



TELADAN SETIA GROUP BERHAD

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

Incorporated in Malaysia

**INTERIM FINANCIAL REPORT
FOR THE THIRD (3RD) QUARTER ENDED
30 SEPTEMBER 2021**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2021⁽¹⁾

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 30.09.2021 RM'000	Preceding Year Corresponding Quarter 30.09.2020 ⁽²⁾ RM'000	Current Year-To- Date 30.09.2021 RM'000	Preceding Year Corresponding Period 30.09.2020 ⁽²⁾ RM'000
Revenue		46,441	N/A	128,310	N/A
Cost of sales		(31,250)	N/A	(84,212)	N/A
Gross profit ("GP")		15,191	N/A	44,098	N/A
Other operating income		626	N/A	1,585	N/A
Other operating expenses		(1,517)	N/A	(3,835)	N/A
Administrative expenses		(2,578)	N/A	(9,897)	N/A
Finance costs		(38)	N/A	(298)	N/A
Profit before tax ("PBT")	B13	11,684	N/A	31,653	N/A
Taxation	B5	(2,979)	N/A	(8,183)	N/A
Profit after tax ("PAT")		8,705	N/A	23,470	N/A
Profit/Total comprehensive income for the financial year attributable to:					
- Owners of the Company		8,705	N/A	23,470	N/A
Earnings per share attributable to owners of the Company					
• Basic EPS (sen) ⁽³⁾	B11	1.08	N/A	2.91	N/A
• Diluted EPS (sen) ⁽⁴⁾	B12	0.99	N/A	2.67	N/A

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2021⁽¹⁾ (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 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 fourth 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) Basic earnings per share ("EPS") is calculated based on the Company's share capital of 805,298,002 ordinary shares.
- (4) The calculation of diluted EPS has taken into consideration of the adjustment of weighted average number of ordinary shares in issue during the year for the dilutive effect of all potential ordinary shares.

N/A – Not applicable

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 SEPTEMBER 2021⁽¹⁾

	UNAUDITED	UNAUDITED
	As at	As at
	30.09.2021	30.09.2020⁽²⁾
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	8,760	N/A
Right-of-use asset	509	N/A
Inventories	139,126	N/A
Total non-current assets	148,395	N/A
Current Assets		
Inventories	286,196	N/A
Trade and other receivables	62,272	N/A
Contract assets	52,243	N/A
Current tax assets	206	N/A
Cash and cash equivalents	110,621	N/A
Total current assets	511,538	N/A
TOTAL ASSETS	659,933	N/A
EQUITY AND LIABILITIES		
Equity		
Share capital	397,045	N/A
Merger deficit	(318,369)	N/A
Retained profits	381,514	N/A
Total Equity	460,190	N/A
Liabilities		
Non-current liabilities		
Bank borrowings	136,042	N/A
Lease liabilities	370	N/A
Finance lease liabilities	191	N/A
Deferred tax liabilities	90	N/A
Total non-current liabilities	136,693	N/A
Current liabilities		
Trade and other payables	42,391	N/A
Bank borrowings	16,223	N/A
Lease liabilities	172	N/A
Finance lease liabilities	208	N/A
Current tax liabilities	4,056	N/A
Total current liabilities	63,050	N/A
TOTAL LIABILITIES	199,743	N/A
TOTAL EQUITY AND LIABILITIES	659,933	N/A
NET ASSETS PER SHARE (RM)⁽³⁾	0.57	N/A

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS
AT 30 SEPTEMBER 2021⁽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 fourth 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 30 September 2021 of 805,298,002 shares.

N/A – Not applicable

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2021 ⁽¹⁾⁽²⁾

	Share capital RM'000	Merger deficit RM'000	Retained profits RM'000	Total equity RM'000
<u>Unaudited</u>				
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)	365,935	444,611
Effects of adoption of the Agenda Decision	-	-	162	162
At 1 January 2021 (restated)	397,045	(318,369)	366,097	444,773
Dividend	-	-	(8,053)	(8,053)
Net profit and total comprehensive income for the financial period	-	-	23,470	23,470
Balance as at 30 September 2021	397,045	(318,369)	381,514	460,190

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 fourth 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.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2021⁽¹⁾**

	UNAUDITED Current Year- To-Date 30.09.2021 RM'000	UNAUDITED Preceding Corresponding Period 30.09.2020⁽²⁾ RM'000
Cash Flows From Operating Activities		
Profit before taxation	31,653	N/A
Adjustments for:		
Depreciation of property, plant and equipment	761	N/A
Depreciation of right-of-use assets	128	N/A
Interest expense	261	N/A
Interest expenses on lease liabilities	37	N/A
Interest income	(1,075)	N/A
Loss on disposal of property, plant and equipment	1	N/A
	<hr/>	<hr/>
Operating profit before working capital changes	31,766	N/A
Change in working capital		
Inventories	(3,861)	N/A
Trade and other receivables	(28,612)	N/A
Contract assets	(2,281)	N/A
Trade and other payables	5,229	N/A
	<hr/>	<hr/>
Cash generated from operations	2,241	N/A
Interest paid	(261)	N/A
Interest received	1,075	N/A
Tax paid	(5,075)	N/A
	<hr/>	<hr/>
Net cash used in operating activities	(2,020)	N/A
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(5,050)	N/A
Placement of fixed deposits	(2,427)	N/A
Purchase of land held for property development	(14,999)	N/A
Proceed from disposal of property, plant and equipment	1	N/A
	<hr/>	<hr/>
Net cash used in investing activities	(22,475)	N/A

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2021⁽¹⁾ (CONT'D)**

	UNAUDITED Current Year- To-Date 30.09.2021 RM'000	UNAUDITED Preceding Corresponding Period 30.09.2020⁽²⁾ RM'000
Cash Flows From Financing Activities		
Dividend paid	(8,053)	N/A
Interest paid	(4,413)	N/A
Interest paid on lease liabilities	(37)	N/A
Issuance of share capital	74,926	N/A
Proceeds from borrowings	17,439	N/A
Repayment of		
- borrowings	(18,084)	N/A
- finance lease liabilities	(148)	N/A
- lease liabilities	(124)	N/A
Net cash from financing activities	<u>61,506</u>	<u>N/A</u>
Net increase in cash and cash equivalents	37,011	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><u>93,911</u></u>	<u><u>N/A</u></u>
Cash and cash equivalents at the end of the financial period comprise the followings:		
Cash and bank balances	56,228	N/A
Fixed deposits placed with licensed banks	19,758	N/A
Short term investment	<u>34,635</u>	<u>N/A</u>
Balance as stated in the Statement of Financial Position	110,621	N/A
Less: Fixed deposits pledged with licensed banks	(16,575)	N/A
Less: Fixed deposits mature in more than three months	<u>(135)</u>	<u>N/A</u>
Balance for Statement of Cash Flows purposes	<u><u>93,911</u></u>	<u><u>N/A</u></u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2021 ⁽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 fourth 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

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

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 fourth interim financial statements on the Company’s unaudited condensed consolidated financial results for the third (3rd) quarter ended 30 September 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 relevant to the current operations of the Group:

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

- Amendments to MFRS 3 Definition of Business
- 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
- Amendments to MFRS 16 Covid-19-Related Rent Concessions

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.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

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	Effects of the Agenda Decision	As restated
	RM’000	RM’000	RM’000
COMBINED STATEMENT OF FINANCIAL POSITION (EXTRACT) AT 1 JANUARY 2021			
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.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

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

(a) Public Issue and Listing

The Company has successfully undertaken a public issue of 161,060,000 new Shares at an issue price of RM0.48 per Share, representing approximately 20.00% of the enlarged issued share capital of RM399,427,802 comprising 850,298,002 Shares, payable in full upon application in conjunction with the listing and quotation of the entire and enlarged issued and paid-up share capital on the ACE Market of Bursa Securities. The Public Issue Shares have been fully allotted to the new shareholders of the Company on 16 March 2021.

(b) Listing

The effects on the results of the Group arising from (a) above have been reflected in the Unaudited Consolidated Statements of Financial Position of the Group included in this interim financial report. The Company’s issued and paid-up capital comprising 161,060,000 Shares have been listed and quoted 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.

A10. Capital commitments

	UNAUDITED As at 30.09.2021 RM’000	UNAUDITED As at 30.09.2020 RM’000
Authorised and contracted for:		
- Purchase of land held for property development	198,287	N/A
- Acquisition of Polyintan Sdn. Bhd. (“Polyintan”) ⁽¹⁾	11,468	N/A

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

A10. Capital commitments (continued)

This is the fourth 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.

Notes:

- (1) On 11 November 2020, the Group entered into a conditional share sale agreement with Polywell Enterprise Sdn. Bhd. to acquire the entire equity interest of Polyintan for a total purchase consideration of RM1,825,954. This acquisition is conditional upon Polyintan obtaining a development order for the land that it owns.

A11. Material Subsequent Events

There were no other material events subsequent to the end of the current financial quarter that have not been reflected in this interim financial report.

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.

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 30.09.2021 RM’000	UNAUDITED As at 30.09.2020 RM’000
Bank guarantee for deposits with the housing and local authorities as well as utilities provider	13,726	N/A

This is the fourth 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.

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

The Group recorded a revenue of RM46.44 million and PBT of RM11.68 million for the current financial quarter ended 30 September 2021. The quarter's revenue was mainly derived from our Taman Desa Bertam Phase 2 and Bali Residences projects.

(b) Results for financial year-to-date

The Group recorded a revenue of RM128.31 million and PBT of RM31.65 million for the period-to-date ended 30 September 2021.

This is the fourth interim financial report on the Company's unaudited condensed consolidated financial results for the third (3rd) quarter ended 30 September 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 30.09.2021 RM'000	UNAUDITED Preceding Quarter 30.06.2021 RM'000	RM'000	%
Revenue	46,441	40,516	5,925	14.62
PBT	11,684	10,178	1,506	14.80

The Group recorded revenue of RM46.44 million for the current financial quarter ended 30 September 2021 as compared to RM40.52 million in preceding quarter ended 30 June 2021, an increase of RM5.93 million during current financial quarter. The increase in revenue is contributed by Taman Desa Bertam Phase 2 and 3A which have achieved percentage of completion of 62.16% and 22.38% respectively in current financial quarter as compared to 49.07% and 17.27% respectively in preceding quarter.

The Group registered a PBT of RM11.69 million in the current financial quarter under review, a increase of RM1.51 million from PBT of RM10.18 million in the preceding quarter. This is mainly due to higher GP generated from our business.

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

Due to outbreak of Covid 19 virus, the Government has announced the implementation of Phase 1 Full Movement Control Order (FMCO) on 28 May 2021. The FMCO, now known as phase one of the National Recovery Plan. The housing development sector is allowed to operate under Phase 1 and 2 of Nasional Recovery Plan after the pandemic management technical meeting on 23 July 2021. The permission to operate applies to housing developers whose Advertisement Permit and Developer's License are still valid. We have resumed our operations on 4 August 2021 following a MITI approval granted on 3 August 2021.

Malaysia's rapid vaccination rate has placed the country on track to achieve the targeted 90% immunisation rate by the end of September 2021 which should enable the reopening of nearly all economic sectors based on the Government's National Recovery Plan. The Board believes that this will provide a strong boost to both consumer and business confidence going forward, thus setting the stage for an economic rebound in 2022 which our group is well positioned to take advantage of.

The property market is expected to recover in year 2021 with few incentives introduced by the Government under the PENJANA programme, namely reintroduction of the Home Ownership Campaign that grants stamp duty exemption, Real Property Gains Tax exemption and the removal of the 70% margin of financing limit. The incentives had created a positive spill-over effect on the overall property market.

Our Group's property development segment is expected to continue to be driven by our on-going projects with an estimated gross development value ("GDV") of about RM597.1 million, subject to the market and economic conditions as well as the approval from the relevant authorities.

Our major projects are as follows:

- (a) Bali Residences, Melaka – This mixed development project consists of 18 shoplots and 2 towers of service apartments with an estimated GDV of RM319.6 million;
- (b) Taman Desa Bertam (Phase 2), Melaka – This project consists of 2-storey landed terrace and 2-storey semi-detached houses on a 40.2-acres piece of land with an estimated GDV of RM143.1 million; and
- (c) Taman Desa Bertam (Phase 3A), Melaka – This project consists of 2-storey semi-detached houses with an estimated GDV of RM134.4 million. Further to Phase 3A of the project launched by our Group in September 2020, we had launched Phase 3B of Taman Desa Bertam in September 2021 with an estimated GDV of approximately RM128.0 million.

We have put in place a series of future plans to achieve the following objectives for the next 3 to 5 years in order to ensure our sustainability in earnings and enhance shareholders' value:

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

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited	Unaudited	Unaudited	Unaudited
	Current	Preceding Year	Current	Preceding
	Year-	Corresponding	Year-	Year
	Quarter	Quarter	To-Date	Corresponding
	30.09.2021⁽¹⁾	30.09.2020	30.09.2021	Period
	RM'000	RM'000	RM'000	30.09.2020⁽¹⁾
				RM'000
Income tax expense:				
- Current year	2,980	N/A	8,139	N/A
Deferred tax expense:				
- Current year	(1)	N/A	6	N/A
- Prior years	-	N/A	38	N/A
Total tax expense	2,979	N/A	8,183	N/A
Effective tax rate (%)	25.50	N/A	25.85	N/A

Notes:

- (1) This is the fourth 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 30 September 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

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

The Board of Directors of the Company had on 12 August 2021 announced that the Company proposed to bonus issue of 241,589,400 warrants (“Warrants”) on the basis of 3 warrants for every 10 ordinary shares held in the Company on the same entitlement date as the Proposed Bonus Issue of Shares (“Proposed Bonus Issue of Warrants”).

241,589,397 Warrants issued pursuant to the Bonus Issue of Warrants were listed and quoted on the ACE Market of Bursa Securities with effect from 27 September 2021, marking the completion of the Proposals.

Save as disclosed above, there were no other corporate proposals announced but not implemented as at the date of this report.

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:

Details of utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Unutilised Amount RM'000	Estimated timeframe for utilisation upon listing
Acquisition of land	35,000	35,000	-	Within 36 months
Working capital	33,109	19,990	13,119	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>64,190</u>	<u>13,119</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.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

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

B8. Bank borrowings

	UNAUDITED	UNAUDITED
	As at	As at
	30.09.2021	30.09.2020⁽¹⁾
	RM'000	RM'000
Non-current:		
Term loan	136,042	N/A
Hire purchase payables	191	N/A
	<u>136,233</u>	<u>N/A</u>
Current:		
Term loan	16,223	N/A
Hire purchase payables	208	N/A
	<u>16,431</u>	<u>N/A</u>
Total bank borrowings	<u>152,664</u>	<u>N/A</u>

The borrowings are denominated in Ringgit Malaysia.

Note:

(1) This is the fourth 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 group as at 30 September 2021.

B10. Dividend proposed

No dividend has been proposed for the current financial quarter under review.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

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 Year-Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	30.09.2021	30.09.2020⁽¹⁾	30.09.2021	30.09.2020⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Profit attributable to ordinary owners of the Company	8,705	N/A	23,470	N/A
Number of ordinary shares	805,298	N/A	805,298	N/A
Basic EPS (sen) ⁽²⁾	1.08	N/A	2.91	N/A

Notes:

- (1) This is the fourth 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.

N/A – Not applicable

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

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

B12. Diluted EPS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited	Unaudited	Unaudited	Unaudited
	Current Year-Quarter	Preceding Year Corresponding Quarter	Current Year-To-Date	Preceding Year Corresponding Period
	30.09.2021	30.09.2020⁽¹⁾	30.09.2021	30.09.2020⁽¹⁾
Net profit for the year (RM'000)	8,705	N/A	23,470	N/A
Weighted average number of shares used in the calculation of basic earnings per share ('000)	805,298	N/A	805,298	N/A
Adjustment for shares from assumed exercise of warrant ('000)	74,746	N/A	74,746	N/A
Weighted average number of ordinary shares at 30 September 2021 ('000)	880,044	N/A	880,044	N/A
Diluted EPS (sen) ⁽²⁾	0.99	N/A	2.67	N/A

Notes:

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

N/A – Not applicable

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

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

B13. Notes to the Statement of Comprehensive Income

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited	Unaudited	Unaudited	Unaudited
	Current	Preceding Year	Current	Preceding
	Year-	Corresponding	Year-	Year
	Quarter	Quarter	To-Date	Corresponding
	30.09.2021	30.09.2020⁽¹⁾	30.09.2021	30.09.2020⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment	259	N/A	761	N/A
Depreciation of right-of-use asset	43	N/A	128	N/A
Interest expense	24	N/A	261	N/A
Interest expense on lease liabilities	14	N/A	37	N/A
Interest income	(384)	N/A	(1,075)	N/A
Loss on disposal of property, plant and equipment	-	N/A	1	N/A

Note:

- (1) This is the fourth 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

16 NOVEMBER 2021