

DKLS INDUSTRIES BERHAD (199501040269) (369472 - P)

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Comprehensive Income
For the quarter and 12 months ended 31 December 2021 - unaudited**

Note	Current Quarter 3 months ended 31 December		Financial Year 12 months ended 31 December	
	2021	2020	2021	2020
	RM	RM	RM	RM
Revenue	54,003,843	69,327,043	182,235,243	172,382,936
Interest income	1,474,924	550,721	3,851,148	2,257,754
Other income	2,376,083	1,224,623	8,393,644	5,701,372
Operating expenses	(40,033,919)	(55,086,489)	(134,504,887)	(124,399,035)
Changes in work-in-progress and finished goods	303,070	(141,457)	(888,039)	233,570
Employee benefit expenses	(3,024,782)	(3,280,398)	(12,885,744)	(14,772,805)
Administrative expenses	(7,839,605)	(8,276,169)	(21,437,876)	(20,481,886)
Profit from operating activities	7,259,614	4,317,874	24,763,489	20,921,906
Interest expense	(578,785)	(1,030,271)	(2,055,477)	(2,750,254)
Share of (losses)/profits of associate, net of tax	(408,383)	186,546	(456,957)	127,360
Profit before tax	6,272,446	3,474,149	22,251,055	18,299,012
Income tax expense	(2,513,552)	(1,484,006)	(6,225,277)	(4,979,296)
Profit for the year, net of tax	3,758,894	1,990,143	16,025,778	13,319,716
Other comprehensive income, net of tax				
<i>Items that will be reclassified to profit or loss in the future</i>				
Foreign currency translation	(4,113,172)	(1,689,482)	(5,316,948)	(2,702,684)
<i>Items that will not be reclassified to profit or loss in the future</i>				
Revaluation surplus of land prior to transfer to investment properties	900,716	-	900,716	-
Other comprehensive income for the year, net of tax	(3,212,456)	(1,689,482)	(4,416,232)	(2,702,684)
Total comprehensive income for the year	546,438	300,661	11,609,546	10,617,032
Profit attributable to:				
Owners of the Company	3,797,801	1,917,407	15,830,627	13,020,721
Non-controlling interests	(38,907)	72,736	195,151	298,995
Profit for the year	3,758,894	1,990,143	16,025,778	13,319,716
Total comprehensive income attributable to:				
Owners of the Company	1,433,063	583,810	12,510,431	10,889,099
Non-controlling interests	(886,625)	(283,149)	(900,885)	(272,067)
Total comprehensive income for the year	546,438	300,661	11,609,546	10,617,032
Basic/Diluted, earnings per ordinary share (sen)	4.10	2.07	17.08	14.05

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited Financial Statements for the year ended 31 December 2020 and the accompanying notes attached to the Interim Financial Statements.

DKLS INDUSTRIES BERHAD (199501040269) (369472 - P)

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Financial Position
As at 31 December 2021 - unaudited**

	31 December 2021 RM	31 December 2020 RM
ASSETS		
Non-Current Assets		
Property, plant and equipment	83,474,337	104,878,501
Right-of-use assets	93,769	113,585
Inventories - Land held for property development	104,837,637	103,978,499
Investment properties	124,220,000	115,600,000
Investment in associate	-	456,957
Long term investments	26,924	21,957
Trade and other receivables	25,082,566	16,881,465
Other asset	-	28,062
Deferred tax assets	5,236,243	3,894,385
Total non-current assets	<u>342,971,476</u>	<u>345,853,411</u>
Current Assets		
Inventories - Property development costs	14,072,103	16,873,407
Inventories - Properties held for sale and others	30,874,206	33,055,137
Trade and other receivables	48,224,616	54,535,271
Other current assets	11,603,425	7,506,366
Short term investments	67,487,177	53,743,012
Tax recoverable	684,817	422,850
Cash and bank balances	27,198,806	22,305,767
Total current assets	<u>200,145,150</u>	<u>188,441,810</u>
TOTAL ASSETS	<u>543,116,626</u>	<u>534,295,221</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	101,883,643	101,883,643
Retained profits	322,259,900	308,283,265
Reserves	(5,007,992)	(1,687,796)
Total equity attributable to owners of the Company	<u>419,135,551</u>	<u>408,479,112</u>
Non-controlling interests	6,867,474	7,768,359
Total equity	<u>426,003,025</u>	<u>416,247,471</u>
Non-Current Liabilities		
Loans and borrowings	28,724,995	38,485,129
Trade and other payables	3,394,266	1,570,929
Deferred tax liabilities	4,818,164	2,606,217
Total non-current liabilities	<u>36,937,425</u>	<u>42,662,275</u>
Current Liabilities		
Loans and borrowings	30,099,975	12,329,743
Trade and other payables	31,607,449	38,890,034
Other current liabilities	17,816,306	23,266,110
Tax payable	652,446	899,588
	<u>80,176,176</u>	<u>75,385,475</u>
Total liabilities	<u>117,113,601</u>	<u>118,047,750</u>
TOTAL EQUITY AND LIABILITIES	<u>543,116,626</u>	<u>534,295,221</u>
Net assets per share attributable to owners of the Company (RM)	<u>4.52</u>	<u>4.41</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited Financial Statements for the year ended 31 December 2020 and the accompanying notes attached to the Interim Financial Statements.

DKLS INDUSTRIES BERHAD (199501040269) (369472 - P)

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Changes in Equity
For 12 months ended 31 December 2021 - unaudited**

	← Attributable to owners of the Company →					Distributable	Total RM	Non- controlling interests RM	Total equity RM
	Share capital RM	Foreign currency translation reserve RM	Asset revaluation reserve RM	Charter capital reserve RM	Other reserve RM				
12 months ended 31 December 2021									
At 1 January 2021	101,883,643	(5,444,875)	1,157,522	3,026,004	(426,447)	308,283,265	408,479,112	7,768,359	416,247,471
Total comprehensive income for the year	-	(4,220,912)	900,716	-	-	15,830,627	12,510,431	(900,885)	11,609,546
Transactions with owners:									
Dividend on ordinary shares	-	-	-	-	-	(1,853,992)	(1,853,992)	-	(1,853,992)
At 31 December 2021	101,883,643	(9,665,787)	2,058,238	3,026,004	(426,447)	322,259,900	419,135,551	6,867,474	426,003,025
12 months ended 31 December 2020									
At 1 January 2020	101,883,643	(3,313,253)	1,157,522	3,026,004	(426,447)	298,043,532	400,371,001	8,580,941	408,951,942
Total comprehensive income for the year	-	(2,131,622)	-	-	-	13,020,721	10,889,099	(272,067)	10,617,032
Transactions with owners:									
Dividend to non-controlling interest	-	-	-	-	-	-	-	(540,515)	(540,515)
Dividend on ordinary shares	-	-	-	-	-	(2,780,988)	(2,780,988)	-	(2,780,988)
	-	-	-	-	-	(2,780,988)	(2,780,988)	(540,515)	(3,321,503)
At 31 December 2020	101,883,643	(5,444,875)	1,157,522	3,026,004	(426,447)	308,283,265	408,479,112	7,768,359	416,247,471

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited Financial Statements for the year ended 31 December 2020 and the accompanying notes attached to the Interim Financial Statements.

DKLS INDUSTRIES BERHAD (199501040269) (369472 - P)

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Cash Flows
For the 12 months ended 31 December 2021 - unaudited**

	Financial Year 12 months ended 31 December	
	2021 RM	2020 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	22,251,055	18,299,012
Adjustments for :-		
Adjustment on early receipt of receivable	(2,073,474)	-
Allowance for impairment loss on trade and other receivables, net	6,467,986	4,417,222
Depreciation	9,750,056	10,429,685
Dividend income from short term investments	(1,134,244)	(1,734,250)
Fair value (gain)/loss on investment properties, net	(120,000)	1,550,000
Fair value (gain)/loss on short/long term investments	(22,728)	3,866
Gain on disposal of:		
- investment in an associate	(2)	-
- property, plant and equipment, net	(529,992)	(107,938)
Gain arising from modification of payment terms for receivable	(804,035)	-
Interest expense	2,062,169	2,769,151
Interest income	(3,851,148)	(2,257,754)
Inventories - properties held for sale and others written off	96,258	-
Inventories written (back)/down to net realisable value:		
- property development costs	(30,439)	(19,142)
- properties held for sale and others	(43,135)	38,060
Loss on winding up of investment in subsidiary	10,013	-
Project cost written off	80,140	-
Property, plant and equipment written off	5,867	2,572
Share of losses/(profits) of associate	456,957	(127,360)
Unrealised (gain)/loss on foreign exchange	(43,964)	194,943
Operating profit before changes in working capital	<u>32,527,340</u>	<u>33,458,067</u>
Changes in working capital:-		
Net changes in current assets	(3,944,569)	(18,379,818)
Net changes in current liabilities	13,976,996	(12,096,881)
Cash flows from operations	<u>42,559,767</u>	<u>2,981,368</u>
Interest paid	(707,376)	(324,025)
Interest received	2,591,962	577,234
Taxes paid	(5,962,787)	(4,304,863)
Net cash flows from/(used in) operating activities	<u>38,481,566</u>	<u>(1,070,286)</u>

DKLS INDUSTRIES BERHAD (199501040269) (369472 - P)

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**Condensed Consolidated Statement of Cash Flows (cont'd.)
For the 12 months ended 31 December 2021 - unaudited**

	Financial Year 12 months ended 31 December	
	2021 RM	2020 RM
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash outflow from winding up of investment in subsidiary	(10,310)	-
Dividend received from short term investments	1,134,244	1,734,250
Interest received	391,183	389,783
Inventories - land held for property development	(1,428,467)	(1,274,337)
Placement of deposits with maturity period more than 3 months	(387,951)	(385,123)
Proceeds from disposal of:		
- investment property	-	140,000
- investment in associate	2	-
- property, plant and equipment	2,521,814	797,251
- short term investments	141,566,080	72,390,000
Purchase of:		
- property, plant and equipment	(3,308,525)	(1,789,504)
- short term investments	(155,292,484)	(58,583,251)
Net cash flows (used in)/from investing activities	<u>(14,814,414)</u>	<u>13,419,069</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(1,853,992)	(2,780,988)
Dividend paid to non-controlling interests	(97,407)	(1,086,953)
Interest paid	(1,562,468)	(2,263,738)
Repayment of term loan	(12,509,553)	(5,407,929)
Repayment of hire purchase liabilities	(731,883)	(1,700,503)
Payment of principal portion of lease liability	(14,613)	(39,693)
Net cash flows used in financing activities	<u>(16,769,916)</u>	<u>(13,279,804)</u>
Net increase/(decrease) in cash and cash equivalents	6,897,236	(931,021)
Effects of exchange rate differences	155,732	220,393
Cash and cash equivalents at beginning of the year	<u>9,053,377</u>	<u>9,764,005</u>
Cash and cash equivalents at end of the year	<u><u>16,106,345</u></u>	<u><u>9,053,377</u></u>

Cash and cash equivalents included in the condensed consolidated statement of cash flows comprise:

Cash and bank balances	12,387,075	9,225,461
Deposits with licensed banks	14,811,731	13,080,306
Bank overdrafts	<u>(846,089)</u>	<u>(3,742,940)</u>
	26,352,717	18,562,827
Less:		
Deposits with maturity period more than 3 months	<u>(10,246,372)</u>	<u>(9,509,450)</u>
	<u><u>16,106,345</u></u>	<u><u>9,053,377</u></u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited Financial Statements for the year ended 31 December 2020 and the accompanying notes attached to the Interim Financial Statements.

A. Notes to the Interim Financial Statements

A1. Basis of Preparation

These 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 Securities Berhad (“BMSB”).

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020. The 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 year ended 31 December 2020.

A2. Significant Accounting Policies

Changes in Accounting Policies

The significant accounting policies and presentation adopted by the Group in these interim financial statements are consistent with those of the Group's consolidated audited financial statements for the year ended 31 December 2020 except as follows:

On 1 January 2021, the Group adopted the following applicable amended MFRSs mandatory for annual financial period beginning on or after the dates stated below:

	Effective for annual financial periods beginning on or after
Covid-19 Related Rent Concessions (Amendments to MFRS 16 : Leases)	1 June 2020
Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9 : Financial Instruments, MFRS 139 : Financial Instruments : Recognition and Measurement, MFRS 7 : Financial Instruments : Disclosures, MFRS 4 : Insurance Contracts and MFRS 16 : Leases)	1 January 2021

Adoption of the above standards did not have any material effect on the financial performance or position of the Group.

A3. Seasonal or Cyclical Factors

The business operations of the Group were not affected by any significant seasonal or cyclical factors.

A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence during the financial year to date.

A5. Changes in Estimates

There were no changes in estimation that have had any material effect on the current quarter and the financial year to date results.

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A. Notes to the Interim Financial Statements (cont'd.)

A6. Debt and Equity Securities

There were no issuances, repurchases and repayments of debt and equity securities, share buy-back and share held as treasury shares during the financial year to date.

A7. Dividend Paid

The first and final single tier dividend of 2 sen per ordinary share in respect of the financial year ended 31 December 2020, which was approved at the Annual General Meeting on 18 June 2021 was paid on 20 August 2021 to shareholders whose names appear in the Record of Depositors on 30 July 2021.

A8. Profit from operating activities

The following items have been included in arriving at profit from operating activities:

	Current Quarter 3 months ended 31 December		Financial Year 12 months ended 31 December	
	2021 RM	2020 RM	2021 RM	2020 RM
Total depreciation	2,331,554	2,487,791	9,750,056	10,429,685
Depreciation capitalised under construction costs	(179,552)	(310,560)	(904,590)	(1,402,053)
Depreciation charged to profit from operating activities	2,152,002	2,177,231	8,845,466	9,027,632
Adjustment on early receipt of receivable	-	-	(2,073,474)	-
Allowance for impairment loss on trade and other receivables	4,328,806	2,846,567	6,467,986	4,417,222
Dividend income from short term investments	(323,257)	(308,043)	(1,134,244)	(1,734,250)
Fair value (gain)/loss on short/long term investments	(20,636)	(1,829)	(22,728)	3,866
Fair value (gain)/loss on investment properties, net	(120,000)	1,550,000	(120,000)	1,550,000
(Gain)/Loss on disposal of :				
- investment in an associate	(2)	-	(2)	-
- property, plant and equipment, net	(484,944)	205,810	(529,992)	(107,938)
Gain arising from modification of payment terms for receivable	(804,035)	-	(804,035)	-
Government grant received	(584,850)	(840,025)	(973,800)	(2,158,588)
Inventories - properties held for sale and others written off	-	-	96,258	-
Inventories written (back)/down to net realisable value:				
- property development costs	-	124,866	(30,439)	(19,142)
- properties held for sale and others	(14,629)	38,060	(43,135)	38,060
Loss on winding up of investment in subsidiary	10,013	-	10,013	-
Loss/(Gain) on foreign exchange :				
- realised, net	131	75,404	(11,641)	42,847
- unrealised, net	145,198	337,195	(43,964)	194,943
Project cost written off	80,140	-	80,140	-
Property, plant and equipment written off	5,866	-	5,867	2,572

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A. Notes to the Interim Financial Statements (cont'd.)

A9. Segmental reporting

Business Segments

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment. Current taxes, deferred taxes and certain financial assets are not allocated to those segments as they are managed on a group basis.

	Investment RM	Construction RM	Quarry RM	Property development RM	Utilities RM	Others RM	Total RM
Current quarter 3 months ended 31 December 2021							
Revenue							
Total revenue	9,883,031	23,357,802	20,223,397	11,177,472	2,359,503	223,552	67,224,757
Inter-segment sales	(8,633,308)	(4,431,272)	(94,407)	-	-	(61,927)	(13,220,914)
External sales	<u>1,249,723</u>	<u>18,926,530</u>	<u>20,128,990</u>	<u>11,177,472</u>	<u>2,359,503</u>	<u>161,625</u>	<u>54,003,843</u>
Results							
Segment results	414,399	1,065,552	2,443,380	2,905,753	343,827	86,703	7,259,614
Interest expense	(299,088)	(245,796)	(7,462)	(3,800)	(22,639)	-	(578,785)
Share of losses of associate	(408,383)	-	-	-	-	-	(408,383)
(Loss)/Profit before tax	<u>(293,072)</u>	<u>819,756</u>	<u>2,435,918</u>	<u>2,901,953</u>	<u>321,188</u>	<u>86,703</u>	<u>6,272,446</u>
Income tax expense							<u>(2,513,552)</u>
Profit for the period							<u><u>3,758,894</u></u>
Total Assets							
Segment assets	1,044,491	(16,806,735)	(1,619,571)	1,242,355	(5,590,209)	(722,813)	(22,452,482)
Unallocated corporate assets							<u>(2,944,074)</u>
Total assets							<u><u>(25,396,556)</u></u>
Total Liabilities							
Segment liabilities	(1,768,535)	(16,503,739)	(1,066,554)	(5,049,768)	(1,306,741)	(185,102)	(25,880,439)
Unallocated corporate liabilities							<u>(470,938)</u>
Total liabilities							<u><u>(26,351,377)</u></u>

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(Incorporated in Malaysia)

A. Notes to the Interim Financial Statements (cont'd.)

A9. Segmental reporting (cont'd.)

Business Segments (cont'd.)

	Investment RM	Construction RM	Quarry RM	Property development RM	Utilities RM	Others RM	Total RM
Current quarter 3 months ended 31 December 2021 (cont'd.)							
Type of goods or services							
Construction contracts	-	18,948,848	-	-	-	-	18,948,848
Sale of completed properties	-	-	-	2,247,549	-	-	2,247,549
Sale of development properties	-	-	-	8,929,923	-	-	8,929,923
Sale of goods and services	3,170	(22,318)	20,128,990	-	2,359,503	161,625	22,630,970
Revenue from contracts with customers	3,170	18,926,530	20,128,990	11,177,472	2,359,503	161,625	52,757,290
Rental income from investment properties	1,246,553	-	-	-	-	-	1,246,553
	<u>1,249,723</u>	<u>18,926,530</u>	<u>20,128,990</u>	<u>11,177,472</u>	<u>2,359,503</u>	<u>161,625</u>	<u>54,003,843</u>
Geographical markets							
Malaysia	3,170	18,926,530	20,128,990	11,177,472	-	161,625	50,397,787
Lao People's Democratic Republic	-	-	-	-	2,359,503	-	2,359,503
	<u>3,170</u>	<u>18,926,530</u>	<u>20,128,990</u>	<u>11,177,472</u>	<u>2,359,503</u>	<u>161,625</u>	<u>52,757,290</u>
Timing of transfer of goods or services							
At a point in time	3,170	(22,318)	20,128,990	2,247,549	2,359,503	161,625	24,878,519
Over time	-	18,948,848	-	8,929,923	-	-	27,878,771
	<u>3,170</u>	<u>18,926,530</u>	<u>20,128,990</u>	<u>11,177,472</u>	<u>2,359,503</u>	<u>161,625</u>	<u>52,757,290</u>

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A. Notes to the Interim Financial Statements (cont'd.)

A9. Segmental reporting (cont'd.)

Business Segments (cont'd.)

	Investment RM	Construction RM	Quarry RM	Property development RM	Utilities RM	Others RM	Total RM
Current quarter 3 months ended 31 December 2020							
Revenue							
Total revenue	3,417,645	37,082,275	24,798,125	4,366,129	2,622,363	3,252,297	75,538,834
Inter-segment sales	(2,133,308)	(3,369,079)	(354,498)	-	-	(354,906)	(6,211,791)
External sales	<u>1,284,337</u>	<u>33,713,196</u>	<u>24,443,627</u>	<u>4,366,129</u>	<u>2,622,363</u>	<u>2,897,391</u>	<u>69,327,043</u>
Results							
Segment results	(908,196)	858,333	2,606,578	1,291,434	232,041	237,684	4,317,874
Interest expense	(346,064)	(410,369)	(198,773)	(6,403)	(64,352)	(4,310)	(1,030,271)
Share of profits of associate	186,546	-	-	-	-	-	186,546
(Loss)/Profit before tax	<u>(1,067,714)</u>	<u>447,964</u>	<u>2,407,805</u>	<u>1,285,031</u>	<u>167,689</u>	<u>233,374</u>	<u>3,474,149</u>
Income tax expense							<u>(1,484,006)</u>
Profit for the period							<u><u>1,990,143</u></u>
Total Assets							
Segment assets	(1,471,980)	(13,477,044)	(1,923,402)	24,813,992	(2,884,724)	2,768,533	7,825,375
Interest in associate							186,546
Unallocated corporate assets							<u>(16,434,613)</u>
Total assets							<u><u>(8,422,692)</u></u>
Total liabilities							
Segment liabilities	(1,814,497)	(3,096,977)	(744,205)	(673,006)	(295,171)	2,575,105	(4,048,751)
Unallocated corporate liabilities							<u>(4,134,089)</u>
Total liabilities							<u><u>(8,182,840)</u></u>

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A. Notes to the Interim Financial Statements (cont'd.)

A9. Segmental reporting (cont'd.)

Business Segments (cont'd.)

	Investment RM	Construction RM	Quarry RM	Property development RM	Utilities RM	Others RM	Total RM
Current quarter 3 months ended 31 December 2020 (cont'd.)							
Type of goods or services							
Construction contracts	-	33,679,692	-	-	-	-	33,679,692
Sale of completed properties	-	-	-	1,106,455	-	-	1,106,455
Sale of development properties	-	-	-	3,255,473	-	-	3,255,473
Sale of goods and services	2,240	33,504	24,443,627	4,201	2,622,363	2,897,391	30,003,326
Revenue from contracts with customers	2,240	33,713,196	24,443,627	4,366,129	2,622,363	2,897,391	68,044,946
Rental income from investment properties	1,282,097	-	-	-	-	-	1,282,097
	<u>1,284,337</u>	<u>33,713,196</u>	<u>24,443,627</u>	<u>4,366,129</u>	<u>2,622,363</u>	<u>2,897,391</u>	<u>69,327,043</u>
Geographical markets							
Malaysia	2,240	33,713,196	24,443,627	4,366,129	-	2,897,391	65,422,583
Lao People's Democratic Republic	-	-	-	-	2,622,363	-	2,622,363
	<u>2,240</u>	<u>33,713,196</u>	<u>24,443,627</u>	<u>4,366,129</u>	<u>2,622,363</u>	<u>2,897,391</u>	<u>68,044,946</u>
Timing of transfer of goods or services							
At a point in time	2,240	33,504	24,443,627	1,106,455	2,622,363	2,897,391	31,105,580
Over time	-	33,679,692	-	3,259,674	-	-	36,939,366
	<u>2,240</u>	<u>33,713,196</u>	<u>24,443,627</u>	<u>4,366,129</u>	<u>2,622,363</u>	<u>2,897,391</u>	<u>68,044,946</u>

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A. Notes to the Interim Financial Statements (cont'd.)

A9. Segmental reporting (cont'd.)

Business Segments (cont'd.)

	Investment RM	Construction RM	Quarry RM	Property development RM	Utilities RM	Others RM	Total RM
Financial year 12 months ended 31 December 2021							
Revenue							
Total revenue	26,751,646	66,927,425	77,987,843	32,154,684	10,448,858	2,414,752	216,685,208
Inter-segment sales	(21,533,234)	(12,334,775)	(290,636)	-	-	(291,320)	(34,449,965)
External sales	<u>5,218,412</u>	<u>54,592,650</u>	<u>77,697,207</u>	<u>32,154,684</u>	<u>10,448,858</u>	<u>2,123,432</u>	<u>182,235,243</u>
Results							
Segment results	3,569,969	4,494,944	8,864,441	6,447,334	1,167,044	219,757	24,763,489
Interest expense	(1,251,982)	(556,813)	(34,907)	(22,109)	(185,519)	(4,147)	(2,055,477)
Share of losses of associate	(456,957)	-	-	-	-	-	(456,957)
Profit before tax	<u>1,861,030</u>	<u>3,938,131</u>	<u>8,829,534</u>	<u>6,425,225</u>	<u>981,525</u>	<u>215,610</u>	<u>22,251,055</u>
Income tax expense							<u>(6,225,277)</u>
Profit for the year							<u><u>16,025,778</u></u>
Total Assets							
Segment assets	136,793,518	75,365,814	70,415,295	145,412,493	40,553,826	1,140,519	469,681,465
Unallocated corporate assets							<u>73,435,161</u>
Total assets							<u><u>543,116,626</u></u>
Total liabilities							
Segment liabilities	35,602,590	54,426,303	8,303,193	9,688,295	3,606,912	15,698	111,642,991
Unallocated corporate liabilities							<u>5,470,610</u>
Total liabilities							<u><u>117,113,601</u></u>

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A. Notes to the Interim Financial Statements (cont'd.)

A9. Segmental reporting (cont'd.)

Business Segments (cont'd.)

	Investment RM	Construction RM	Quarry RM	Property development RM	Utilities RM	Others RM	Total RM
Financial year 12 months ended 31 December 2021 (cont'd.)							
Type of goods or services							
Construction contracts	-	54,614,050	-	-	-	-	54,614,050
Sale of completed properties	-	-	-	4,582,453	-	-	4,582,453
Sale of development properties	-	-	-	27,568,031	-	-	27,568,031
Sale of goods and services	3,700	(21,400)	77,697,207	4,200	10,448,858	2,123,432	90,255,997
Revenue from contracts with customers	3,700	54,592,650	77,697,207	32,154,684	10,448,858	2,123,432	177,020,531
Rental income from investment properties	5,214,712	-	-	-	-	-	5,214,712
	<u>5,218,412</u>	<u>54,592,650</u>	<u>77,697,207</u>	<u>32,154,684</u>	<u>10,448,858</u>	<u>2,123,432</u>	<u>182,235,243</u>
Geographical markets							
Malaysia	3,700	54,592,650	77,697,207	32,154,684	-	2,123,432	166,571,673
Lao People's Democratic Republic	-	-	-	-	10,448,858	-	10,448,858
	<u>3,700</u>	<u>54,592,650</u>	<u>77,697,207</u>	<u>32,154,684</u>	<u>10,448,858</u>	<u>2,123,432</u>	<u>177,020,531</u>
Timing of transfer of goods or services							
At a point in time	3,700	(21,400)	77,697,207	4,586,653	10,448,858	2,123,432	94,838,450
Over time	-	54,614,050	-	27,568,031	-	-	82,182,081
	<u>3,700</u>	<u>54,592,650</u>	<u>77,697,207</u>	<u>32,154,684</u>	<u>10,448,858</u>	<u>2,123,432</u>	<u>177,020,531</u>

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A. Notes to the Interim Financial Statements (cont'd.)

A9. Segmental reporting (cont'd.)

Business Segments (cont'd.)

	Investment RM	Construction RM	Quarry RM	Property development RM	Utilities RM	Others RM	Total RM
Financial year 12 months ended 31 December 2020							
Revenue							
Total revenue	9,563,168	89,495,177	63,717,170	12,919,263	11,517,969	4,153,173	191,365,920
Inter-segment sales	(4,533,234)	(11,831,961)	(1,377,643)	-	-	(1,240,146)	(18,982,984)
External sales	<u>5,029,934</u>	<u>77,663,216</u>	<u>62,339,527</u>	<u>12,919,263</u>	<u>11,517,969</u>	<u>2,913,027</u>	<u>172,382,936</u>
Results							
Segment results	1,657,533	9,325,518	5,825,778	2,204,913	1,365,706	542,458	20,921,906
Interest expense	(1,764,369)	(412,704)	(241,755)	(15,326)	(311,205)	(4,895)	(2,750,254)
Share of profits of associate	127,360	-	-	-	-	-	127,360
Profit before tax	<u>20,524</u>	<u>8,912,814</u>	<u>5,584,023</u>	<u>2,189,587</u>	<u>1,054,501</u>	<u>537,563</u>	<u>18,299,012</u>
Income tax expense							<u>(4,979,296)</u>
Profit for the year							<u>13,319,716</u>
Total Assets							
Segment assets	135,117,845	78,387,268	69,294,555	139,981,179	49,129,785	3,845,428	475,756,060
Interest in associate							456,957
Unallocated corporate assets							<u>58,082,204</u>
Total assets							<u>534,295,221</u>
Total liabilities							
Segment liabilities	41,129,409	43,232,048	9,022,086	11,556,927	6,958,917	2,642,558	114,541,945
Unallocated corporate liabilities							<u>3,505,805</u>
Total liabilities							<u>118,047,750</u>

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A. Notes to the Interim Financial Statements (cont'd.)

A9. Segmental reporting (cont'd.)

Business Segments (cont'd.)

	Investment RM	Construction RM	Quarry RM	Property development RM	Utilities RM	Others RM	Total RM
Financial year 12 months ended 31 December 2020 (cont'd.)							
Type of goods or services							
Construction contracts	-	77,613,639	-	-	-	-	77,613,639
Sale of completed properties	-	-	-	6,364,526	-	-	6,364,526
Sale of development properties	-	-	-	6,529,885	-	-	6,529,885
Sale of goods and services	6,660	49,577	62,339,527	24,852	11,517,969	2,913,027	76,851,612
Revenue from contracts with customers	6,660	77,663,216	62,339,527	12,919,263	11,517,969	2,913,027	167,359,662
Rental income from investment properties	5,023,274	-	-	-	-	-	5,023,274
	<u>5,029,934</u>	<u>77,663,216</u>	<u>62,339,527</u>	<u>12,919,263</u>	<u>11,517,969</u>	<u>2,913,027</u>	<u>172,382,936</u>
Geographical markets							
Malaysia	6,660	77,663,216	62,339,527	12,919,263	-	2,913,027	155,841,693
Lao People's Democratic Republic	-	-	-	-	11,517,969	-	11,517,969
	<u>6,660</u>	<u>77,663,216</u>	<u>62,339,527</u>	<u>12,919,263</u>	<u>11,517,969</u>	<u>2,913,027</u>	<u>167,359,662</u>
Timing of transfer of goods or services							
At a point in time	6,660	49,577	62,339,527	6,364,526	11,517,969	2,913,027	83,191,286
Over time	-	77,613,639	-	6,554,737	-	-	84,168,376
	<u>6,660</u>	<u>77,663,216</u>	<u>62,339,527</u>	<u>12,919,263</u>	<u>11,517,969</u>	<u>2,913,027</u>	<u>167,359,662</u>

A. Notes to the Interim Financial Statements (cont'd.)

A10. Material Subsequent Events

There were no material events after the interim period that have not been reflected in the interim financial statements for the current financial year to date.

A11. Changes in Composition of the Group

(a) Voluntary liquidation of dormant subsidiary

DKLS Homebuilders Sdn Bhd ("DKLSH") is a wholly-owned subsidiary of DKLS. DKLSH has ceased operation and become dormant since 2019. DKLSH had been placed under member's voluntary winding-up pursuant to Section 439(1)(b) of the Companies Act 2016 on 21 September 2021.

During the current quarter under review and up to the date of this report, the voluntary winding-up is still under progress.

(b) Disposal of an associate company

On 25 November 2021, DKLS Highland Sdn Bhd ("DKHL"), a wholly-owned subsidiary of DKLS has disposed off its entire equity interest in Ambang Beskaya Sdn Bhd ("ABSB"), comprising 2 ordinary share of RM1.00 each for a cash consideration of RM2.00.

A12. Changes in Contingent Liabilities and Assets

(a) Contingent Liabilities

	As at 31 December	
	2021	2020
	RM	RM
Unsecured:		
Corporate guarantees given to banks for facilities granted to subsidiaries	66,437,033	86,320,062
Corporate guarantees given to third parties for credit facilities granted to subsidiaries	-	60,055
	<u>66,437,033</u>	<u>86,380,117</u>

The Company monitors the performance of its subsidiaries closely to ensure they meet all their financial obligations. In view that there is minimal risk of default, the Company has not recognised the value of the obligation under the financial guarantee in the statement of financial position.

(b) Contingent Assets

There were no contingent assets since 31 December 2020.

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A. Notes to the Interim Financial Statements (cont'd.)

A13. Related Party Disclosures

Significant related party transactions are as follows:

	Current Quarter 3 months ended 31 December		Financial Year 12 months ended 31 December	
	2021	2020	2021	2020
	RM	RM	RM	RM
Project claim received from Isyoda (M) Sdn Bhd	-	552,565	-	552,565
Purchase of consumables from DKLS Service Station	(1,328)	(1,382)	(3,251)	(5,568)
Rental of car park paid to Aplikasi Budimas Sdn Bhd	(4,250)	(4,590)	(17,200)	(17,940)
Rental income from Sri Ikhlas Kredit Sdn Bhd	-	900	-	2,100
Supply of electricity by Ipoh Tower Sdn Bhd	(16,345)	(18,789)	(62,610)	(70,184)

The Directors are of the opinion that all related party transactions have been entered into in the ordinary course of business at arm's length basis on normal commercial terms.

There were no transactions with key management personnel other than the remuneration package paid to them in accordance with the terms and conditions of their employment.

A14. Capital Commitments

	As at 31 December 2021 RM
Approved and contracted for: Property, plant and equipment	<u>2,274,997</u>
Approved but not contracted for: Property, plant and equipment	<u>-</u>

A15. Operating lease commitments - as lessor

Future minimum rentals receivables under non-cancellable operating leases are as follows:

	As at 31 December 2021 RM
Not later than 1 year	2,503,315
Later than 1 year but not later than 5 years	<u>1,192,287</u>
	<u>3,695,602</u>

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B. Additional information required by BMSB's Listing Requirements**B1. Operating Segment Review****(a) Review of Performance for 4Q21 vs 4Q20**

The Group has recorded a revenue of RM54.004 million for the fourth quarter ended 31 December 2021 (4Q21), a decrease of RM15.323 million (or 22.1%), as compared to the revenue of RM69.327 million for the previous year corresponding quarter ended 31 December 2020 (4Q20). Despite the lower revenue recorded, the Group achieved a higher profit before tax of RM6.272 million for 4Q21 as compared to a profit before tax of RM3.474 million for 4Q20, an increase of RM2.798 million (or 80.5%). The fluctuation in revenue and profit before tax of the Group can be analysed as below:-

4Q21 vs 4Q20

Increase/(Decrease)	Revenue RM'000	Profit before tax RM'000
Investment	(34)	775
Construction	(14,786)	372
Quarry	(4,315)	28
Property development	6,811	1,617
Utilities	(263)	153
Others	(2,736)	(147)
	<u>(15,323)</u>	<u>2,798</u>

(b) Review of Performance to date for FY21 vs FY20

For the current financial year ended 31 December 2021 (FY21) under review, the Group recorded a higher revenue of RM182.235 million and a higher profit before tax of RM22.251 million, an increase of 5.7% and 21.6% respectively, as compared to the revenue of RM172.383 million and profit before tax of RM18.299 million in the previous financial year ended 31 December 2020 (FY20). The higher revenue and profit before tax of the Group can be analysed as below:-

FY21 vs FY20

Increase/(Decrease)	Revenue RM'000	Profit before tax RM'000
Investment	188	1,840
Construction	(23,070)	(4,975)
Quarry	15,358	3,246
Property development	19,235	4,236
Utilities	(1,069)	(73)
Others	(790)	(322)
	<u>9,852</u>	<u>3,952</u>

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B. Additional information required by BMSB's Listing Requirements (cont'd.)

B1. Operating Segment Review (cont'd.)

(b) Review of Performance to date for FY21 vs FY20 (cont'd.)

Investment

The investment segment derives its main income from investment properties.

The investment segment has recorded a higher revenue of RM5.218 million in FY21 as compared to RM5.030 million in FY20 mainly due to lower rental assistance provided to tenants in FY21.

The profit before tax in FY21 and FY20 were affected by the following items:-

- a) lower compensation received of RM0.223 million (FY20 : RM0.366 million) from tenants for reinstatement of properties and early termination of tenancy agreements;
- b) unrealised gain on foreign exchange of RM0.265 million as compared to unrealised loss of RM0.198 million in FY20;
- c) there were no fair value changes on investment properties in FY21 as compared to fair value loss on investment properties of RM1.5 million recorded in FY20;
- d) lower interest expense of RM1.252 million (FY20 : RM1.764 million); and
- e) share of losses of associate of RM0.457 million as compared to share of profit of RM0.127 million in FY20.

If these items were excluded from the profit before tax, the investment segment would have recorded consistent margin in both FY21 and FY20.

Construction

The profit before tax of the construction segment in FY21 and FY20 were affected by the following

- (a) allowance for impairment losses on receivables, net of RM6.573 million (FY20 : RM3.523 million);
- (b) gain arising from modification of payment terms on receivables of RM0.804 million (FY20 : RMNil);
- (c) gain from adjustment on early receipt of receivable of RM2.073 million (FY20 : RMNil); and
- (d) higher interest income of RM3.161 million (FY20 : RM1.564 million) from long term receivables and discounting of long term payables.

If the above items were excluded from the profit before tax, the construction segment would have recorded a lower profit before tax on a lower revenue with lower margin as compared to FY20. The lower revenue and lower margin in FY21 was contributed from its on-going projects as compared to contribution from the completion of one of the ongoing major projects and recognition of additional revenue from previous completed projects which yielded higher margin in FY20.

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B. Additional information required by BMSB's Listing Requirements (cont'd.)

B1. Operating Segment Review (cont'd.)

(b) Review of Performance to date for FY21 vs FY20 (cont'd.)

Quarry

For the current financial year under review, the quarry segment has recorded a higher profit before tax of RM8.830 million (FY20 : RM5.584 million) on a higher turnover of RM77.697 million (FY20 : RM62.339 million) as compared to the previous financial year which was affected by the Movement Control Order 1.0 where the whole country was under total lockdown.

There were no major fluctuations in the operation costs except for higher bitumen cost being the main raw material for premix production and higher costs incurred in the upkeep of crushing plant and premix plant. The higher operation costs were partially offset by:

- (a) reversal of impairment losses on receivables of RM0.215 million as compared to allowance for impairment losses of RM0.878 million in FY20;
- (b) fair value gain on investment properties of RM0.120 million as compared to fair value loss of RM0.050 million in FY20; and
- (c) lower interest expense of RM0.035 million as compared to RM0.242 million in FY20.

Property Development

The property development segment continued to record a higher revenue and pre-tax profit of RM32.154 million and RM6.425 million in FY21 as compared to RM12.919 million and RM2.190 million respectively in the previous financial year mainly from its Phase 2 of gated and guarded residential project "GOSHEN" Ipoh Premier City.

There were no major fluctuations in the other income and overhead costs in the current financial year as compared to the previous financial year except for the receipt of government grant of RM0.264 million (FY20 : RM1.060 million) and gain on disposal of property, plant and equipment of RM0.017 million (FY20 : loss on disposal of RM0.140 million).

Utilities

The revenue of utilities segment is derived from supply of treated water and related services to consumers from a water treatment plant located in Lao People's Democratic Republic.

The utilities segment has recorded a lower profit before tax of RM0.982 million in FY21 (FY20 : RM1.055 million) against a lower revenue of RM10.449 million (FY20 : RM11.518 million). Beside revenue, the profit before tax for FY21 and FY20 were also affected by:

- (a) loss on foreign exchange of RM0.249 million (FY20 : RM0.034 million) as a result of weakening of KIP currency against USD;
- (b) net allowance for impairment loss on receivable of RM0.110 million (FY20 : RM0.016 million); and
- (c) lower interest expense of RM0.186 million (FY20: RM0.311 million).

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B. Additional information required by BMSB's Listing Requirements (cont'd.)

B1. Operating Segment Review (cont'd.)

(b) Review of Performance to date for FY21 vs FY20 (cont'd.)

Others

The revenue of others segment is mainly derived from trading of construction materials and provision of procurement services.

B2. Variance of Results Against Preceding Quarter

	Current quarter 31 December 2021 ("4Q21") RM'000	Immediate preceding quarter 30 September 2021 ("3Q21") RM'000	Changes amount RM'000
Revenue	54,004	36,902	17,102
Profit before tax	6,272	4,184	2,088

The Group recorded a higher revenue and pre-tax profit in 4Q21 as compared to the immediate preceding quarter mainly due to the reopening of the economy and resumption of full force construction works since mid-September 2021.

The pre-tax profits for 4Q21 and 3Q21 were also affected by the following items:

- (a) gain arising from modification of repayment terms of long term receivable of RM0.804 million (3Q21 : RMNil) due to the termination of a Turnkey Agreement;
- (b) higher allowance for impairment losses on trade receivables of RM4.329 million (3Q21 : RM1.390 million);
- (c) gain on fair value adjustments of investment properties of RM0.120 million (3Q21 : RMNil);
- (d) lower loss on foreign exchange of RM0.145 million (3Q21 : RM0.171 million);
- (e) higher government grant received of RM0.585 million (3Q21 : RM0.178 million);
- (f) higher gain on disposal of property, plant and equipment of RM0.485 million (3Q21 : RM0.072 million); and
- (g) higher share of losses of associate of RM0.408 million (3Q21 : RM0.017 million).

B. Additional information required by BMSB's Listing Requirements (cont'd.)

B3. Projects

At the time of this report, Malaysia is generally in Phase 4 of National Recovery Plan (NRP) and the vaccination rate for the adult population in the country is close to 100%. Since the economic reopening, the general mood and consumer sentiment have turned positive. People mobility and traffic indicators have been showing signs of revival despite concerns about the Omicron variant. With proper Standard Operating Procedures and booster vaccination drive, the economic activities are expected to recover and grow at a faster pace.

Outlook for the Construction Division looks subdued as lacks of details on the prospects of new mega project roll-outs as per the Malaysian Government's expansionary budget for FY2022. Nevertheless, the Division will continue to actively seek out potential prospects and collaborations for the Group to increase its order book as part of its long term growth strategy. The Division will continue to deliver its current outstanding order book, and at the same time divert its resources to focus on providing their expertise and value-added services to development projects undertaken by the Property Development Division.

The Home Ownership Campaign (HOC) has played a big part in spurring the property market in 2021. With the HOC ended on 31 December 2021, the Property Development Division anticipates demand for the primary market sales to be challenging. The Division also recognised that end-financing is still a major issue in homeownership. Most financial institutions are still very risk-averse and stringent in their assessment criteria to the detriment of prospective house buyers. However, the Division will continue to emphasize on sales and progress billings from its on-going projects and at the same time focus its effort on cost optimisation in view of the price hike in labour costs and building materials.

The Quarry Division expects growth momentum to continue alongside with the recovery of domestic economy. With the announcement of infrastructure and affordable housing projects by the Government under Budget 2022 to drive economy recovery, the Division is ready to play our part. All our plants are well-positioned to support the country's construction needs, including mega infrastructure developments. The Division will continue to tap on private and public sector projects undertaken by our existing customers, at the same time will continue to grow our sales by expanding our customer base in the northern region market with the additional quarry and premix plant.

The Utilities Division's water treatment plant concession in Lao People's Democratic Republic will continue to contribute a stable and sustainable recurring income stream into the Group. However, the volatility of the foreign exchange rates may impact the Division's performance in the current financial year.

Barring any unforeseen circumstances, the Group anticipates that the economic recovery to be strong in the coming months, the Group will remain vigilant but cautious as we move forward. The Group will continue to strategize, adapt and navigate through this transition period and will take timely appropriate actions in order to minimise operating risks and optimise its resources so as to ensure that its core businesses remain resilient.

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B. Additional information required by BMSB's Listing Requirements (cont'd.)

B4. Income tax expense

	Current Quarter 3 months ended 31 December		Financial Year 12 months ended 31 December	
	2021 RM	2020 RM	2021 RM	2020 RM
Malaysia income tax:				
Current income tax	1,333,143	1,609,195	5,060,554	4,426,641
Under/(Over) provision in prior year	139,641	(19,286)	139,788	1,000
Foreign tax:				
Current tax	35,983	(56,429)	197,463	226,236
Under provision in prior years	29,810	-	29,810	-
	<u>1,538,577</u>	<u>1,533,480</u>	<u>5,427,615</u>	<u>4,653,877</u>
Deferred income tax:				
Relating to origination and reversal of temporary differences	770,253	(166,666)	650,155	298,104
Under provision in prior years	116,386	53,092	119,854	33,474
	<u>886,639</u>	<u>(113,574)</u>	<u>770,009</u>	<u>331,578</u>
Real Property Gains Tax	<u>82,754</u>	-	<u>22,071</u>	<u>1,239</u>
Withholding tax	<u>5,582</u>	<u>64,100</u>	<u>5,582</u>	<u>(7,398)</u>
Income tax expense	<u>2,513,552</u>	<u>1,484,006</u>	<u>6,225,277</u>	<u>4,979,296</u>

Current income tax is calculated at the Malaysian corporate statutory tax rate of 24% of the estimated assessable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

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B. Additional information required by BMSB's Listing Requirements (cont'd.)

B4. Income tax expense (cont'd.)

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	Current Quarter 3 months ended 31 December		Financial Year 12 months ended 31 December	
	2021	2020	2021	2020
	RM	RM	RM	RM
Profit before tax	6,272,446	3,474,149	22,251,055	18,299,012
Taxation at applicable tax rates	1,505,387	833,797	5,340,253	4,391,763
Income not subject to tax	(703,154)	(765,951)	(1,875,412)	(1,898,955)
Expenses not deductible for tax purposes	1,358,969	1,622,133	2,486,949	2,753,759
Expenses for special deduction for tax purposes	(28,574)	(3,916)	(38,992)	(33,856)
Current year tax losses that cannot be carried forward	(281)	568	-	852
Difference in tax rate of foreign subsidiary	(8,333)	(13,250)	(42,970)	(55,483)
Deferred tax assets not recognised	126	(20,192)	609	513
Deferred tax on fair value adjustment	12,000	31,646	12,000	31,646
Deferred tax on undistributed earnings from foreign subsidiary	4,031	(298,735)	26,527	(239,258)
Real Property Gains Tax	22,071	-	22,071	1,239
Utilisation of previously unrecognised deferred tax assets	(792)	-	(792)	-
Withholding tax	66,265	64,100	5,582	(7,398)
Under/(Over) provision of current tax in prior years	139,641	(19,286)	139,788	1,000
Under provision of foreign tax in prior years	29,810	-	29,810	-
Under provision of deferred tax in prior years	116,386	53,092	119,854	33,474
Income tax expense	2,513,552	1,484,006	6,225,277	4,979,296

B5. Corporate Proposals and Profit Forecast

Not applicable as no profit forecast was published.

There were no corporate proposals announced but not completed as at the reporting date.

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B. Additional information required by BMSB's Listing Requirements (cont'd.)

B6. Borrowing and Debt Securities

	As at 31 December	
	2021	2020
	RM	RM
Short term borrowings		
Bank overdrafts (secured)	846,089	3,742,940
Hire purchase liabilities (secured)	341,955	600,339
Lease liabilities (unsecured)	11,927	14,411
Revolving credit (unsecured)	23,900,000	-
Term loans (secured)	5,000,004	7,972,053
	<u>30,099,975</u>	<u>12,329,743</u>
Long term borrowings		
Hire purchase liabilities (secured)	46,286	254,285
Lease liabilities (unsecured)	95,412	110,043
Term loans (secured)	28,583,297	38,120,801
	<u>28,724,995</u>	<u>38,485,129</u>
Total borrowings	<u>58,824,970</u>	<u>50,814,872</u>

Loans and borrowings at the reporting date are denominated in the following currencies:

	As at 31 December	
	2021	2020
	RM	RM
Ringgit Malaysia	57,898,493	46,979,992
Lao Kip	926,477	3,834,880
	<u>58,824,970</u>	<u>50,814,872</u>

The loans and borrowings denominated in Lao Kip was undertaken by a foreign subsidiary in which the repayment is to be settled in the functional currency of the said subsidiary as such no hedging to Ringgit Malaysia is required.

B7. Changes in Material Litigation

There was no material litigation against the Group as at the reporting date.

B8. Proposed Dividend

The directors are pleased to recommend the payment of first and final single tier dividend for the shareholders' approval at the forthcoming Annual General Meeting as follows:

- (a) A first and final single tier dividend of 3.00 sen (2020 : 2.00 sen) per share.
- (b) (i) Amount per share : 3.00 sen per share.
(ii) Previous financial year : 2.00 sen per share.
(iii) Total dividend for the current financial year : 3.00 sen (2020 : 2.00 sen) per share.
- (c) Date of payment will be determined at a later date.
- (d) Date of entitlement will be determined at a later date.

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B. Additional information required by BMSB's Listing Requirements (cont'd.)

B9. Basic Earnings Per Share

(a) Basic

Basic earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the parent by the weighted number of ordinary shares in issue during the financial year:

	Current Quarter 3 months ended 31 December		Financial Year 12 months ended 31 December	
	2021	2020	2021	2020
	RM	RM	RM	RM
Profit attributable to owners of the Company	3,797,801	1,917,407	15,830,627	13,020,721
Weighted average number of ordinary shares in issue	92,699,600	92,699,600	92,699,600	92,699,600
	Sen	Sen	Sen	Sen
Basic earnings per share	4.10	2.07	17.08	14.05

(b) Diluted

There is no dilutive effect on earnings per share as the Company has no potential issues of ordinary shares.

B10. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2020 was unqualified.

B11. Financial Assistance in the Ordinary Course of Business

As at the end of the reporting period, DKLS Construction Sdn Bhd, a wholly-owned subsidiary of the Company, as a Turnkey Contractor, in the ordinary course of business has advanced a total of RM23,599,800 million to its main contractor to finance the development works.

B. Additional information required by BMSB's Listing Requirements (cont'd.)

B12. Fair value of non-financial assets and financial instruments

The following table provides the fair value measurement hierarchy of the Group's non-financial assets and financial instruments as at 31 December 2021:

Fair value of financial instruments that are carried at fair value

	Quoted prices in active markets for identical assets Level 1 RM	Significant other observable inputs Level 2 RM	Significant unobservable inputs Level 3 RM
Non-financial assets:			
Investment properties	-	-	124,220,000
Financial assets:			
Long term/short term investments			
- Equity instruments (quoted)	26,924	-	-
- Unit trust fund (quoted)	-	67,487,177	-
Financial liabilities:			
Other commitments	-	1,865,938	-

There have been no transfers between Level 1, Level 2 and Level 3 fair value measurements during the period.

Level 1

Level 1 fair value is derived from quoted (unadjusted) market prices in active markets for identical assets and liabilities.

Level 2

Level 2 fair value is measured using valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3

Level 3 fair value is measured using valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

B. Additional information required by BMSB's Listing Requirements (cont'd.)

B12. Fair value of non-financial assets and financial instruments (cont'd.)

Fair value of financial instruments that are carried at fair value (cont'd.)

Determination of fair value

Investment properties

Fair value is determined based on valuations at the reporting date. Valuations are performed by accredited independent valuers with recent experience in the location and category of properties being valued. The valuations are based on the comparison and income capitalisation method that makes reference to the recent transaction value.

Quoted equity instruments

Fair value is determined directly by reference to the published market bid price at the reporting date.

Quoted unit trust fund

Fair value is determined directly by reference to the published net asset value at the reporting date.

Other commitments (non-current)

Fair value is estimated by discounting expected future cash flows at market borrowing interest rates.