



**TELADAN SETIA GROUP BERHAD**

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

Incorporated in Malaysia

**INTERIM FINANCIAL REPORT  
FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED  
30 JUNE 2022**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2022<sup>(1)</sup>**

	Note	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		Current Year Quarter 30.06.2022 RM'000	Preceding Year Corresponding Quarter 30.06.2021 RM'000	Current Year-To- Date 30.06.2022 RM'000	Preceding Year Corresponding Period 30.06.2021 RM'000
Revenue		75,605	40,516	134,506	81,869
Cost of sales		(50,433)	(27,182)	(91,303)	(52,962)
<b>Gross profit ("GP")</b>		25,172	13,334	43,203	28,907
Other operating income/(expenses)		(168)	605	468	959
Other operating expenses		(1,977)	(1,002)	(3,739)	(2,318)
Administrative expenses		(3,313)	(2,675)	(6,699)	(7,319)
Finance costs		(777)	(84)	(1,546)	(260)
<b>Profit before tax ("PBT")</b>	B12	18,937	10,178	31,687	19,969
Taxation	B5	(4,697)	(2,516)	(7,978)	(5,204)
<b>Profit after tax ("PAT")</b>		14,240	7,662	23,709	14,765
<b>Profit/Total comprehensive income for the financial period attributable to:</b>					
- Owners of the Company		14,240	7,662	23,709	14,765
<b>Earnings per share attributable to owners of the Company</b>					
• Basic EPS (sen) <sup>(2)</sup>	B10	1.77	1.11	2.94	2.14
• Diluted EPS (sen) <sup>(3)</sup>	B11	1.44	1.11	2.39	2.14

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2022<sup>(1)</sup> (CONT'D)**

**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 Group's audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.
- (2) Basic earnings per share ("EPS") is calculated based on the Company's weighted average number of ordinary shares of 805,298,002 (30 June 2021: 691,011,591).
- (3) The calculation of diluted EPS has taken into consideration of the adjustment of weighted average number of ordinary shares in issue during the period for the dilutive effect of all potential ordinary shares.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022<sup>(1)</sup>

	<b>UNAUDITED</b>	<b>AUDITED</b>
	As at <b>30.06.2022</b> RM'000	As at <b>31.12.2021</b> RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	11,744	8,744
Right-of-use asset	380	466
Inventories	367,083	242,313
<b>Total non-current assets</b>	<b>379,207</b>	<b>251,523</b>
<b>Current Assets</b>		
Inventories	270,657	285,164
Trade and other receivables	31,093	45,396
Contract assets	109,258	80,053
Current tax assets	419	391
Cash and cash equivalents	65,114	83,461
<b>Total current assets</b>	<b>476,541</b>	<b>494,465</b>
<b>TOTAL ASSETS</b>	<b>855,748</b>	<b>745,988</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	397,045	397,045
Merger reserve	(318,369)	(318,369)
Retained profits	408,853	390,781
<b>Total Equity</b>	<b>487,529</b>	<b>469,457</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Bank borrowings	289,624	209,270
Lease liabilities	241	326
Finance lease liabilities	356	153
Deferred tax liabilities	46	46
<b>Total non-current liabilities</b>	<b>290,267</b>	<b>209,795</b>
<b>Current liabilities</b>		
Trade and other payables	44,608	40,187
Bank borrowings	27,083	23,606
Lease liabilities	172	176
Finance lease liabilities	245	189
Current tax liabilities	5,844	2,578
<b>Total current liabilities</b>	<b>77,952</b>	<b>66,736</b>
<b>TOTAL LIABILITIES</b>	<b>368,219</b>	<b>276,531</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>855,748</b>	<b>745,988</b>
<b>NET ASSETS PER SHARE (RM)<sup>(2)</sup></b>	<b>0.61</b>	<b>0.61</b>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS  
AT 30 JUNE 2022<sup>(1)</sup> (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 Group's audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per ordinary share is calculated based on the Company's weighted average number of ordinary shares of 805,298,002 (31 December 2021: 772,203,481).

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2022 <sup>(1)</sup>**

	Share capital RM'000	Contributed capital RM'000	Merger reserve RM'000	Retained profits RM'000	Total equity RM'000
<b>Unaudited</b>					
<b>Balance as at 1.1.2022</b>	397,045	-	(318,369)	390,781	469,457
Net profit and total comprehensive income for the financial period	-	-	-	23,709	23,709
Dividend	-	-	-	(5,637)	(5,637)
<b>Balance as at 30.06.2022</b>	<b>397,045</b>	<b>-</b>	<b>(318,369)</b>	<b>408,853</b>	<b>487,529</b>
<b>Balance as at 1.1.2021</b>	*(2)	3,750	-	365,935	369,685
Effects of adoption of the Agenda Decision	-	-	-	162	162
<b>Restated balance as at 1.1.2021</b>	*(2)	3,750	-	366,097	369,847
Net profit and total comprehensive income for the financial period	-	-	-	14,765	14,765
Acquisition via merger	322,119	(3,750)	(318,369)	-	-
Issuance of ordinary shares for the Public Issue	77,309	-	-	-	77,309
Listing expenses	(2,383)	-	-	-	(2,383)
Dividend	-	-	-	(8,053)	(8,053)
Total transactions with owners of the Company for the financial period	397,045	(3,750)	(318,369)	(8,053)	66,873
<b>Balance as at 30.06.2021</b>	<b>397,045</b>	<b>-</b>	<b>(318,369)</b>	<b>372,809</b>	<b>451,485</b>

**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 Group's audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.
- (2) The share capital as at 1 January 2021 is RM2.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2022<sup>(1)</sup>**

	<b>Current Year- To-Date 30.06.2022 RM'000</b>	<b>Preceding Corresponding Period 30.06.2021 RM'000</b>
<b>Cash Flows from Operating Activities</b>		
<b>Profit before taxation</b>	31,687	19,969
Adjustments for:		
Depreciation of property, plant and equipment	439	502
Depreciation of right-of-use assets	86	85
Interest expense	1,526	237
Interest expenses on lease liabilities	19	23
Interest income	(382)	(691)
(Gain)/Loss on disposal of property, plant and equipment	(82)	1
<b>Operating profit before working capital changes</b>	<b>33,293</b>	<b>20,126</b>
<b>Change in working capital</b>		
Inventories	14,757	(7,311)
Trade and other receivables	14,303	(14,441)
Contract assets	(29,204)	12,944
Trade and other payables	4,421	(895)
	<u>4,277</u>	<u>(9,703)</u>
<b>Cash generated from operations</b>	<b>37,570</b>	<b>10,423</b>
Interest paid	(1,526)	(237)
Interest received	382	691
Tax paid	(4,740)	(3,454)
<b>Net cash generated from operating activities</b>	<b><u>31,686</u></b>	<b><u>7,423</u></b>
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(3,006)	(4,970)
(Placement)/Withdrawal of fixed deposits	(345)	117
Purchase of land held for property development	(27,013)	(8,855)
Proceed from disposal of property, plant and equipment	82	1
<b>Net cash used in investing activities</b>	<b><u>(30,282)</u></b>	<b><u>(13,707)</u></b>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2022<sup>(1)</sup> (CONT'D)

	<b>Current Year- To-Date 30.06.2022 RM'000</b>	<b>Preceding Corresponding Period 30.06.2021 RM'000</b>
<b>Cash Flows from Financing Activities</b>		
Dividend paid	(5,637)	(8,053)
Interest paid	(3,760)	(2,799)
Interest paid on lease liabilities	(19)	(23)
Issuance of share capital	-	74,926
Drawdown from borrowings	-	17,439
Repayment of		
- borrowings	(10,470)	(16,321)
- finance lease liabilities	(122)	(92)
- lease liabilities	(88)	(84)
<b>Net cash (used in)/generated from financing activities</b>	<u>(20,096)</u>	<u>64,993</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(18,692)	58,709
<b>Cash and cash equivalents at the beginning of the financial period</b>	<u>64,917</u>	<u>56,900</u>
<b>Cash and cash equivalents at the end of the financial period</b>	<u><u>46,225</u></u>	<u><u>115,609</u></u>
<b>Cash and cash equivalents at the end of the financial period comprise the followings:</b>		
Cash and bank balances	36,117	55,796
Fixed deposits placed with licensed banks	21,978	18,146
Short term investment	7,019	55,833
Balance as stated in the Statement of Financial Position	<u>65,114</u>	<u>129,775</u>
Less: Fixed deposits pledged with licensed banks	(18,751)	(14,031)
Less: Fixed deposits mature in more than three months	<u>(138)</u>	<u>(135)</u>
Balance for Statement of Cash Flows purposes	<u><u>46,225</u></u>	<u><u>115,609</u></u>

**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 Group's audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.

**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 interim financial report should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 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 audited report and combined financial statements for the financial year ended 31 December 2021, except for the adoption of the following new amendments to MFRSs relevant to the current operations of the Group:

**MFRSs and/or IC Interpretations (Including the Consequential Amendments)**

- Amendments to MFRS 3 *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 116 *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts–Cost of Fulfilling a Contract*
- Annual Improvements to MFRS Standards 2018–2020

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.

**A3. Auditors’ report on preceding annual financial statements**

The audited report and financial statements of TSG for the financial year ended 31 December 2021 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.

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

**A6. Material changes in Accounting Estimates**

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

**A7. Debt and equity securities**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter under review.

**A8. Dividends paid**

In respect of the financial year ended 31 December 2022, a single-tier interim dividend of RM0.007 per ordinary share amounting to RM5,637,161 was 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.

**A10. Capital commitments**

	<b>UNAUDITED</b>
	<b>As at</b>
	<b>30.06.2022</b>
	<b>RM’000</b>
<b>Authorised and contracted for:</b>	
- Acquisition of Polyintan Sdn. Bhd. (“Polyintan”) <sup>(1)</sup>	11,468
- Capital Work in Progress	<u>23,199</u>

**Notes**

- (1) On 4 January 2021, the Group entered into a supplemental agreement in respect of the share sale agreement dated 11 November 2020 with Polywell Enterprise Sdn. Bhd. to acquire the entire equity interest of Polyintan Sdn. Bhd. for a total purchase consideration of RM1,825,954 together with an amount of RM9,641,918 payable to Polywell Enterprise Sdn. Bhd. This acquisition is conditional upon Polyintan Sdn. Bhd. obtaining a development order for the land that it owns.

**A11. Material Subsequent Events**

There were no material events subsequent to the end of the current financial quarter.

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

**A12. Changes in the composition of the Group**

There were no other material changes in the composition of the Group for the current financial quarter under review.

**A13. Contingent assets and contingent liabilities**

There were no contingent assets and contingent liabilities as at the date of this interim report.

**A14. Related party transactions**

	<b>UNAUDITED</b>
	As at
	<b>30.06.2022</b>
	<b>RM</b>
<b>Transactions with director’s spouse:-</b>	
- Progress billing on sales of properties	<u>79,660</u>
<b>Transactions with a company that director has interest:-</b>	
- Progress billing on sales of properties	79,285
- Provision of online investor relations services	<u>12,000</u>

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

**B1. Review of Performance**

**(a) Results for current quarter**

	INDIVIDUAL QUARTER		VARIANCE	
	UNAUDITED 3 months ended 30.06.2022 RM'000	UNAUDITED 3 months ended 30.06.2021 RM'000	RM'000	%
Revenue	75,605	40,516	35,089	86.61
PBT	18,937	10,178	8,759	86.06

The Group recorded a revenue of RM75.61 million for the current financial quarter ended 30 June 2022 (Q2 2022) as compared to RM40.52 million in the same quarter ended 30 June 2021 (Q2 2021), an increase of RM35.09 million. This quarter's revenue was mainly derived from Taman Desa Bertam Phase 2, 3A and 3B and Bali Residences. The higher revenue is due to better sales and progress in terms of revenue recognition. Besides, there are few newly launched projects as compared to Q2 2021 which enabled a higher percentage of revenue to be recognised in current quarter. In addition, there is sales of land held for development in this quarter.

The Group registered a PBT of RM18.94 million in Q2 2022 as compared to PBT of RM10.18 million in Q2 2021, which represents an increase of RM8.76 million. The improvement in PBT was mainly due to higher revenue generated in Q2 2022.

**(b) Results for financial year-to-date**

	CUMULATIVE QUARTER		VARIANCE	
	UNAUDITED 6 months ended 30.06.2022 RM'000	UNAUDITED 6 months ended 30.06.2021 RM'000	RM'000	%
Revenue	134,506	81,869	52,637	64.29
PBT	31,687	19,969	11,718	58.68

The Group recorded a revenue of RM134.51 million for 6 months ended 30 June 2022 (Q2 YTD 2022), an increase of RM52.64 million from RM81.87 million for the 6 months ended 30 June 2021 (Q2 YTD 2021). This is mainly attributable to the recovery of the market and economic activities followed by the rollout of the Covid 19 Immunisation Programme. In addition, the revenue recognition was boosted by the higher sales of our ongoing projects and newly launched projects after reopening of all the economic sectors. In addition, there is sales of land held for development in this quarter.

The Group registered a PBT of RM31.69 million in Q2 YTD 2022 as compared to PBT of RM19.97 million in Q2 YTD 2021, which represents an increase of RM11.72 million. This increase is in line with the higher revenue generated in Q2 YTD 2022.

**PART B – EXPLANATORY NOTES PERSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**

**B2. Comparison with immediate preceding quarter's results**

	INDIVIDUAL QUARTER		VARIANCE	
	UNAUDITED Current Quarter 30.06.2022 RM'000	UNAUDITED Preceding Quarter 31.03.2022 RM'000	RM'000	%
Revenue	75,605	58,901	16,704	28.36
PBT	18,937	12,750	6,187	48.53

The Group recorded revenue of RM75.61 million for the current financial quarter ended 30 June 2022 as compared to RM58.90 million in the preceding quarter ended 31 March 2022, an increase of RM16.70 million during current financial quarter. The increase in revenue is mainly due to increase in revenue recognised from on-going development of Taman Desa Bertam Phase 2 and 3A and Taman Bertam Heights Phase 1B which achieved percentage of completion of 93.32%, 55.34% and 7.79% respectively. In addition, launching of Taman Desa Bertam Phase 3B1 in this current quarter also achieved a percentage of completion of 18.18%.

The increase in revenue was partially offset by lower revenue contributed by on-going development of Bali Residences, which achieved percentage of completion of 94.98% and it is near completion.

The Group registered a PBT of RM18.94 million in the current financial quarter under review, an increase of RM6.19 million from PBT of RM12.75 million in the preceding quarter. This increase is in line with the higher revenue generated in current financial quarter.

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**PART 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**

Since 4Q2021, the Malaysian economy has been on a recovery trend mainly driven by higher private consumption and investment, as well as lower borrowing rates. Collectively, these have led to a more robust property segment. In line with that, Teladan Setia has reported a strong set of financial results in the first two quarters of 2022.

Despite the positive sentiment in 1H2022, the property market is expected to continue to face headwinds moving forward with the rising cost of building materials, shortages of labour, and supply chain constraints. In addition, there is also a potential recession risk as the Government attempts to contain inflationary pressure. In July 2022, Bank Negara Malaysia increased the Overnight Policy Rate by 50 basis points to 2.25%.

Year-to-date, the Group has successfully launched 2 projects. Taman Bertam Heights Phase 1B was launched in February 2022. The RM150.7 million gated and guarded township project has been fully booked since. Subsequently, Teladan Setia has also unveiled Taman Desa Bertam Phases 3B1 which is valued at RM83.8 million. Sales for this development has been positive so far.

In 2H2022, the Group is looking to announce 4 more projects. Of which, 2 are affordable housing developments with a total development value (GDV) of RM164.7 million. Demand for affordable homes is expected to remain strong in Malaysia due to shortages of supply.

In 4Q2022, the Group will launch its maiden development outside of Melaka. Located in Seri Kembangan, Selangor, the high-rise project is in close proximity to a train station and a shopping mall, and has an estimated GDV of RM574.5 million.

In terms of its undeveloped landbank, Teladan Setia currently holds 1,099.4 acres of land, mostly in Melaka. The huge landbank is expected to sustain the Group for many years to come.

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

**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.

**B5. Income tax expenses**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Current Year-Quarter 30.06.2022 RM'000</b>	<b>Preceding Year Corresponding Quarter 30.06.2021 RM'000</b>	<b>Current Year-To-Date 30.06.2022 RM'000</b>	<b>Preceding Year Corresponding Period 30.06.2021 RM'000</b>
Income tax expense:				
- Current year	4,697	2,514	7,978	5,159
Deferred tax expense:				
- Current year	-	2	-	7
- Prior years	-	-	-	38
<b>Total tax expense</b>	<b>4,697</b>	<b>2,516</b>	<b>7,978</b>	<b>5,204</b>
Effective tax rate (%)	24.80	24.72	25.18	26.06

**Notes:**

- (1) The applicable Malaysian income tax rate is 24% for the financial period ended 31 March 2022. 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.
- (2) Income tax expenses are recognised based on management's estimate.

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

**B6 Status of Corporate Proposals**

There were no material corporate proposals announced and not completed as at the date of this report, except for the following:

(i) Proposed Acquisition

On 6 September 2021, the Company announced that Riverwell Resources Sdn. Bhd., a wholly-owned subsidiary of the Company, entered into a conditional Sales and Purchase Agreement with Bakat Muhibbah Sdn. Bhd. for the proposed acquisition of 5 pieces of leasehold lands, all situated in Mukim of Ayer Panas, District of Jasin, State of Melaka, measuring in aggregate area of approximately 136.9 hectares for a total purchase consideration of RM117.90 million. The said proposal had obtained shareholders' approval at the extraordinary general meeting held on 26 November 2021. The proposed acquisition is completed in May 2022.

**B7. Bank borrowings**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>As at</b>	<b>As at</b>
	<b>30.06.2022</b>	<b>31.12.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current:</b>		
Term loans	289,624	209,270
Finance lease liabilities	356	153
	<u>289,980</u>	<u>209,423</u>
<b>Current:</b>		
Term loans	27,083	23,606
Finance lease liabilities	245	189
	<u>27,328</u>	<u>23,795</u>
<b>Total bank borrowings</b>	<u>317,308</u>	<u>233,218</u>

The borrowings are denominated in Ringgit Malaysia.

**B8. Material litigation**

There were no material litigation involving the Group as at 30 June 2022.

**B9. Dividend proposed**

On 17 August 2022, the Board of Directors has declared a single tier interim dividend of RM0.006 per ordinary share for the financial year ending 31 December 2022.

The entitlement date is on 5 September 2022 and the dividend is to be paid on 19 September 2022.

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

**B10. Earnings per share**

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

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Current Year-Quarter 30.06.2022</b>	<b>Preceding Year Corresponding Quarter 30.06.2021</b>	<b>Current Year-To-Date 30.06.2022</b>	<b>Preceding Year Corresponding Period 30.06.2021</b>
Net profit for the period (RM'000)	14,240	7,662	23,709	14,765
Share capital after acquisition of subsidiary via merger ('000)	644,238	644,238	644,238	644,238
Issuance of ordinary shares for the Public Issue ('000)	161,060	46,774	161,060	46,774
Weighted average number of ordinary shares ('000)	805,298	691,012	805,298	691,012
Basic EPS (sen) <sup>(1)</sup>	1.77	1.11	2.94	2.14

**Notes:**

- (1) Basic earnings per share ("EPS") is calculated based on the Company's weighted average number of ordinary shares of 805,298,002 (30 June 2021: 691,011,591).

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

**B11. Diluted EPS**

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>Current Year-Quarter 30.06.2022</u>	<u>Preceding Year Corresponding Quarter 30.06.2021</u>	<u>Current Year-To-Date 30.06.2022</u>	<u>Preceding Year Corresponding Period 30.06.2021</u>
Net profit for the period (RM'000)	14,240	7,662	23,709	14,765
Weighted average number of shares used in the calculation of basic earnings per share ('000)	805,298	691,012	805,298	691,012
Adjustment for shares from assumed exercise of warrant ('000)	185,329	-	185,329	-
Weighted average number of ordinary shares at 30 June ('000)	<u>990,627</u>	<u>691,012</u>	<u>990,627</u>	<u>691,012</u>
Diluted EPS (sen) <sup>(1)</sup>	<u>1.44</u>	<u>1.11</u>	<u>2.39</u>	<u>2.14</u>

**Notes:**

- (1) The calculation of diluted EPS has taken into consideration of the adjustment of weighted average number of ordinary shares in issue during the period for the dilutive effect of all potential ordinary shares.

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**PART 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 Profit or Loss and Other Comprehensive Income**

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

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Current Year-Quarter 30.06.2022 RM'000</b>	<b>Preceding Year Corresponding Quarter 30.06.2021 RM'000</b>	<b>Current Year-To-Date 30.06.2022 RM'000</b>	<b>Preceding Year Corresponding Period 30.06.2021 RM'000</b>
Depreciation of property, plant and equipment	240	258	439	502
Depreciation of right-of-use asset	44	43	86	85
Interest expense	767	71	1,526	237
Interest expense on lease liabilities	9	14	19	23
Interest income	(158)	(434)	(382)	(691)
(Gain)/Loss on disposal of property, plant and equipment	(82)	1	(82)	1

**BY ORDER OF THE BOARD**

**TELADAN SETIA GROUP BERHAD**

**17 AUGUST 2022**