



TELADAN SETIA GROUP BERHAD

(Registration No.: 201901004975 (1314302-V))

Incorporated in Malaysia

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST
(1ST) QUARTER ENDED 31 MARCH 2021**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ⁽¹⁾

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 31.03.2021 RM'000	Preceding Year Corresponding Quarter 31.03.2020 ⁽²⁾ RM'000	Current Year-To- Date 31.03.2021 RM'000	Preceding Year Corresponding Period 31.03.2020 ⁽²⁾ RM'000
Revenue		41,353	N/A	41,353	N/A
Cost of sales		(25,780)	N/A	(25,780)	N/A
Gross profit ("GP")		15,573	N/A	15,573	N/A
Other operating income		354	N/A	354	N/A
Other operating expenses		(1,316)	N/A	(1,316)	N/A
Administrative expenses ⁽³⁾		(4,644)	N/A	(4,644)	N/A
Finance costs		(176)	N/A	(176)	N/A
Profit before tax ("PBT")	B12	9,791	N/A	9,791	N/A
Taxation	B5	(2,688)	N/A	(2,688)	N/A
Profit after tax ("PAT")		7,103	N/A	7,103	N/A
Profit/Total comprehensive income for the financial year attributable to:					
- Owners of the Company		7,103	N/A	7,103	N/A
Earnings per share attributable to owners of the Company					
• Basic EPS (sen) ⁽⁴⁾	B11	0.88	N/A	0.88	N/A
• Diluted EPS (sen) ⁽⁵⁾	B11	0.88	N/A	0.88	N/A

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D) ⁽¹⁾

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus dated 23 February 2021 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the second interim financial report announced in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Listing Requirements**”) (“**Bursa Securities**”). As the Company was only listed on the ACE Market of Bursa Securities on 16 March 2021, there are no comparative figures for the preceding quarter and period-to-date available as no interim financial report was prepared for the comparative financial period concerned.
- (3) Administrative expenses included one-off listing expenses of RM0.98 million. For illustration purposes only, the Group's normalised financial performance after adjusting for the one-off listing expenses are as follows:

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current Year Quarter 31.03.2021 RM'000	Preceding Year Corresponding Quarter 31.03.2020⁽²⁾ RM'000	Current Year-To- Date 31.03.2021 RM'000	Preceding Year Corresponding Period 31.03.2020⁽²⁾ RM'000
PBT	9,791	N/A	9,791	N/A
Add: Listing expenses	977	N/A	977	N/A
Adjusted PBT	10,768	N/A	10,768	N/A

- (4) Basic earnings per share (“EPS”) is calculated based on the Company's share capital of 805,298,002 ordinary shares.
- (5) Diluted earnings per share of the Company for the individual quarter ended 31 March 2021 and year-to-date ended 31 March 2021 is equivalent to the basic earnings per share as the Company does not have any convertible options as at the end of the reporting period.

N/A – Not applicable

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ⁽¹⁾

	UNAUDITED	UNAUDITED
	As at	As at
	31.03.2021	31.03.2020⁽²⁾
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	8,942	N/A
Right-of-use asset	595	N/A
Inventories	122,982	N/A
Total non-current assets	132,519	N/A
Current Assets		
Inventories	275,800	N/A
Trade and other receivables	39,102	N/A
Contract assets	35,167	N/A
Current tax assets	267	N/A
Cash and cash equivalents	155,015	N/A
Total current assets	505,351	N/A
TOTAL ASSETS	637,870	N/A
EQUITY AND LIABILITIES		
Equity		
Share capital	397,045	N/A
Merger deficit	(318,369)	N/A
Retained profits	373,200	N/A
Total Equity	451,876	N/A
Liabilities		
Non-current liabilities		
Bank borrowings	123,229	N/A
Lease liabilities	459	N/A
Finance lease liabilities	179	N/A
Deferred tax liabilities	89	N/A
Total non-current liabilities	123,956	N/A
Current liabilities		
Trade and other payables	39,728	N/A
Bank borrowings	20,098	N/A
Lease liabilities	162	N/A
Finance lease liabilities	174	N/A
Current tax liabilities	1,876	N/A
Total current liabilities	62,038	N/A
TOTAL LIABILITIES	185,994	N/A
TOTAL EQUITY AND LIABILITIES	637,870	N/A
NET ASSETS PER SHARE (RM)⁽³⁾	0.56	N/A

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2021

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ⁽¹⁾
(CONT'D)**

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus dated 23 February 2021 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Malaysia. As the Company was only listed on the ACE Market of Bursa Securities on 16 March 2021, there are no comparative figures for the preceding quarter and period-to-date available as no interim financial report was prepared for the comparative financial period concerned.
- (3) Net assets per ordinary share is calculated based on the Company's number of ordinary shares as at 31 March 2021 of 805,298,002 shares.

N/A – Not applicable

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ⁽¹⁾⁽²⁾

	Share capital RM'000	Merger deficit RM'000	Retained profits RM'000	Total equity RM'000
Unaudited				
Balance as at 1 January 2021	* ⁽³⁾	-	(319)	(319)
Contributions by and distribution to				
- Issuance of shares pursuant to acquisition of subsidiary company	322,119	(318,369)	366,254	370,004
- Issuance of shares	77,309	-	-	77,309
- Listing expenses	(2,383)	-	-	(2,383)
	397,045	(318,369)	366,254	444,930
Effects of adoption of the Agenda Decision	-	-	162	162
At 1 January 2021 (restated)	397,045	(318,369)	366,097	444,773
Net profit and total comprehensive income for the financial period	-	-	7,103	7,103
Balance as at 31 March 2021	397,045	(318,369)	373,200	451,876

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus dated 23 February 2021 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Malaysia. As the Company was only listed on the ACE Market of Bursa Securities on 16 March 2021, there are no comparative figures for the preceding quarter available as no interim financial report was prepared for the comparative financial period concerned.
- (3) The share capital as at 1 January 2021 is RM2.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾

	UNAUDITED Current Year- To-Date 31.03.2021 RM'000	UNAUDITED Preceding Corresponding Period 31.03.2020 ⁽²⁾ RM'000
Cash Flows From Operating Activities		
Profit before taxation	9,791	N/A
Adjustments for:		
Depreciation of property, plant and equipment	244	N/A
Depreciation of right-of-use assets	42	N/A
Interest expense	166	N/A
Interest expenses on lease liabilities	9	N/A
Interest income	(257)	N/A
Operating profit before working capital changes	9,995	N/A
Change in working capital		
Inventories	3,429	N/A
Trade and other receivables	(5,445)	N/A
Contract assets	14,795	N/A
Trade and other payables	2,569	N/A
	15,348	N/A
Cash generated from operations	25,343	N/A
Interest paid	(166)	N/A
Interest received	257	N/A
Tax paid	(1,823)	N/A
Net cash generated from operating activities	23,611	N/A
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(4,863)	N/A
Placement of fixed deposits	2,867	N/A
Purchase of land held for property development	(8,855)	N/A
Net cash used in investing activities	(10,851)	N/A

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾ (CONT'D)

	UNAUDITED Current Year- To-Date 31.03.2021 RM'000	UNAUDITED Preceding Corresponding Period 31.03.2020 ⁽²⁾ RM'000
Cash Flows From Financing Activities		
Interest paid	(1,307)	N/A
Interest paid on lease liabilities	(9)	N/A
Issuance of share capital	74,926	N/A
Proceeds from borrowings	7,802	N/A
Repayment of		
- borrowings	(12,682)	N/A
- finance lease liabilities	(44)	N/A
- lease liabilities	(44)	N/A
Net cash from financing activities	<u>68,642</u>	<u>N/A</u>
Net increase in cash and cash equivalents	81,402	N/A
Cash and cash equivalents at the beginning of the financial period	<u>56,900</u>	<u>N/A</u>
Cash and cash equivalents at the end of the financial period	<u>138,302</u>	<u>N/A</u>
Cash and cash equivalents at the end of the financial period comprise the followings:		
Cash and bank balances	98,021	N/A
Fixed deposits placed with licensed banks	15,376	N/A
Short term investment	41,618	N/A
Balance as stated in the Statement of Financial Position	<u>155,015</u>	<u>N/A</u>
Less: Bank overdrafts	(5,297)	N/A
Less: Fixed deposits pledged with licensed banks	(11,284)	N/A
Less: Fixed deposits mature in more than three months	(132)	N/A
Balance for Statement of Cash Flows purposes	<u>138,302</u>	<u>N/A</u>

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾ (CONT'D)

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows are disclosed in Note A1 and should be read in conjunction with the Accountant's Report as disclosed in the Prospectus dated 23 February 2021 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Malaysia. As the Company was only listed on the ACE Market of Bursa Securities on 16 March 2021, there are no comparative figures for the preceding quarter available as no interim financial report was prepared for the comparative financial period concerned.

N/A – Not applicable

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2021

PART A - EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING

A1. Basis of preparation

The interim financial report of TELADAN SETIA GROUP BERHAD (“TSG” or “the Company”) and its subsidiaries (“the Group”) are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) No. 134: Interim Financial Reporting and Rule 9.22 of Listing Requirements.

This is the second interim financial statements on the Company’s unaudited condensed consolidated financial results for the first (1st) quarter ended 31 March 2021 announced by the Company in compliance with the Listing Requirements of Bursa Securities and as such, there are no comparative figures for the preceding year’s corresponding period.

This interim financial report should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus of the Company dated 23 February 2021 and the accompanying notes attached to this interim financial report.

A2. Summary of Significant Accounting Policies

The significant accounting policies and presentation adopted for the interim financial statements are consistent with those adopted as disclosed in the Accountants’ Report in the Prospectus dated 23 February 2021, except for the adoption of the following new amendments to MFRSs:

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

- Amendments to MFRS 3 Definition of Business
- Amendments to MFRS 4 Extension of the Temporary Exemption from Applying MFRS 9
- Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform
- Amendments to MFRS 101 and MFRS 108 Definition of Material
- Amendments to References to the Conceptual Framework in MFRS Standards

The adoption of the above-mentioned accounting standards, amendments and interpretations do not have any material impact to the financial position and performance of the Group.

Agenda Decision

In March 2019, IFRIC concluded that any inventory which are available for its intended sale and still subject to transfer of control over time are not qualifying assets. Accordingly, the entity should not capitalise borrowing costs on those units in accordance to the principles and the requirements in IAS 123 (MFRS 123).

In previous financial years, borrowing costs incurred were capitalised in inventory – property under development until the completion of the units. Effective 1 January 2021, the Group had retrospectively applied the Agenda Decision according to guidance given by the Agenda Decision.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2021

PART A - EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING (CONT’D)

A2. Summary of Significant Accounting Policies (cont’d)

The effect of the adoption of the Agenda Decision on the combined statement of financial position are as follows:

	As previously reported RM’000	Effects of the Agenda Decision RM’000	As restated RM’000
COMBINED STATEMENT OF FINANCIAL POSITION (EXTRACT) AT 31 DECEMBER 2020			
ASSETS			
Inventories	277,760	162	277,922
EQUITY			
Retained earnings	(365,935)	(162)	(366,097)

A3. Auditors’ report on preceding annual financial statements

TSG was incorporated on 14 February 2019 and the acquisition of Teladan Setia Sdn Bhd (“TSSB”) was completed on 5 January 2021, as such, there was no auditors’ report on the preceding TSG group statutory financial statements. However, the auditors’ report for the financial year ended 31 December 2019 of TSSB was not subject to any qualification.

A4. Seasonal or cyclical factors

The business operations of the Group were not materially affected by seasonal and cyclical effects.

A5. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no material exceptional items during the current financial quarter under review.

A6. Material changes in Accounting Estimates

There were no material exceptional items during the current financial quarter under review.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2021

PART A - EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING (CONT’D)

A7. Debt and equity securities

Pursuant to the Share Sale Agreement dated 24 February 2020, the acquisition of the entire issued share of TSSB by TSG has been completed on 5 January 2021. On completion, TSG has satisfied the purchase consideration by allotting 644,238,000 ordinary shares at the issue price of RM0.50 each (the “consideration shares”) in favour of the vendors of TSSB. In consideration of the issuance of the consideration shares, the vendors of TSSB have transferred 3,750,000 ordinary shares to TSG. The shares transfer was completed on 20 January 2021.

In conjunction with the Company’s listing on the ACE Market of Bursa Securities, the Company has undertaken an initial public offering (“IPO”) comprising:

- (1) Public issue of 161,060,000 new shares (“Issue Shares”) in the following manner:
 - (a) 40,265,000 new shares available for application by the Malaysian public;
 - (b) 10,469,000 new shares available for application by our eligible employees and persons who have contributed to the success of the Company’s;
 - (c) 80,530,000 new shares by way of private placement to Bumiputera investors approved by Ministry of International Trade and Industry; and
 - (d) 29,796,000 new shares by way of private placement to selected investors; and
- (2) Offer for sales of 40,800,000 existing shares by way of private placement to selected investors.

at an IPO price of RM0.48 per share.

Thereafter, the Company’s entire enlarged issued share capital of 805,298,002 shares was listed on the ACE Market of Bursa Securities on 16 March 2021.

Save as disclosed above, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter under review.

A8. Dividends paid

There were no dividends paid during the financial quarter under review.

A9. Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment in the current financial quarter under review.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2021

PART A - EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING (CONT’D)

A10. Capital commitments

	UNAUDITED As at 31.03.2021 RM’000	UNAUDITED As at 31.03.2020 RM’000
Land held for property development		
Authorised and contracted for	18,225	N/A
Authorised and not contracted for	97,497	N/A
Acquisition of Polyintan Sdn. Bhd.		
Authorised and contracted for	11,468	N/A

This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding quarter available as no interim financial report was prepared for the comparative financial period concerned.

A11. Material Subsequent Events

- (i) On 9 April 2021, TSSB entered into a sale and purchase agreement with a third party to purchase a parcel of freehold land held under PN 4872 Lot 1142, Mukim Tanjong Minyak in Melaka for a purchase consideration of RM4,391,284.
- (ii) On 14 April 2021, the wholly owned subsidiary, Asal Harta Sdn. Bhd. (“AHSB”) entered into a sale and purchase agreement with a third party to purchase 3 plots of leasehold land held under PN 26769 Lot 4402, PN26770 Lot 4403 and PN 31981 Lot 4406, Mukim of Ayer Panas in Melaka for a purchase consideration of RM95,095,657.

A12. Changes in the composition of the Group

Save as disclosed in A7, there were no other material changes in the composition of the Group for the current financial quarter under review.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2021

PART A - EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING (CONT’D)

A13. Contingent assets and contingent liabilities

There were no contingent assets. Contingent liabilities of the TSSB’s group of companies are as follows:

	UNAUDITED As at 31.03.2021 RM’000	UNAUDITED As at 31.03.2020 RM’000
Bank guarantee for deposits with the housing and local authorities as well as utilities provider	17,962	N/A

This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding quarter available as no interim financial report was prepared for the comparative financial period concerned.

A14. Related party transactions

There were no material related party transactions during the current financial quarter under review.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2021

PART B – EXPLANATORY NOTES PERSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Performance

(a) Results for current quarter

The Group recorded a revenue of RM41.35 million and profit before tax of RM9.79 million for the current financial quarter ended 31 March 2021. The quarter's revenue was mainly derived from our Bali Residences and Taman Desa Bertam Phase 2 projects, which continue to have good progress during the quarter.

(b) Results for financial year-to-date

As this is the first quarter financial report being announced by the Group, therefore the financial year-to-date record will be the same as the results for current quarter.

This is the second interim financial report on the Company's unaudited condensed consolidated financial results for the first (1st) quarter ended 31 March 2021 announced in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year's corresponding quarter.

B2. Comparison with immediate preceding quarter's results

	INDIVIDUAL QUARTER		VARIANCE	
	UNAUDITED Current Quarter 31.03.2021 RM'000	UNAUDITED Preceding Quarter 31.12.2020 RM'000	RM'000	%
Revenue	41,353	49,538	(8,185)	(16.52)
PBT	9,791	10,697	(906)	(8.47)

The Group recorded revenue of RM41.35 million for the current financial quarter ended 31 March 2021 as compared to RM49.54 million in preceding quarter ended 31 December 2020, a decrease of RM8.19 million during current financial quarter. This is mainly due to decrease in revenue recognised from Bali Residences as the progress is slightly slower compared to immediate preceding quarter ended 31 December 2020, and we expect the handover of Bali Residences to commence in the first half of FY2022. Besides, in this quarter, the Group had successfully completed and handover Taman Belimbing Setia within the expected time frame without incurred any liquidated ascertained damages even there was Movement Control Order (MCO) 1.0 imposed in last year which has halted all construction activities of our on-going projects.

The Group registered a PBT of RM9.79 million in the current financial quarter under review, a decrease of RM0.91 million from RM10.70 million in the preceding quarter. If excluding the listing expenses of RM0.98 million, the adjusted PBT would have been RM10.77 million for the current financial quarter, an increase of RM0.07 million from the preceding quarter.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2021

B. EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B3. Prospects and Outlook for the Current Financial Year

The property market is expected to recover in year 2021 with few incentives introduced by the government. The reintroduction of the Home Ownership Campaign (HOC), which includes Real Property Gains Tax (RPGT) exemption, stamp duty exemption, and the removal of the 70% margin of financing limit had created a positive spill-over effect on the overall property market.

TSG has put in place a series of future plans as follows:

- (i) TSG intends to further strengthen its market presence as an established residential and mixed development property developer in Melaka with a focus on landed residential properties; and
- (ii) TSG intends to expand its business through the acquisition of landbank for future projects in Melaka.

B4 Variance of Actual Profit from Forecast Profit

There is no issue of any profit forecast or profit guarantee in the current financial quarter under review.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2021

B. EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B5. Income tax expenses

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited	Unaudited	Unaudited	Unaudited
	Current Year-Quarter 31.03.2021 ⁽¹⁾ RM'000	Preceding Year Corresponding Quarter 31.03.2020 RM'000	Current Year-To-Date 31.03.2021 RM'000	Preceding Year Corresponding Period 31.03.2020 ⁽¹⁾ RM'000
Income tax expense:				
- Current year	2,645	N/A	2,645	N/A
- Prior years	-	N/A	-	N/A
	<u>2,645</u>	<u>N/A</u>	<u>2,645</u>	<u>N/A</u>
Deferred tax expense:				
- Current year	5	N/A	5	N/A
- Prior years	38	N/A	38	N/A
	<u>43</u>	<u>N/A</u>	<u>43</u>	<u>N/A</u>
Total tax expense	<u>2,688</u>	<u>N/A</u>	<u>2,688</u>	<u>N/A</u>
Effective tax rate (%)	27.45	N/A	27.45	N/A

Notes:

- (1) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding quarter available as no interim financial report was prepared for the comparative financial period concerned.
- (2) The applicable Malaysian income tax rate is 24% for the financial period ended 31 March 2021. The Company's effective tax rate for the current quarter and financial year under review is higher than the statutory tax rate primarily due to non-allowable expenses.
- (3) Income tax expenses is recognised based on management's estimate.

N/A – Not applicable

B6 Status of Corporate Proposals

Save for the IPO as disclosed in Note A12, there were no other corporate proposals announced but not implemented as at the date of this report.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2021

B. EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B7. Utilisation of proceeds from the IPO

The gross proceeds from the IPO amounting to RM77,308,800 is intended to be utilised in the following manner:

<u>Details of utilisation</u>	<u>Proposed Utilisation</u> RM'000	<u>Actual Utilisation</u> RM'000	<u>Unutilised Amount</u> RM'000	<u>Estimated timeframe for utilisation upon listing</u>
Acquisition of land	35,000	11,980	23,020	Within 36 months
Working capital	33,109	-	33,109	Within 24 months
Repayment of bank borrowings	4,000	-	4,000	Within 3 months
Estimated listing expenses	5,200	5,200	-	Within 1 months
	<u>77,309</u>	<u>17,180</u>	<u>60,129</u>	

Note:

From the date of listing of the Company on the ACE Market of Bursa Securities. The utilisation of proceeds disclosed above should be read in conjunction with the Prospectus of the Company dated 23 February 2021.

The gross proceeds were received on 17 March 2021 upon listing of the Group.

Amount of RM2.1 million, included in the actual utilisation of listing expenses of RM5.2 million has been paid via TSSB prior to the IPO.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2021

B. EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B8. Bank borrowings

	<u>UNAUDITED</u> As at 31.03.2021 RM'000	<u>UNAUDITED</u> As at 31.03.2020 ⁽¹⁾ RM'000
Non-current:		
Term loan	123,229	N/A
Hire purchase payables	179	N/A
	<u>123,408</u>	<u>N/A</u>
Current:		
Term loan	14,580	N/A
Bank overdrafts	5,297	N/A
Bridging loan	221	N/A
Hire purchase payables	174	N/A
	<u>20,272</u>	<u>N/A</u>
Total bank borrowings	<u>143,680</u>	<u>N/A</u>

The borrowings are denominated in Ringgit Malaysia.

Note:

(1) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding quarter available as no interim financial report was prepared for the comparative financial period concerned.

N/A – Not applicable

B9. Material litigation

There were no material litigation involving the Company and TSSB's group of companies as at 31 March 2021.

B10. Dividend proposed

The Board of Directors has declared a single tier interim dividend of RM 0.01 per ordinary share for the financial year ending 31 December 2021.

The entitlement date is on 5 April 2021 and the dividend had been paid on 19 April 2021.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2021

B. EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B11. Earnings per share

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited	Unaudited	Unaudited	Unaudited
	Current	Preceding Year	Current	Preceding
	Year-	Corresponding	Year-	Year
	Quarter	Quarter	To-Date	Corresponding
	31.03.2021	31.03.2020 ⁽¹⁾	31.03.2021	31.03.2020 ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Profit attributable to ordinary owners of the Company	7,103	N/A	7,103	N/A
Number of ordinary	805,298	N/A	805,298	N/A
Basic EPS (sen) ⁽²⁾	0.88	N/A	0.88	N/A
Diluted EPS (sen) ⁽³⁾	0.88	N/A	0.88	N/A

Notes:

- (1) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding quarter available as no interim financial report was prepared for the comparative financial period concerned.
- (2) Basic earnings per share ("EPS") is calculated based on the Company's share capital of 805,298,002 ordinary shares.
- (3) Diluted earnings per share of the Company for the individual quarter ended 31 March 2021 and year-to-date ended 31 March 2021 is equivalent to the basic earnings per share as the Company does not have any convertible options as at the end of the reporting period.

N/A – Not applicable

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2021

B. EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B12. Notes to the Statement of Comprehensive Income

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

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>
	<u>Current</u>	<u>Preceding Year</u>	<u>Current</u>	<u>Preceding</u>
	<u>Year-</u>	<u>Corresponding</u>	<u>Year-</u>	<u>Year</u>
	<u>Quarter</u>	<u>Quarter</u>	<u>To-Date</u>	<u>Corresponding</u>
	<u>31.03.2021</u>	<u>31.03.2020⁽¹⁾</u>	<u>31.03.2021</u>	<u>Period</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>31.03.2020⁽¹⁾</u>
				<u>RM'000</u>
Depreciation of property, plant and equipment	244	N/A	244	N/A
Depreciation of right-of-use asset	42	N/A	42	N/A
Interest expense	166	N/A	166	N/A
Interest expense on lease liabilities	9	N/A	9	N/A
Interest income	(257)	N/A	(257)	N/A

Note:

- (1) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding quarter available as no interim financial report was prepared for the comparative financial period concerned.

N/A – Not applicable

BY ORDER OF THE BOARD

TELADAN SETIA GROUP BERHAD

12 MAY 2021