciation of right-of-use assets	1,408	1,583	1,408	1,583
Gain on disposal of property, plant and equipment	(57)	-	(57)	-
Gain on disposal of right-of-use assets	(36)	-	(36)	-
(Gain)/Loss on lease modification	(24)	25	(24)	25
Property, plant and equipment written-off	8	-	8	-
Impairment loss on contract assets	162	-	162	-

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 27 May 2024.

By Order of the Board
Company Secretary
27 May 2024