



# INTERIM FINANCIAL STATEMENTS

*- For The Quarter and Year Ended  
31<sup>st</sup> December 2022 -*

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**  
**RM'000**

	Note	31.12.2022 Unaudited	31.12.2021 Audited
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	70,606	72,278
Investment properties		95,600	97,007
Investment in associate		-	3,932
Inventories		290,295	319,237
Other investments		-	135
Deferred tax assets		2,364	718
Trade and other receivables		54,916	19,773
		<u>513,781</u>	<u>513,080</u>
<b>Current assets</b>			
Inventories		27,839	23,343
Contract assets		21,035	30,994
Contract costs		1,668	1,868
Trade and other receivables		47,787	68,355
Current tax assets		-	179
Other Investments		1,322	2,305
Deposits with licensed banks		7,975	16,199
Cash and bank balances		75,859	59,998
		<u>183,485</u>	<u>203,241</u>
<b>Total assets</b>		<u><u>697,266</u></u>	<u><u>716,321</u></u>
<b>Current liabilities</b>			
Trade and other payables		104,414	117,689
Contract Liabilities		1,449	678
Loans and borrowings	23	54,877	80,158
Current tax liabilities		3,728	-
		<u>164,468</u>	<u>198,525</u>
<b>Non-current liabilities</b>			
Loans and borrowings	23	36,577	24,817
Lease liabilities		21,227	21,227
		<u>57,804</u>	<u>46,044</u>
<b>Total liabilities</b>		<u><u>222,272</u></u>	<u><u>244,569</u></u>
Share capital		331,020	331,020
Retained earnings		144,035	140,755
Non-controlling interests		(61)	(23)
<b>Total equity</b>		<u>474,994</u>	<u>471,752</u>
<b>Total equity and liabilities</b>		<u><u>697,266</u></u>	<u><u>716,321</u></u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2022  
RM'000**

	Note	3 months ended 31 December		12 months ended 31 December	
		2022	2021	2022 Unaudited	2021 Audited
<b>Continuing Operations</b>					
Revenue		97,028	93,824	235,954	207,729
Cost of sales		(70,828)	(75,887)	(186,495)	(172,945)
<b>Gross profit</b>		<u>26,200</u>	<u>17,937</u>	<u>49,459</u>	<u>34,784</u>
Selling & Marketing expenses		(93)	(711)	(577)	(1,958)
Administrative expenses		(13,734)	(8,348)	(37,775)	(28,512)
Other operating income		2,994	6,151	5,018	10,082
Other operating expenses		(41)	(875)	(289)	(1,310)
<b>Result from operating activities</b>		<u>15,326</u>	<u>14,154</u>	<u>15,836</u>	<u>13,086</u>
Finance cost		(2,893)	(989)	(6,794)	(5,316)
<b>Profit before taxation</b>	10	<u>12,433</u>	<u>13,165</u>	<u>9,042</u>	<u>7,770</u>
Tax expense	21	(3,126)	(1,955)	(3,483)	(2,404)
<b>Profit and total comprehensive income for the period</b>		<u>9,307</u>	<u>11,210</u>	<u>5,559</u>	<u>5,366</u>
<b>Profit and total comprehensive income for the period attributable to :</b>					
Owners of the Company		9,345	11,232	5,597	5,387
Non-controlling interests		(38)	(21)	(38)	(21)
<b>Profit and total comprehensive income for the period</b>		<u>9,307</u>	<u>11,210</u>	<u>5,559</u>	<u>5,366</u>
<b>Basic earning per ordinary share (sen)</b>	26	3.06	4.00	1.83	1.77

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022  
RM'000**

	<-----Attributable to owners of the company-----> <i>Distributable</i>			Non-controlling interests	Total equity
	Share capital	Retained earnings	Total		
As at 1 January 2021	331,020	137,641	468,661	(22)	468,639
Total comprehensive income		5,387	5,387	(21)	5,366
Dividend paid		(2,273)	(2,273)		(2,273)
Changes in ownership interests in a subsidiary				-	
				20	20
<b>As at 31 December 2021</b>	<b>331,020</b>	<b>140,755</b>	<b>471,775</b>	<b>(23)</b>	<b>471,752</b>
As at 1 January 2022	331,020	140,755	471,775	(23)	471,752
Total comprehensive income	-	5,559	5,559	(38)	5,521
Dividend paid	-	(2,279)	(2,279)	-	(2,279)
<b>As at 31 December 2022</b>	<b>331,020</b>	<b>144,035</b>	<b>475,055</b>	<b>(61)</b>	<b>474,994</b>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED 31 DECEMBER 2022  
RM'000**

	Cumulative Quarter	
	Current Year Ended 31-Dec-22 Unaudited	Preceding Year Ended 31-Dec-21 Audited
<b>Cash flows from operating activities</b>		
Profit before taxation	9,042	7,770
Adjustments for:		
Non-cash items	12,310	2,132
Non operating items	3,992	6,775
Operating profit before working capital changes	25,344	16,677
Changes in working Capital:		
Contract assets	598	11,858
Contract costs	6,853	(310)
Contract liabilities	994	(2,975)
Trade and other receivables	(10,557)	(12,048)
Inventories	27,560	51,464
Trade and other payables	790	(19,894)
Cash generated from operations	51,582	44,772
Interest paid	(6,340)	(5,316)
Taxes paid	(2,974)	(2,688)
Net cash from operating activities	42,268	36,768
<b>Cash flows from investing activities</b>		
Investment in an associate	-	(5,949)
Disposal of share to NCI	-	20
Purchase of property, plant and equipment	(4,354)	(2,488)
Proceeds from disposal of property, plant and equipment	598	58
Proceeds from disposal other investment	1,284	1,010
Interest received	650	546
Net cash used in investing activities	(1,822)	(6,803)
<b>Cash flows from financing activities</b>		
Dividends paid to shareholders of the Company	(2,279)	(2,273)
Drawdown of term loan	24,319	-
Repayment of bankers' acceptance	(3,575)	(503)
Repayment of term loan	(38,024)	(12,374)
Repayment of revolving credit	(7,500)	-
Placement of pledged deposit	304	600
Net changes in finance lease creditors	(1,383)	(3,140)
Net cash used in financing activities	(28,138)	(17,690)
<b>Net increase in cash and cash equivalents</b>	12,308	12,275
<b>Cash and cash equivalents at beginning of the period</b>	58,316	46,041
<b>Cash and cash equivalents at end of the period</b>	70,624	58,316
<b>Cash and cash equivalents comprise of the followings:</b>		
Cash and bank balances	75,859	59,998
Fixed deposit	7,975	16,199
Overdraft	(10,850)	(9,852)
	72,984	66,345
Less: Deposits pledged	(2,360)	(8,029)
	70,624	58,316

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.



## EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2022

### Part A – Explanatory Notes Pursuant to MFRS 134

#### 1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134; Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Berhad (“Bursa”).

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2021. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2021.

Interim financial statements other than for financial instruments have been prepared under the historical cost convention. Financial instruments have been fair valued in accordance with MFRS 9 Financial Instruments: Recognition and Measurement.

#### 2. Significant Accounting Policies

The accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the financial year ended 31 December 2021 except for the adoption of the following new/revised MFRSs and Amendments to MFRSs:

*MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 April 2021*

- Amendment to MFRS 16, *Leases - Covid-19-Related Rent Concessions beyond 30 June 2021*

*MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022*

- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018-2020)
- Amendments to MFRS 3, Business Combinations - Reference to the Conceptual Framework
- Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018-2020)
- Amendments to Illustrative Examples accompanying MFRS 16, Leases (Annual Improvements to MFRS Standards 2018-2020)
- 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
- Amendments to MFRS 141, Agriculture (Annual Improvements to MFRS Standards 2018-2020)

The adoption of the above MFRSs does not have significant financial impact on the Group.

### **3. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements for the year ended 31 December 2021 was not subject to any qualification.

### **4. Unusual Items due to their Nature, Size or Incidence**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the current quarter and year to-date.

### **5. Changes in Estimates**

The preparation of the interim financial statements in conformity with Malaysian Financial Reporting Standards ("MFRSs") requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognized in the financial statements.

### **6. Seasonal or Cyclical Factors**

The Group's products and services are generally dependent on the Malaysian economy, government policies and weather conditions (on the construction activities).



**7. Dividends Paid**

There was no dividend declared and paid during the quarter under review.

**8. Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resales and repayments of equity securities except for repayment of debt in the current quarter.





## 9. Segmental Information

RM'000	Property Development	Engineering, Construction and Quarry	Other reportable segments	Total reportable segments	Elimination	Combined
<b>12 months ended 31 December 2022</b>						
<b>Revenue</b>						
External sales	97,765	126,650	11,539	235,954	-	235,954
Inter-segment sales	(5,062)	431	15,466	10,835	(10,835)	-
<b>Total revenue</b>	<b>92,703</b>	<b>127,081</b>	<b>27,006</b>	<b>246,789</b>	<b>(10,835)</b>	<b>235,954</b>
<b>Segment profit/(loss)</b>	<b>7,974</b>	<b>(327)</b>	<b>2,532</b>	<b>10,179</b>	<b>(1,137)</b>	<b>9,042</b>
<b>12 months ended 31 December 2021</b>						
<b>Revenue</b>						
External sales	96,028	106,561	5,140	207,729	-	207,729
Inter-segment sales	5,949	(1,344)	25,215	29,820	(29,820)	-
<b>Total revenue</b>	<b>101,977</b>	<b>105,217</b>	<b>30,355</b>	<b>237,549</b>	<b>(29,820)</b>	<b>207,729</b>
<b>Segment profit/(loss)</b>	<b>4,925</b>	<b>3,361</b>	<b>5,435</b>	<b>13,721</b>	<b>(5,951)</b>	<b>7,770</b>



## 10. Profit / (Loss) before tax from continuing operations

The following items have been charged / (credited) in arriving at profit / (loss) before tax from continuing operations:

RM'000	3 months ended 31 December		12 months ended 31 December	
	2022	2021	2022	2021
<b><i>After charging:</i></b>				
Depreciation and amortization: -property, plant and equipment	1,650	1,497	6,489	6,984
Property, plant and equipment written off	161	-	161	-
Interest expense	2,894	989	6,794	5,316
Rental expense	123	222	146	353
Impairment loss on: -property, plant and equipment	-	258	-	258
<b><i>After crediting:</i></b>				
Reversal of impairment: -trade receivables	(91)	(283)	(249)	(552)
Interest income	(637)	(197)	(1,015)	(547)
Other income including rental and investment income	(2,356)	(5,954)	(4,002)	(9,535)

## 11. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter ended 31 December 2022.

## 12. Property, Plant and Equipment

The Group acquired property, plant and equipment worth RM 2,432,665 during the quarter under review.

There was no impairment loss on property, plant and equipment during the current quarter period.



### 13. Capital Commitments

The amount of commitments for the purchase of property, plant & equipment not provided for in the interim financial statements as at 31 December 2022 are as follows:

	<b>RM'000</b>
Approved and contracted for	<u>1,625</u>

### 14. Changes in Contingent Liabilities

As of 31 December 2022, the Group does not have any material contingent liability.

### 15. Material Subsequent Events to the Reporting Period

There were no material events subsequent to the end of the quarter under review up to the date of this report that have not been reflected in the interim financial statements.

### 16. Significant Related Party Transactions

	<b>12 months ended 31.12.2022 RM'000</b>
Rental of quarry land to ultimate holding corporation	100
Tributes charged by the ultimate holding corporation	574
Estate agency fee charged by a related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.	45
Revenue from oil palm from related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.	1,368
Property management paid to a related company, Darulaman Asset Sdn. Bhd	18
Insurance paid to a related company, KSDC Insurance Brokers Sdn. Bhd.	1,461
	<b>3,566</b>

All related parties' transactions had been entered into in the normal course of business and were carried out on normal commercial terms.



## Part B – Explanatory Notes Pursuant to Chapter 9, Appendix 9B of the Listing Requirements of Bursa Malaysia Berhad

### 17. Performance Review

#### a) Current financial year to date against the previous year corresponding period

The Group reported total revenue of RM236.0 million for the current financial year, demonstrating a substantial increase from the RM207.7 million recorded in 2021. This growth is attributed mainly to the increase in road paving and construction activities. Similarly, the Group recorded a higher profit before tax of RM9.0 million in the current financial year, compared to RM7.8 million in the equivalent period of the preceding financial year.

The Property Division reported modest revenue growth, totalling RM97.8 million, compared to the RM96.0 million recorded in the previous financial year. This increase in revenue has resulted in a higher profit before tax of RM8.0 million for the current financial year, compared to the RM4.9 million recorded in the equivalent period of the preceding financial year, due to improve margin on the current projects.

The Engineering, Construction, and Quarry Division reported higher revenue of RM126.6 million compared to RM106.6 million in the previous financial year, primarily driven by road paving and construction activities. However, the division recorded a loss before tax of RM0.3 million in the current financial year, compared to a profit before tax of RM3.4 million in the preceding financial year, due to temporary post-pandemic effect i.e. increase on material price and labour cost.

#### b) Current quarter vs previous year corresponding quarter

In the fourth quarter of 2022, the Group reported higher revenue of RM97.0 million as compared to the revenue of RM93.8 million in the same corresponding period of the previous year and a profit before tax of MYR 12.4 million, which is an increase from the profit before tax of MYR 13.2 million in the same period of the previous year.

The Property Division recorded an increase in revenue, RM48.7 million for the current quarter compared to RM46.4 million in the same corresponding period of the previous year. The revenue increase is resulted from Bandar Darulaman and Darulaman Lagenda townships. However, the Division experienced a decrease in profit before tax, reporting RM10.2 million for the current quarter, a reduction from the profit before tax of RM12.1 million in the previous year's corresponding period.

However, the Engineering, Construction and Quarry Division reported a decrease in revenue for the current quarter of 2022, recording RM37.9 million compared to RM43.1 million in the same quarter of the previous year. This reduction in revenue was due to the



decline in road paving activities and sales of quarry product. The Division also reported a profit before tax of RM2.1 million for the current quarter, a decrease from the profit before tax of RM2.3 million in the same corresponding period of the previous year.

## 18. Variation of Results against Preceding Quarter

RM'000	Current quarter ended 31 December 2022	Preceding quarter ended 30 September 2022
Revenue	97,028	55,855
Profit Before Taxation	12,433	1,473

The improved performance in the current quarter as compared to the preceding quarter is arising from the completion of initiatives from Property division and road paving activities.

## 19. Prospects for the next financial year

The Malaysian economy grew at 8.7% in 2022. The growth in 2023 is expected to expand at a more moderate pace, amid a challenging external environment. Growth will be driven by domestic demand, supported by the continued recovery in labor market and realization of multi-year investment projects. The services and manufacturing sectors will continue to drive the economy. The balance of risks to Malaysia's growth outlook remains tilted to the downside. This stems from weaker-than-expected global growth, tighter financial conditions, further escalation of geopolitical conflicts, and worsening supply chain disruptions.

In spite of the challenging global economic outlook for 2023, it is expected that there will be more developments in Kedah for the betterment of its citizens and to boost the state's economy. In September 2022, the Federal Government announced that they are examining the possibility of constructing an aggregate port in the Sanglang area of Kubang Pasu district to handle petroleum and bulk cargo, which will add value to Kedah's economy. More development in Kedah is also expected to happen in 2023. Kedah Aerotropolis mega project has a new investor. The project which includes Sidam Logistics, Aerospace and Manufacturing Hub, will become an operations hub for the maintenance, repair and overhaul (MRO) industry for South East Asia region. Other than that, the Integrated Gas Supply and Power Plant Development Project and the ship-to-ship transfer hub in Pulau Bunting, Yan with development value of about RM14 billion will also begin.

The Group's current projects, such as the Pelubang Water Treatment Plant project, are on schedule to be completed in 2025. This project will act as a catalyst for the development and expansion of new growth areas in Northern Kedah, including the Kedah Rubber City, the Delapan Special Border Economic Zone (Delapan SBEZ) in Bukit Kayu



Hitam under Northern Gateway Sdn Bhd, the Kedah Science and Technology Park, and the Bukit Kayu Hitam halal hub.

Recently, the Group's subsidiary, BDB Infra Sdn Bhd, was awarded the Irrigation System Development Project under the Ministry of Agricultural and Food Security for a total of RM34 million. This project is expected to have a positive impact on the Group's earnings for the financial year ending 2023 until 2024. Engineering, Constructions and Quarry division is also expected to be logistic partner for Langkawi International Maritime and Aerospace Exhibition (LIMA 2023) which will be held on 23-27 May 2023.

The ongoing joint venture development of the affordable housing project in Bandar Amanjaya, Sungai Petani is on track, while the development of the existing township in Bandar Darulaman continues to positively contribute to the Group. The Property division recently launched another affordable township in Darulaman Saujana, Hosba, with construction expected to begin in the fourth quarter of 2023. The township will be the first low carbon township in Kedah.

The Group remains committed to support Kedah State's agenda to transform its economic development and achieve high income status by 2035. Internally, the Group continues to implement operational improvements for a sustainable future, and anticipates improved performance in the next financial year.

## 20. Variance from Profit Forecast or Profit Guarantee

Not applicable for the financial period ended 31 December 2022.

## 21. Income Tax Expense

RM'000	3 Months Ended 31 December		12 Months Ended 31 December	
	2022	2021	2022	2021
Continuing Operations				
In respect of current financial year:				
- Current tax	3,126	1,955	3,811	2,184
- Deferred tax	-	-	(981)	12
In respect of prior financial years:				
- Current tax	-	-	1,021	354
- Deferred tax	-	-	(368)	(146)
Tax expenses	3,126	1,955	3,483	2,404



Income tax expenses for the quarter and year ended under review were provided for profitable companies within the Group.

## 22. Status of Corporate Proposals

There was no outstanding corporate proposal during the quarter under review.

## 23. Group borrowings and Debt Securities

Total loans and borrowings as at 31 December 2022 were as follows:

RM'000	Short Term	Long Term	Total
Term loans	15,141	33,887	49,028
Bankers' Acceptance	2,262	-	2,262
Hire Purchase	2,024	2,690	4,714
Revolving Credit	24,600	-	24,600
Bank overdraft	10,850	-	10,850
<b>TOTAL</b>	<b>54,877</b>	<b>36,577</b>	<b>91,454</b>

## 24. Material Litigation

There has been no pending material litigation since the last annual balance sheet date of 31 December 2021.

## 25. Dividends Payable

No dividend in respect of the current financial year has been declared during the quarter under review.



## 26. Earnings Per Share

### a. Basic earnings per share

The basic earnings per share were calculated by dividing the Group's net profit attributable to ordinary shareholders by the number of ordinary shares in issue as follows:

<b>RM'000</b>	<b>12 months ended 31.12.2022</b>	<b>12 months ended 31.12.2021</b>
Profit attributable to owners of the Company	5,559	5,366
Number of ordinary shares in issue	303,855	303,855
Basic earnings per share (sen)	1.83	1.77

### b. Diluted earnings per share

Not applicable.

## 27. Authorization for Issue

The Interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors on 27 February 2023.