

**Condensed Consolidated Statement of Comprehensive Income**  
**For the quarter and 9 months ended 30 September 2022 - unaudited**

	Note	Current Quarter 3 months ended 30 September		Cumulative Quarter 9 months ended 30 September	
		2022 RM	2021 RM	2022 RM	2021 RM
Revenue		42,575,679	36,901,787	131,190,268	128,231,400
Interest income		385,063	858,712	2,228,705	2,376,224
Other income		1,498,115	1,006,729	3,492,007	6,017,561
Operating expenses		(28,317,368)	(25,658,926)	(93,581,887)	(94,470,968)
Changes in work-in-progress and finished goods		129,710	(384,300)	(330)	(1,191,109)
Employee benefit expenses		(3,004,390)	(3,032,952)	(10,225,234)	(9,860,962)
Administrative expenses		(5,790,155)	(4,934,040)	(14,461,147)	(13,598,271)
<b>Profit from operating activities</b>	<b>A8</b>	<u>7,476,654</u>	<u>4,757,010</u>	<u>18,642,382</u>	<u>17,503,875</u>
Interest expense		(633,317)	(556,057)	(2,044,884)	(1,476,692)
Share of losses from associate		-	(16,587)	-	(48,574)
<b>Profit before tax</b>		<u>6,843,337</u>	<u>4,184,366</u>	<u>16,597,498</u>	<u>15,978,609</u>
Income tax expense		(2,288,169)	(1,393,017)	(5,172,025)	(3,711,725)
<b>Profit for the period, net of tax</b>		<u>4,555,168</u>	<u>2,791,349</u>	<u>11,425,473</u>	<u>12,266,884</u>
<b>Other comprehensive income, net of tax</b>					
Items that will be reclassified to profit or loss in the future:					
Foreign currency translation differences for foreign operations		(1,202,456)	(1,688,758)	(8,425,094)	(1,203,776)
<b>Other comprehensive income for the period, net of tax</b>		<u>(1,202,456)</u>	<u>(1,688,758)</u>	<u>(8,425,094)</u>	<u>(1,203,776)</u>
<b>Total comprehensive income for the period</b>		<u>3,352,712</u>	<u>1,102,591</u>	<u>3,000,379</u>	<u>11,063,108</u>
<b>Profit for the period attributable to:</b>					
Owners of the Company		4,381,862	2,781,837	10,823,174	12,032,826
Non-controlling interests		173,306	9,512	602,299	234,058
<b>Profit for the period</b>		<u>4,555,168</u>	<u>2,791,349</u>	<u>11,425,473</u>	<u>12,266,884</u>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		3,433,020	1,440,704	4,156,158	11,077,368
Non-controlling interests		(80,308)	(338,113)	(1,155,779)	(14,260)
<b>Total comprehensive income for the period</b>		<u>3,352,712</u>	<u>1,102,591</u>	<u>3,000,379</u>	<u>11,063,108</u>
Basic/Diluted, earnings per ordinary share (sen)		<u>4.73</u>	<u>3.00</u>	<u>11.68</u>	<u>12.98</u>

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 notes attached to the Interim Financial Statements.

**DKLS INDUSTRIES BERHAD (199501040269) (369472 - P)**

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Financial Position  
As at 30 September 2022 - unaudited**

	30 September 2022 RM	31 December 2021 RM (Audited)
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	73,052,203	83,474,337
Right-of-use assets	66,925	93,769
Inventories - Land held for property development	104,500,786	104,837,637
Investment properties	124,220,000	124,220,000
Long term investment	20,651	26,924
Trade and other receivables	3,226,353	25,082,566
Deferred tax assets	5,204,464	5,236,243
<b>Total non-current assets</b>	<u>310,291,382</u>	<u>342,971,476</u>
<b>Current Assets</b>		
Inventories - Property development costs	11,580,814	14,072,103
Inventories - Properties held for sale and others	29,813,801	30,874,206
Trade and other receivables	72,266,348	48,224,616
Other current assets	15,777,854	11,603,425
Short term investments	55,556,354	67,487,177
Tax recoverable	435,632	684,817
Cash and bank balances	31,279,225	27,198,806
<b>Total current assets</b>	<u>216,710,028</u>	<u>200,145,150</u>
<b>TOTAL ASSETS</b>	<u>527,001,410</u>	<u>543,116,626</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	101,883,643	101,883,643
Retained profits	330,302,086	322,259,900
Reserves	(11,675,008)	(5,007,992)
<b>Equity attributable to owners of the Company</b>	<u>420,510,721</u>	<u>419,135,551</u>
<b>Non-controlling interests</b>	<u>5,711,695</u>	<u>6,867,474</u>
<b>Total equity</b>	<u>426,222,416</u>	<u>426,003,025</u>
<b>Non-current Liabilities</b>		
Loans and borrowings	25,537,279	28,724,995
Other payables	752,336	1,168,753
Deferred tax liabilities	5,280,865	4,818,164
<b>Total non-current liabilities</b>	<u>31,570,480</u>	<u>34,711,912</u>
<b>Current Liabilities</b>		
Loans and borrowings	32,208,221	30,099,975
Trade and other payables	32,605,795	33,832,962
Other current liabilities	3,157,561	17,816,306
Tax payable	1,236,937	652,446
<b>Total current liabilities</b>	<u>69,208,514</u>	<u>82,401,689</u>
<b>Total liabilities</b>	<u>100,778,994</u>	<u>117,113,601</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>527,001,410</u>	<u>543,116,626</u>
Net assets per share attributable to owners of the Company (RM)	<u>4.54</u>	<u>4.52</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 notes attached to the Interim Financial Statements.*

**DKLS INDUSTRIES BERHAD (199501040269) (369472 - P)**

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Changes in Equity  
For 9 months ended 30 September 2022 - unaudited**

	← Attributable to owners of the Company →						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	Retained profits RM			
<b>9 months ended 30 September 2022</b>									
<b>Balance at 1 January 2022</b>	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
Total comprehensive income for the period	-	(6,667,016)	-	-	-	10,823,174	4,156,158	(1,155,779)	3,000,379
Transaction with owners:									
Dividend on ordinary shares	-	-	-	-	-	(2,780,988)	(2,780,988)	-	(2,780,988)
<b>Balance at 30 September 2022</b>	<u>101,883,643</u>	<u>(16,332,803)</u>	<u>2,058,238</u>	<u>3,026,004</u>	<u>(426,447)</u>	<u>330,302,086</u>	<u>420,510,721</u>	<u>5,711,695</u>	<u>426,222,416</u>
<b>9 months ended 30 September 2021</b>									
<b>Balance at 1 January 2021</b>	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 period	-	(955,458)	-	-	-	12,032,826	11,077,368	(14,260)	11,063,108
Transaction with owners:									
Dividend on ordinary shares	-	-	-	-	-	(1,853,992)	(1,853,992)	-	(1,853,992)
<b>Balance at 30 September 2021</b>	<u>101,883,643</u>	<u>(6,400,333)</u>	<u>1,157,522</u>	<u>3,026,004</u>	<u>(426,447)</u>	<u>318,462,099</u>	<u>417,702,488</u>	<u>7,754,099</u>	<u>425,456,587</u>

*The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited Financial Statements for the year ended 31 December 2021 and the accompanying notes attached to the Interim Financial Statements.*

**Condensed Consolidated Statement of Cash Flows**  
**For the 9 months ended 30 September 2022 - unaudited**

	<b>Cumulative Quarter</b>	
	<b>9 months ended</b>	
	<b>30 September</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	16,597,498	15,978,609
Adjustments for :-		
Adjustment on early receipt of receivable	-	(2,073,474)
Allowance for impairment loss on trade and other receivables	5,202,578	2,139,180
Depreciation	5,167,978	7,418,502
Dividend income	(1,946)	(810,987)
Fair value gain on short/long term investments	(863,404)	(2,092)
Gain on disposal of property, plant and equipment, net	(554,036)	(45,048)
Interest expense	2,044,884	1,481,295
Interest income	(2,228,705)	(2,376,224)
Inventories - properties held for sale and others written off	-	96,258
Inventories written back to net realisable value:		
- property development costs	-	(30,439)
- properties held for sale and others	-	(28,506)
Property, plant and equipment written off	715	1
Share of losses from associate	-	48,574
Unrealised gain on foreign exchange	(1,041,937)	(189,162)
Operating profit before changes in working capital	<u>24,323,625</u>	<u>21,606,487</u>
Changes in working capital:-		
Net changes in current assets	(8,048,090)	(20,121,929)
Net changes in current liabilities	(12,918,697)	31,215,436
Cash flows from operations	<u>3,356,838</u>	<u>32,699,994</u>
Interest paid	(755,786)	(474,469)
Interest received	2,013,113	1,692,482
Taxes paid	(3,800,317)	(2,777,269)
Net cash flows from operating activities	<u>813,848</u>	<u>31,140,738</u>

**DKLS INDUSTRIES BERHAD (199501040269) (369472 - P)**

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Cash Flows (cont'd.)  
For the 9 months ended 30 September 2022 - unaudited**

	<b>Cumulative Quarter 9 months ended 30 September</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividend received	1,946	810,987
Interest received	431,072	391,184
Inventories - Land held for property development	(1,285,575)	(908,340)
Placement of deposits with maturity period more than 3 months	(766,075)	(387,951)
Proceeds from disposal of:		
- property, plant and equipment	865,698	1,374,805
- short term investments	39,697,081	64,201,765
Purchase of:		
- property, plant and equipment	(2,112,311)	(2,686,516)
- short term investments	(26,896,581)	(80,997,228)
Withdrawal of deposits with maturity period more than 3 months	1,586,513	-
Net cash flows from/(used in) investing activities	<u>11,521,768</u>	<u>(18,201,294)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(2,780,988)	(1,853,992)
Dividend paid to non-controlling interest	-	(97,407)
Interest paid	(895,492)	(1,205,329)
Payment of principal portion of lease liability	(8,913)	(11,734)
Repayment of term loan	(3,750,003)	(5,751,912)
Repayment of hire purchase liabilities	(392,525)	(507,363)
Net cash flows used in financing activities	<u>(7,827,921)</u>	<u>(9,427,737)</u>
<b>Net increase in cash and cash equivalents</b>	4,507,695	3,511,707
<b>Effects of exchange rate differences</b>	249,136	(152,694)
<b>Cash and cash equivalents at beginning of the period</b>	<u>16,106,345</u>	<u>9,053,377</u>
<b>Cash and cash equivalents at end of the period</b>	<u><u>20,863,176</u></u>	<u><u>12,412,390</u></u>

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

Cash and bank balances	19,838,758	10,774,560
Deposits with licensed banks	11,440,467	13,922,634
	<u>31,279,225</u>	<u>24,697,194</u>
Less:		
Bank overdrafts	-	(1,984,838)
Deposits with maturity period more than 3 months	(10,416,049)	(10,299,966)
	<u>20,863,176</u>	<u>12,412,390</u>

*The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited Financial Statements for the year ended 31 December 2021 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 2021. 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 2021.

### **A2. Significant 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 2021 except as follows:

On 1 January 2022, the Group adopted the following applicable amended MFRSs mandatory for annual financial period beginning on or after the following dates.

	<b>Effective for annual financial periods beginning on or after</b>
Covid-19 Related Rent Concessions beyond 30 June 2021 (Amendments to MFRS 16 : Leases)	1 April 2021
Annual Improvements to MFRS Standards 2018 – 2020 Cycle	
(i) Amendments to MFRS 1 : First-time Adoption of Malaysian Financial Reporting Standards : Subsidiary as a First-Time Adopter	1 January 2022
(ii) Amendments to MFRS 9 : Financial Instruments : Fees in the ‘10 per cent’ Test for Derecognition of Financial Liabilities	1 January 2022
(iii) Illustrative Examples accompanying MFRS 16 : Leases : Lease Incentives	1 January 2022
(iv) Amendments to MFRS 141 : Agriculture : Taxation in Fair Value Measurements	1 January 2022
Reference to the Conceptual Framework (Amendments to MFRS 3 : Business Combination)	1 January 2022
Property, Plant and Equipment – Proceeds before Intended Use (Amendments to MFRS 116 : Property, Plant and Equipment)	1 January 2022
Onerous Contracts – Costs of Fulfilling a Contract (Amendments to MFRS 137 : Provisions, Contingent Liabilities and Contingent Assets)	1 January 2022

Adoption of the above amendments did not have any 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.

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

**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.

**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 3 sen per ordinary share in respect of the financial year ended 31 December 2021, which was approved at the Annual General Meeting on 24 May 2022, was paid on 19 August 2022 to shareholders whose names appear in the Record of Depositors on 29 July 2022.

**A8. Profit from operating activities**

<b>Current Quarter 3 months ended 30 September 2022</b>		<b>Cumulative Quarter 9 months ended 30 September 2022</b>	
<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>

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

Total depreciation	1,648,464	2,446,850	5,167,978	7,418,502
Depreciation capitalised under construction costs	(77,896)	(205,420)	(405,737)	(725,038)
Depreciation charged to profit from operating activities	1,570,568	2,241,430	4,762,241	6,693,464
Adjustment on early receipt of receivable	-	-	-	(2,073,474)
Allowance for impairment loss on trade and other receivables	2,986,806	1,389,945	5,202,578	2,139,180
Dividend income	(1,744)	(317,715)	(1,946)	(810,987)
Fair value (gain)/loss on short/long term investments	(320,023)	261	(863,404)	(2,092)
Gain on disposal of property, plant and equipment, net	(313,335)	(72,488)	(554,036)	(45,048)
(Gain)/Loss on foreign exchange :				
- realised	(92,691)	14,898	(96,476)	(11,772)
- unrealised	(511,909)	156,093	(1,041,937)	(189,162)
Government grant received	-	(177,750)	-	(388,950)
Inventories written back to net realisable value				
- property development costs	-	-	-	(30,439)
- properties held for sale and others	-	-	-	(28,506)
Inventories - properties held for sale and others written off	-	67,579	-	96,258
Property, plant and equipment written off	1	-	715	1
Impairment loss on property, plant and equipment	N/A	N/A	N/A	N/A
Gain on derivatives	N/A	N/A	N/A	N/A