



TELADAN SETIA GROUP BERHAD

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

Incorporated in Malaysia

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE
FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2020**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2020

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited Current Year Quarter 31.12.2020 RM'000	Unaudited Preceding Year Corresponding Quarter 31.12.2019 ⁽²⁾ RM'000	Unaudited Current Year-To- Date 31.12.2020 RM'000	Audited Preceding Year Year-To-Date 31.12.2019 RM'000
Revenue	49,538	N/A	149,566	232,988
Cost of sales	(32,174)	N/A	(95,738)	(152,451)
Gross profit ("GP")	17,364	N/A	53,828	80,537
Other operating income	436	N/A	2,754	2,470
Other operating expenses	(1,923)	N/A	(8,422)	(9,281)
Administrative expenses	(5,030)	N/A	(13,068)	(17,921)
Finance costs	(150)	N/A	(616)	(468)
Profit before tax ("PBT")	10,697	N/A	34,476	55,337
Taxation	(2,720)	N/A	(9,197)	(11,935)
Profit after tax ("PAT")	7,977	N/A	25,279	43,402
Profit/Total comprehensive income for the financial year attributable to:				
- Owners of the Company	7,977	N/A	25,279	43,402
	7,977	N/A	25,279	43,402
Earnings per share attributable to owners of the Company				
• Basic EPS (sen) ⁽³⁾	1.24	N/A	3.92	6.74
• Diluted EPS (sen) ⁽⁴⁾	0.99	N/A	3.14	5.39

Notes:

- (1) The basis of preparation of the Unaudited Condensed Combined 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 first interim financial report on the Company's unaudited condensed combined financial results for the fourth (4th) quarter ended 31 December 2020 announced in compliance with the Listing requirements and as such, there are no comparative figures for the preceding year's corresponding quarter.
- (3) Basic earnings per share ("EPS") is calculated based on the Company's share capital of 644,238,002 ordinary shares after issuance of shares to the acquisition of Teladan Setia Sdn Bhd ("TSSB") and its subsidiaries.
- (4) Diluted earnings per share is calculated based on the Company's share capital of 805,298,002 ordinary shares that shall be listed on the ACE Market of Bursa Securities.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2020

UNAUDITED CONDENSED COMBINED STATEMENT OF FINANCIAL POSITION ⁽¹⁾

	UNAUDITED	AUDITED
	As at 31.12.2020 RM'000	As at 31.12.2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	4,323	5,348
Right-of-use asset	242	408
Inventories	99,127	171,748
Total non-current assets	103,692	177,504
Current Assets		
Inventories	277,760	182,830
Trade and other receivables	33,657	27,742
Contract assets	49,962	61,052
Current tax assets	265	1,467
Cash and cash equivalents	76,324	92,297
Total current assets	437,968	365,388
TOTAL ASSETS	541,660	542,892
EQUITY AND LIABILITIES		
Equity		
Share capital	3,750	3,750
Retained profits	365,935	340,656
Total Equity	369,685	344,406
Liabilities		
Non-current liabilities		
Bank borrowings	110,576	105,913
Lease liabilities	176	270
Finance lease liabilities	223	369
Deferred tax liabilities	46	46
Total non-current liabilities	111,021	106,598
Current liabilities		
Trade and other payables	37,160	68,858
Bank borrowings	22,474	22,462
Lease liabilities	94	179
Finance lease liabilities	174	216
Current tax liabilities	1,052	173
Total current liabilities	60,954	91,888
TOTAL LIABILITIES	171,975	198,486
TOTAL EQUITY AND LIABILITIES	541,660	542,892
NET ASSETS PER SHARE (RM) ⁽²⁾	0.57	0.53

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2020

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

Notes:

- (1) The basis of preparation of the Unaudited Condensed Combined 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 report.
- (2) Net assets per ordinary share is calculated based on the Company's number of ordinary shares as at 31 December 2020 of 644,238,002 shares (31 December 2019: 644,238,002 shares).

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2020

UNAUDITED CONDENSED COMBINED STATEMENT OF CHANGE IN EQUITY FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2020⁽¹⁾

	Share capital RM'000	Retained profits RM'000	Total attributable to owners of the Company RM'000	Non-controlling Interest RM'000	Total equity RM'000
<u>Audited</u>					
Balance as at 1 January 2019	3,750	297,254	301,004	15	301,019
Issuance of share capital	*	-	*	-	*
Effect of strike off of a subsidiary	-	-	-	(15)	(15)
Total comprehensive income for the financial year	-	43,402	43,402	-	43,402
Balance as at 31 December 2019	3,750	340,656	344,406	-	344,406
<u>Unaudited</u>					
Balance as at 1 January 2020	3,750	340,656	344,406	-	344,406
Total comprehensive income for the financial year	-	25,279	25,279	-	25,279
Balance as at 31 December 2020	3,750	365,935	369,685	-	369,685

Note:

The basis of preparation of the Unaudited Condensed Combined Statements 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 report.

* Less than RM1,000

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2020

UNAUDITED COMBINED STATEMENT OF CASH FLOWS ⁽¹⁾

	UNAUDITED Current Year- To-Date 31.12.2020 RM'000	AUDITED Preceding Year- To-Date 31.12.2019 RM'000
Cash Flows From Operating Activities		
Profit before taxation	34,476	55,337
Adjustments for:		
Bad debt written off	*	16
Depreciation of property, plant and equipment	1,019	1,156
Depreciation of right-of-use asset	166	165
Interest expense	581	418
Interest expenses on lease liabilities	35	50
Interest income	(1,721)	(1,699)
Gain on disposal of property, plant and equipment	(277)	(459)
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Operating profit before working capital changes	34,279	54,984
Change in working capital		
Inventories	(1,588)	29,981
Trade and other receivables	(5,915)	32,218
Contract assets	11,089	(43,826)
Trade and other payables	(17,999)	5,140
	<hr/>	<hr/>
Cash generated from operations	19,866	78,497
Interest received	1,721	1,699
Tax paid	(10,552)	(18,693)
Tax refunded	3,436	572
	<hr/>	<hr/>
Net cash generated from operating activities	14,471	62,075
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(62)	(1,092)
Proceeds from disposal of property, plant and equipment	345	498
Placement of fixed deposits	(694)	(182)
Purchase of land held for development	(5,211)	(8,253)
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Net cash used in investing activities	(5,622)	(9,029)
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2020

UNAUDITED COMBINED STATEMENT OF CASH FLOWS ⁽¹⁾ (CONT'D)

	UNAUDITED Current Year- To-Date 31.12.2020 RM'000	AUDITED Preceding Year- To-Date 31.12.2019 RM'000
Cash Flows From Financing Activities		
Dividends paid	(13,700)	(12,500)
Interest paid	(6,889)	(7,353)
Interest paid on lease liabilities	(34)	(49)
Issuance of share capital	-	*
Proceeds from borrowings	35,397	18,160
Repayment of		
- borrowings	(40,317)	(44,945)
- finance lease liabilities	(189)	(195)
- lease liabilities	(179)	(169)
Net cash used in financing activities	<u>(25,911)</u>	<u>(47,051)</u>
Net (decrease)/increase in cash and cash equivalents	(17,062)	5,995
Cash and cash equivalents at the beginning of the financial year	<u>73,962</u>	<u>67,967</u>
Cash and cash equivalents at the end of the financial year	<u>56,900</u>	<u>73,962</u>

Notes:

The basis of preparation of the Unaudited Condensed Combined Statements of Financial Position 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 report.

* Less than RM1,000

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2020

UNAUDITED COMBINED STATEMENT OF CASH FLOWS ⁽¹⁾ (CONT'D)

Cash and cash equivalents at the end of the financial year comprise the followings:

	UNAUDITED Current Year- To-Date 31.12.2020 RM'000	AUDITED Preceding Year- To-Date 31.12.2019 RM'000
Cash and bank balances	20,637	46,635
Fixed deposits placed with licensed banks	18,226	13,715
Short term investment	37,460	31,946
	<hr/>	<hr/>
Balance as stated in the Statement of Financial Position	76,323	92,296
Less: Bank overdrafts	(5,140)	(4,745)
Less: Fixed deposits pledged with licensed banks	(14,151)	(12,780)
Less: Fixed deposits mature in more than three months	(132)	(809)
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Balance for Statement of Cash Flows purposes	56,900	73,962
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2020

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

A1. Basis of preparation

The combined financial statements have been prepared under the historical cost convention, unless otherwise stated in the combined financial statements.

The preparation of the combined financial statements requires the directors to make estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. In addition, the directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 4. Although these estimates and assumptions are based on the directors’ best knowledge of events and actions, actual results could differ from those estimates.

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

Financial Reporting updates

IFRIC Tentative Agenda Decision (“TAD”) - Over time transfer of constructed good, which may have impacts on the Group’s financial statements on adoption

The IFRS Interpretations Committee (“IFRIC”) received a submission about the capitalisation of borrowing costs in relation to the construction of a residential multi-unit real estate development.

Based on the fact pattern described in the submission, the request asked whether the entity has a qualifying asset as defined in IAS 23 *Borrowing Costs* and, therefore, capitalises any directly attributable costs.

The IFRIC concluded in March 2019 that, in the fact pattern described in the request:

- (i) Any receivable and contract asset that the entity recognises is not a qualifying asset.
- (ii) Any inventory (work-in-progress) for unsold units under construction that the entity recognises is also not a qualifying asset because the unsold units are ready for its intended use or sale.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2020

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)

IFRIC Tentative Agenda Decision (“TAD”) - Over time transfer of constructed good, which may have impacts on the Group’s financial statements on adoption (cont’d)

The MASB announced on 20 March 2019 that an entity shall apply the change in accounting policy as a result of this Agenda Decision to financial statements of annual periods beginning on or after 1 July 2020.

The Group is in the process of obtaining new information and adapting its systems to implement this change in accounting policy. The implementation results would be reported during the financial year ending 31 December 2021.

The Group has not applied in advance any accounting standards and / or interpretations (including the consequential amendments. If any) that have been issued by the Malaysian Accounting Standards Board but are yet effective for the financial year ended 31 December 2020.

A3. Auditors’ report on preceding annual financial statements

The audited financial statements of the Company for the financial year ended 31 December 2019 was not subject to any qualification.

Teladan Setia Group Berhad (“TSG”) was incorporated on 14 February 2019 and the acquisition of 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 FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2020

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

A7. Debt and equity securities

On 5 January 2021, the Company issued a total of 644,238,000 new ordinary shares pursuant to the acquisition of the entire equity interest in Teladan Setia Sdn. Bhd. in conjunction with the Initial Public Offering (“IPO”).

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.

A10. Capital commitments

	UNAUDITED	AUDITED
	As at	As at
	31.12.2020	31.12.2019
	RM’000	RM’000
Land held for property development		
Authorised but not contracted for	-	12,752
Authorised and contracted for	33,784	21,234
Freehold land		
Authorised but not contracted for	4,010	-
Acquisition of Polyintan Sdn. Bhd.		
Authorised and contracted for	11,468	-

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2020

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

A11. Material Subsequent Events

- 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 TGS. The shares transfer was completed on 20 January 2021.

In conjunction with the Company’s listing on the ACE Market of Bursa Securities, on 23 February 2021, the Company issued its Prospectus for its IPO entailing the following:

- (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.

Upon completion of the IPO, the Company is expected to be admitted to the Official List of Bursa Securities and the Company’s entire enlarged issued share capital of 805,298,002 shares shall be listed and quoted on the ACE Market of Bursa Securities.

Save as disclosed above, there were no other material events subsequent to the end of the current financial period that have not been reflected in the interim financial reports for the said period as at the date of this report.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2020

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

- On 5 January 2021, TSG had completed the acquisition of the entire equity interest in TSG at a purchase consideration of RM322,119,000, which was fully satisfied by the issuance of 644,238,000 new shares at an issue price of RM0.50 per share.
- On 11 November 2020 (supplemented on 4 January 2021), TSSB entered into a conditional share sale agreement with Polywell Enterprise Sdn Bhd (“Polywell Enterprise”) to acquire the entire equity interest of Polyintan Sdn Bhd (“Polyintan”) for a total purchase consideration of RM1,825,954. This acquisition is conditional upon Polyintan obtaining a development order for the lands that it owns;

Save as disclosed above, 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. Contingent liabilities of the TSSB’s group of companies are as follows:

	<u>UNAUDITED</u>	<u>AUDITED</u>
	As at	As at
	31.12.2020	31.12.2019
	RM’000	RM’000
Bank guarantee for deposits with the housing and local authorities as well as utilities provider	<u>18,138</u>	<u>14,532</u>

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 FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2020

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 RM49.54 million and profit before tax of RM10.70 million for the current financial quarter ended 31 December 2020. The quarter's revenue was mainly derived from our Bali Residences and Taman Desa Bertam Phase 2 projects, which saw good progress during the quarter.

(b) Results for financial year-to-date

The Group recorded a revenue of RM149.57 million and profit before tax of RM34.48 million for the current financial year ended 31 December 2020. Our Bali Residences and Taman Desa Bertam Phase 2 projects were the main contributors to our revenue and profit before tax this year. Despite the imposition of the Movement Control Order, we were able to continue securing good sales orders from the second quarter onwards and as a result were still able to achieve a profit before tax of RM34.48 million

This is the first interim financial report on the Company's unaudited condensed combined financial results for the fourth (4th) quarter ended 31 December 2020 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 31.12.2020 RM'000	UNAUDITED Preceding Quarter ⁽¹⁾ 30.09.2020 RM'000	RM'000	%
Revenue	49,538	N/A	N/A	N/A
PBT	10,697	N/A	N/A	N/A

Note:

This is the first interim financial report on the Company's unaudited condensed combined financial results for the fourth (4th) quarter ended 31 December 2020 announced in compliance with the Listing requirements and as such, there are no comparative figures for the immediate preceding quarter.

N/A – Not applicable

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2020

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

As disclosed in the Prospectus of the Company dated 23 February 2021, 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 laded 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 not 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 FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2020

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 31.12.2020 RM'000	Unaudited 31.12.2019 ⁽¹⁾ RM'000	Unaudited 31.12.2020 RM'000	Audited 31.12.2019 RM'000
Income tax expense:				
- Current year	2,720	N/A	9,341	13,795
- Prior years	-	N/A	(144)	(1,860)
	2,720		9,197	11,935
Deferred tax expense:				
- Current year	-	N/A	76,617	-
- Prior years	-	N/A	(76,617)	-
Total tax expense	2,720	N/A	9,197	11,935
Effective tax rate (%)	25.43	N/A	26.68	21.57

Notes:

(1) This is the first interim financial report on the Company's unaudited condensed combined financial results for the fourth (4th) quarter ended 31 December 2020 announced in compliance with the Listing requirements and as such, there are no comparative figures for the preceding year's corresponding quarter.

(2) The applicable Malaysian income tax rate is 24% for the financial year ended 31 December 2020 (24% for the financial year ended 31 December 2019). 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.

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 FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2020

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	-	-	Within 36 months
Working capital	33,109	-	-	Within 24 months
Repayment of bank borrowings	4,000	-	-	Within 3 months
Estimated listing expenses	5,200	-	-	Within 1 months
	<u>77,309</u>	<u>-</u>	<u>-</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. As at the date of this report, the IPO is pending completion and hence there was no utilisation of IPO proceeds.

B8. Bank borrowings

	<u>UNAUDITED</u> As at 31.12.2020 RM'000	<u>AUDITED</u> As at 31.12.2019 RM'000
Non-current:		
Term loan	110,576	105,913
Hire purchase payables	223	369
	<u>110,799</u>	<u>106,282</u>
Current:		
Term loan	12,981	17,717
Bank overdrafts	5,140	4,745
Bridging loan	4,353	-
Hire purchase payables	174	216
	<u>22,648</u>	<u>22,678</u>
Total bank borrowings	<u>133,447</u>	<u>128,960</u>

The borrowings are denominated in Ringgit Malaysia.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2020

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

B9. Material litigation

There were no material litigation involving the Company and TSSB's group of companies as at 31 December 2020.

B10. Dividend proposed

The Board of Directors does not recommend any dividend for the current financial quarter under review.

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:

	<u>UNAUDITED</u> Current Quarter 31.12.2020 RM'000	<u>UNAUDITED</u> Current Year To Date 31.12.2020 RM'000
Non-current:		
Profit attributable to ordinary owners of the Company	7,977	25,279
Number of ordinary shares	644,238	644,238
Basic EPS (sen)	1.24	3.92
Diluted EPS (sen) ⁽¹⁾	<u>0.99</u>	<u>3.14</u>

Notes:

(1) Basic earnings per share is calculated based on the Company's share capital of 644,238,002 ordinary shares after issuance of shares to the acquisitions of TSSB.

(2) Diluted earnings per share is calculated based on the Company's share capital of 805,298,002 ordinary shares that shall be listed on the ACE Market of Bursa Securities.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2020

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):

	UNAUDITED Current Quarter 31.12.2020 RM'000	UNAUDITED Current Year To Date 31.12.2020 RM'000
Depreciation of property, plant and equipment	251	1,019
Depreciation of right-of-use asset	41	166
Interest expense	141	581
Interest expense on lease liabilities	9	34
Gain on disposal of property, plant and equipment	-	(277)
Interest income	(293)	(1,721)

BY ORDER OF THE BOARD

TELADAN SETIA GROUP BERHAD

12 MARCH 2021