

Condensed Consolidated Statement of Comprehensive Income
For the quarter and 12 months ended 31 December 2022 - unaudited

Note	Current Quarter 3 months ended 31 December		Financial year 12 months ended 31 December	
	2022 RM	2021 RM	2022 RM	2021 RM
Revenue	48,513,119	54,003,843	179,703,387	182,235,243
Interest income	621,700	1,474,924	2,850,405	3,851,148
Other income	2,568,795	2,376,083	6,060,802	8,393,644
Operating expenses	(34,454,118)	(40,033,919)	(128,036,005)	(134,504,887)
Changes in work-in-progress and finished goods	(189,510)	303,070	(189,840)	(888,039)
Employee benefit expenses	(2,920,779)	(3,024,782)	(13,146,013)	(12,885,744)
Administrative expenses	(11,767,181)	(7,839,605)	(26,228,328)	(21,437,876)
Profit from operating activities	2,372,026	7,259,614	21,014,408	24,763,489
Interest expense	(552,310)	(578,785)	(2,597,194)	(2,055,477)
Share of losses from associate	-	(408,383)	-	(456,957)
Profit before tax	1,819,716	6,272,446	18,417,214	22,251,055
Income tax expense	(1,947,016)	(2,513,552)	(7,119,041)	(6,225,277)
Profit for the period, net of tax	(127,300)	3,758,894	11,298,173	16,025,778
Other comprehensive income, net of tax				
<i>Items that will be reclassified to profit or loss in the future</i>				
Foreign currency translation differences for foreign operations	(2,531,343)	(4,113,172)	(10,956,437)	(5,316,948)
<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 period, net of tax	(2,531,343)	(3,212,456)	(10,956,437)	(4,416,232)
Total comprehensive income for the period	(2,658,643)	546,438	341,736	11,609,546
Profit for the period attributable to:				
Owners of the Company	929,284	3,797,801	11,752,458	15,830,627
Non-controlling interests	(1,056,584)	(38,907)	(454,285)	195,151
Profit for the period	(127,300)	3,758,894	11,298,173	16,025,778
Total comprehensive income attributable to:				
Owners of the Company	(1,065,679)	1,433,063	3,090,479	12,510,431
Non-controlling interests	(1,592,964)	(886,625)	(2,748,743)	(900,885)
Total comprehensive income for the period	(2,658,643)	546,438	341,736	11,609,546
Basic/Diluted, earnings per ordinary share (sen)	1.00	4.10	12.68	17.08

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 31 December 2022 - unaudited**

	31 December 2022 RM	31 December 2021 RM (Audited)
ASSETS		
Non-current Assets		
Property, plant and equipment	63,469,274	83,474,337
Right-of-use assets	58,930	93,769
Inventories - Land held for property development	104,681,209	104,837,637
Investment properties	124,850,000	124,220,000
Long term investment	21,958	26,924
Trade and other receivables	3,313,838	25,082,566
Other current assets	24,275	-
Deferred tax assets	5,259,728	5,236,243
Total non-current assets	<u>301,679,212</u>	<u>342,971,476</u>
Current Assets		
Inventories - Property development costs	8,192,437	14,072,103
Inventories - Properties held for sale and others	29,265,405	30,874,206
Trade and other receivables	65,082,195	48,224,616
Other current assets	17,121,557	11,603,425
Short term investments	54,291,886	67,487,177
Tax recoverable	920,332	684,817
Cash and bank balances	35,694,595	27,198,806
Total current assets	<u>210,568,407</u>	<u>200,145,150</u>
TOTAL ASSETS	<u>512,247,619</u>	<u>543,116,626</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	101,883,643	101,883,643
Retained profits	331,231,370	322,259,900
Reserves	(13,669,971)	(5,007,992)
Equity attributable to owners of the Company	<u>419,445,042</u>	<u>419,135,551</u>
Non-controlling interests	<u>3,924,859</u>	<u>6,867,474</u>
Total equity	<u>423,369,901</u>	<u>426,003,025</u>
Non-current Liabilities		
Loans and borrowings	24,189,462	28,724,995
Other payables	680,807	1,168,753
Deferred tax liabilities	5,484,583	4,818,164
Total non-current liabilities	<u>30,354,852</u>	<u>34,711,912</u>
Current Liabilities		
Loans and borrowings	23,636,479	30,099,975
Trade and other payables	31,947,572	33,832,962
Other current liabilities	2,274,151	17,816,306
Tax payable	664,664	652,446
Total current liabilities	<u>58,522,866</u>	<u>82,401,689</u>
Total liabilities	<u>88,877,718</u>	<u>117,113,601</u>
TOTAL EQUITY AND LIABILITIES	<u>512,247,619</u>	<u>543,116,626</u>
Net assets per share attributable to owners of the Company (RM)	<u>4.52</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 12 months ended 31 December 2022 - unaudited**

	Attributable to owners of the Company						Total equity RM
	Non distributable			Distributable			
	Share capital RM	Foreign currency translation reserve RM	Asset revaluation reserve RM	Charter capital reserve RM	Other reserve RM	Retained profits RM	Non- controlling interests RM
12 months ended 31 December 2022							
Balance at 1 January 2022	101,883,643	(9,665,787)	2,058,238	3,026,004	(426,447)	322,259,900	6,867,474
Total comprehensive income for the period	-	(8,661,979)	-	-	-	11,752,458	(2,748,743)
Transaction with owners: Dividend to non-controlling interests	-	-	-	-	-	-	(193,872)
Dividend on ordinary shares	-	-	-	-	-	(2,780,988)	-
Balance at 31 December 2022	101,883,643	(18,327,766)	2,058,238	3,026,004	(426,447)	331,231,370	3,924,859
12 months ended 31 December 2021							
Balance at 1 January 2021	101,883,643	(5,444,875)	1,157,522	3,026,004	(426,447)	308,283,265	7,768,359
Total comprehensive income for the period	-	(4,220,912)	900,716	-	-	15,830,627	(900,885)
Transaction with owners: Dividend on ordinary shares	-	-	-	-	-	(1,853,992)	-
Balance at 31 December 2021	101,883,643	(9,665,787)	2,058,238	3,026,004	(426,447)	322,259,900	6,867,474

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.

DKLS INDUSTRIES BERHAD (199501040269) (369472 - P)

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Cash Flows
For the 12 months ended 31 December 2022 - unaudited**

	Financial Year 12 months ended 31 December	
	2022	2021
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	18,417,214	22,251,055
Adjustments for :-		
Adjustment on early repayment of long term receivables	-	(2,073,474)
Allowance for impairment loss on:		
- property, plant and equipment	6,348,289	-
- trade and other receivables, net	6,556,286	6,467,986
Depreciation	6,722,201	9,750,056
Dividend income from short term investments	(2,009)	(1,134,244)
Fair value gain on investment properties, net	(630,000)	(120,000)
Fair value gain on long/short term investments	(1,250,243)	(22,728)
Gain on disposal of:		
- investment in an associate	-	(2)
- property, plant and equipment, net	(601,901)	(529,992)
Gain arising from modification of payment terms for receivables	-	(804,035)
Interest expense	2,597,194	2,062,169
Interest income	(2,850,405)	(3,851,148)
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	(32,500)	(43,135)
Loss on winding up of investment in subsidiary	-	10,013
Project cost written off	-	80,140
Property, plant and equipment written off	3,110	5,867
Share of losses from associate	-	456,957
Unrealised gain on foreign exchange, net	(822,602)	(43,964)
Operating profit before changes in working capital	<u>34,454,634</u>	<u>32,527,340</u>
Changes in working capital:-		
Net changes in current assets	887,521	(3,961,446)
Net changes in current liabilities	(26,404,611)	13,946,226
Cash flows from operations	<u>8,937,544</u>	<u>42,512,120</u>
Interest paid	(978,640)	(707,376)
Interest received	2,304,081	2,591,962
Taxes paid	(6,640,483)	(5,962,771)
Net cash flows from operating activities	<u>3,622,502</u>	<u>38,433,935</u>

DKLS INDUSTRIES BERHAD (199501040269) (369472 - P)

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Cash Flows (cont'd.)
For the 12 months ended 31 December 2022 - unaudited**

	Financial Year	
	12 months ended	
	31 December	
	2022	2021
	RM	RM
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash outflow from winding up of investment in subsidiary	-	(10,310)
Dividend received from short term investments	2,009	1,134,244
Interest received	432,275	391,183
Inventories - land held for property development	(1,465,998)	(1,411,589)
Placement of deposits with maturity period more than 3 months	(620,777)	(387,951)
Proceeds from disposal of:		
- investment in associate	-	2
- property, plant and equipment	742,949	2,521,814
- short term investments	47,427,081	141,566,080
Purchase of:		
- property, plant and equipment	(2,644,468)	(3,277,755)
- short term investments	(32,976,581)	(155,292,484)
Net cash flows from/(used in) investing activities	<u>10,896,490</u>	<u>(14,766,766)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(2,780,988)	(1,853,992)
Dividend paid to non-controlling interests	(193,872)	(97,407)
Interest paid	(1,233,752)	(1,562,469)
Repayment of term loan	(5,000,004)	(12,509,553)
Repayment of hire purchase liabilities	(544,050)	(731,883)
Payment of principal portion of lease liability	(11,866)	(14,613)
Net cash flows used in financing activities	<u>(9,764,532)</u>	<u>(16,769,917)</u>
Net increase in cash and cash equivalents	4,754,460	6,897,252
Effects of exchange rate differences	11,505	155,716
Cash and cash equivalents at beginning of the period	16,106,345	9,053,377
Cash and cash equivalents at end of the period	<u>20,872,310</u>	<u>16,106,345</u>
Cash and cash equivalents included in the condensed consolidated statement of cash flows comprise:		
Cash and bank balances	23,277,184	12,387,075
Deposits with licensed banks	12,417,411	14,811,731
Bank overdrafts	(3,490,470)	(846,089)
	<u>32,204,125</u>	<u>26,352,717</u>
Less:		
Deposits with maturity period more than 3 months	(11,331,815)	(10,246,372)
	<u>20,872,310</u>	<u>16,106,345</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 dates stated below:

	Effective for annual financial periods beginning on or after
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.

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

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.

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

	Current Quarter		Financial Year	
	3 months ended		12 months ended	
	31 December		31 December	
	2022	2021	2022	2021
	RM	RM	RM	RM
Total depreciation	1,554,223	2,331,554	6,722,201	9,750,056
Depreciation capitalised under construction costs	(61,385)	(179,552)	(467,122)	(904,590)
Depreciation charged to profit from operating activities	1,492,838	2,152,002	6,255,079	8,845,466
Adjustment on early receipt repayment of long term receivables	-	-	-	(2,073,474)
Allowance for impairment loss on trade and other				
- property, plant and equipment	6,348,289	-	6,348,289	-
- trade and other receivables, net	1,353,708	4,328,806	6,556,286	6,467,986
Dividend income from short term investments	(63)	(323,257)	(2,009)	(1,134,244)
Fair value gain on long/short term investments	(386,839)	(20,636)	(1,250,243)	(22,728)
Fair value gain on investment properties, net	(630,000)	(120,000)	(630,000)	(120,000)
Gain on disposal of :				
- investment in an associate	-	(2)	-	(2)
- property, plant and equipment, net	(47,865)	(484,944)	(601,901)	(529,992)
Gain arising from modification of payment terms for receivable	-	(804,035)	-	(804,035)
Government grant received	-	(584,850)	-	(973,800)
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	(32,500)	(14,629)	(32,500)	(43,135)
Loss/(Gain) on foreign exchange :				
- realised	475,794	131	379,318	(11,641)
- unrealised	219,335	145,198	(822,602)	(43,964)
Loss on winding up of investment in subsidiary	-	10,013	-	10,013
Project cost written off	-	80,140	-	80,140
Property, plant and equipment written off	2,395	5,866	3,110	5,867
Gain on derivatives	N/A	N/A	N/A	N/A

DKLS INDUSTRIES BERHAD (199501040269) (369472 - P)
(Incorporated in Malaysia)

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 not allocated to those segments as they are managed on a group basis.

**Current quarter 3 months
ended 31 December 2022**

	Investment RM	Construction RM	Quarry RM	Property development RM	Utilities RM	Others RM	Total RM
Revenue							
Total revenue	1,543,576	11,111,083	29,218,341	7,183,050	1,774,064	119,195	50,949,309
Inter-segment sales	(82,800)	(1,703,607)	(570,432)	-	-	(79,351)	(2,436,190)
External sales	1,460,776	9,407,476	28,647,909	7,183,050	1,774,064	39,844	48,513,119
Results							
Segment results	1,163,350	3,016,371	4,036,940	99,212	(5,970,703)	26,856	2,372,026
Interest expense	(334,482)	(201,667)	(13,542)	(1,497)	(1,122)	-	(552,310)
Profit before tax	828,868	2,814,704	4,023,398	97,715	(5,971,825)	26,856	1,819,716
Income tax expense							(1,947,016)
Profit for the period							<u>(127,300)</u>
Total Assets							
Segment assets	(241,032)	(9,227,515)	1,354,010	2,902,916	(8,816,946)	(2,027)	(14,030,594)
Unallocated corporate assets							<u>(723,197)</u>
Total assets							<u>(14,753,791)</u>
Total Liabilities							
Segment liabilities	(1,103,852)	(14,385,659)	(132,893)	4,167,719	(84,094)	6,058	(11,532,721)
Unallocated corporate liabilities							<u>(368,555)</u>
Total liabilities							<u>(11,901,276)</u>

DKLS INDUSTRIES BERHAD (199501040269) (369472 - P)
(Incorporated in Malaysia)

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

A9. Segmental reporting (cont'd.)

Business Segments (cont'd.)

**Current quarter 3 months
ended 31 December 2022 (cont'd.)**

Type of goods and services

	Investment RM	Construction RM	Quarry RM	Property development RM	Utilities RM	Others RM	Total RM
Construction contracts	-	9,404,366	-	-	-	-	9,404,366
Sale of development properties	-	-	-	7,183,050	-	-	7,183,050
Sale of goods and services	-	3,110	28,647,909	-	1,774,064	39,844	30,464,927
Revenue from contracts with customers	-	9,407,476	28,647,909	7,183,050	1,774,064	39,844	47,052,343
Rental income from investment properties	1,460,776	-	-	-	-	-	1,460,776
	<u>1,460,776</u>	<u>9,407,476</u>	<u>28,647,909</u>	<u>7,183,050</u>	<u>1,774,064</u>	<u>39,844</u>	<u>48,513,119</u>

Geographical markets

**Malaysia
Lao People's Democratic Republic**

	-	9,407,476	28,647,909	7,183,050	-	39,844	45,278,279
	-	-	-	-	1,774,064	-	1,774,064
	-	<u>9,407,476</u>	<u>28,647,909</u>	<u>7,183,050</u>	<u>1,774,064</u>	<u>39,844</u>	<u>47,052,343</u>

Timing of transfer of goods and services

At a point in time	-	3,110	28,647,909	-	1,774,064	39,844	30,464,927
Over time	-	9,404,366	-	7,183,050	-	-	16,587,416
	-	<u>9,407,476</u>	<u>28,647,909</u>	<u>7,183,050</u>	<u>1,774,064</u>	<u>39,844</u>	<u>47,052,343</u>

DKLS INDUSTRIES BERHAD (199501040269) (369472 - P)
(Incorporated in Malaysia)

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

A9. Segmental reporting (cont'd.)

Business Segments (cont'd.)

**Current quarter 3 months
ended 31 December 2021**

	Investment RM	Construction RM	Quarry RM	Property development RM	Utilities RM	Others RM	Total RM
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	1,249,723	18,926,530	20,128,990	11,177,472	2,359,503	161,625	54,003,843
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 from associate (Loss)/Profit before tax	(408,383)	-	-	-	-	-	(408,383)
Income tax expense	(293,072)	819,756	2,435,918	2,901,953	321,188	86,703	6,272,446
Profit for the period							<u>(2,513,552)</u>
							<u>3,758,894</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>(25,396,556)</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>(26,351,377)</u>

DKLS INDUSTRIES BERHAD (199501040269) (369472 - P)
(Incorporated in Malaysia)

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

A9. Segmental reporting (cont'd.)

Business Segments (cont'd.)

**Current quarter 3 months
ended 31 December 2021 (cont'd.)**

Type of goods and services

	Investment RM	Construction RM	Quarry RM	Property development RM	Utilities RM	Others RM	Total RM
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
	1,249,723	18,926,530	20,128,990	11,177,472	2,359,503	161,625	54,003,843

Geographical markets

**Malaysia
Lao People's Democratic Republic**

	3,170	18,926,530	20,128,990	11,177,472	-	161,625	50,397,787
	-	-	-	-	2,359,503	-	2,359,503
	3,170	18,926,530	20,128,990	11,177,472	2,359,503	161,625	52,757,290

Timing of transfer of goods and services

**At a point in time
Over time**

	3,170	(22,318)	20,128,990	2,247,549	2,359,503	161,625	24,878,519
	-	18,948,848	-	8,929,923	-	-	27,878,771
	3,170	18,926,530	20,128,990	11,177,472	2,359,503	161,625	52,757,290

DKLS INDUSTRIES BERHAD (199501040269) (369472 - P)
(Incorporated in Malaysia)

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

A9. Segmental reporting (cont'd.)

Business Segments (cont'd.)

**Financial year 12 months
ended 31 December 2022**

	Investment RM	Construction RM	Quarry RM	Property development RM	Utilities RM	Others RM	Total RM
Revenue							
Total revenue	10,379,027	54,006,315	99,986,217	25,701,800	8,381,188	424,547	198,879,094
Inter-segment sales	(5,366,347)	(12,293,706)	(1,296,476)	-	-	(219,178)	(19,175,707)
External sales	5,012,680	41,712,609	98,689,741	25,701,800	8,381,188	205,369	179,703,387
Results							
Segment results	3,935,204	4,503,271	13,319,931	2,697,747	(3,525,599)	83,854	21,014,408
Interest expense	(1,203,048)	(1,337,571)	(42,680)	(1,787)	(12,108)	-	(2,597,194)
Profit before tax	2,732,156	3,165,700	13,277,251	2,695,960	(3,537,707)	83,854	18,417,214
Income tax expense							(7,119,041)
Profit for the period							11,298,173
Total Assets							
Segment assets	136,676,940	67,789,180	79,093,679	144,922,277	22,959,710	311,929	451,753,715
Unallocated corporate assets							60,493,904
Total assets							512,247,619
Total Liabilities							
Segment liabilities	31,000,806	30,376,198	10,213,066	9,292,764	1,839,371	6,266	82,728,471
Unallocated corporate liabilities							6,149,247
Total liabilities							88,877,718

DKLS INDUSTRIES BERHAD (199501040269) (369472 - P)
(Incorporated in Malaysia)

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

A9. Segmental reporting (cont'd.)

Business Segments (cont'd.)

**Financial year 12 months
ended 31 December 2022 (cont'd.)**

	Investment RM	Construction RM	Quarry RM	Property development RM	Utilities RM	Others RM	Total RM
Type of goods and services							
Construction contracts	-	40,574,061	-	-	-	-	40,574,061
Sale of completed properties	-	-	-	802,668	-	-	802,668
Sale of development properties	-	-	-	24,891,733	-	-	24,891,733
Sale of goods and services	7,180	65,650	98,689,741	7,399	8,381,188	205,369	107,356,527
Sale of land	-	1,072,898	-	-	-	-	1,072,898
Revenue from contracts with customers	7,180	41,712,609	98,689,741	25,701,800	8,381,188	205,369	174,697,887
Rental income from investment properties	5,005,500	-	-	-	-	-	5,005,500
	<u>5,012,680</u>	<u>41,712,609</u>	<u>98,689,741</u>	<u>25,701,800</u>	<u>8,381,188</u>	<u>205,369</u>	<u>179,703,387</u>
Geographical markets							
Malaysia	7,180	40,639,711	98,689,741	25,701,800	-	205,369	165,243,801
Lao People's Democratic Republic	-	1,072,898	-	-	8,381,188	-	9,454,086
	<u>7,180</u>	<u>41,712,609</u>	<u>98,689,741</u>	<u>25,701,800</u>	<u>8,381,188</u>	<u>205,369</u>	<u>174,697,887</u>
Timing of transfer of goods and services							
At a point in time	7,180	1,138,548	98,689,741	810,067	8,381,188	205,369	109,232,093
Over time	-	40,574,061	-	24,891,733	-	-	65,465,794
	<u>7,180</u>	<u>41,712,609</u>	<u>98,689,741</u>	<u>25,701,800</u>	<u>8,381,188</u>	<u>205,369</u>	<u>174,697,887</u>

DKLS INDUSTRIES BERHAD (199501040269) (369472 - P)
(Incorporated in Malaysia)

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

A9. Segmental reporting (cont'd.)

Business Segments (cont'd.)

**Financial year 12 months
ended 31 December 2021**

	Investment RM	Construction RM	Quarry RM	Property development RM	Utilities RM	Others RM	Total RM
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	5,218,412	54,592,650	77,697,207	32,154,684	10,448,858	2,123,432	182,235,243
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 from associate	(456,957)	-	-	-	-	-	(456,957)
Profit before tax	1,861,030	3,938,131	8,829,534	6,425,225	981,525	215,610	22,251,055
Income tax expense							(6,225,277)
Profit for the period							16,025,778
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 liabilities							73,435,161
Total assets							543,116,626
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							5,470,610
Total liabilities							117,113,601

DKLS INDUSTRIES BERHAD (199501040269) (369472 - P)
(Incorporated in Malaysia)

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

A9. Segmental reporting (cont'd.)

Business Segments (cont'd.)

**Financial year 12 months
ended 31 December 2021 (cont'd.)**

Type of goods and services

	Investment RM	Construction RM	Quarry RM	Property development RM	Utilities RM	Others RM	Total RM
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
	5,218,412	54,592,650	77,697,207	32,154,684	10,448,858	2,123,432	182,235,243

Geographical markets

Malaysia
Lao People's Democratic Republic

	3,700	54,592,650	77,697,207	32,154,684	-	2,123,432	166,571,673
	-	-	-	-	10,448,858	-	10,448,858
	3,700	54,592,650	77,697,207	32,154,684	10,448,858	2,123,432	177,020,531

Timing of transfer of goods and services

At a point in time
Over time

	3,700	(21,400)	77,697,207	4,582,453	10,448,858	2,123,432	94,834,250
	-	54,614,050	-	27,572,231	-	-	82,186,281
	3,700	54,592,650	77,697,207	32,154,684	10,448,858	2,123,432	177,020,531

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 financial year to date.

A11. Changes in Composition of the Group

There are no changes in composition of the Group for the financial year to date.

A12. Changes in Contingent Liabilities and Assets

(a) Contingent Liabilities

As at 31 December
2022 **2021**
RM **RM**

Unsecured:

Corporate guarantees given to banks for
facilities granted to subsidiaries

58,132,316 66,437,033

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 2021.

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	
	2022	2021	2022	2021
	RM	RM	RM	RM
Architect fees paid to Architect Ding Poi Kooi	(66,780)	-	(66,780)	-
Purchase of consumables from DKLS Service Station	(10,885)	(1,328)	(25,358)	(3,251)
Rental of car park paid to Aplikasi Budimas Sdn Bhd	(3,060)	(4,250)	(16,330)	(17,200)
Supply of electricity by Ipoh Tower Sdn Bhd	(14,808)	(16,345)	(69,499)	(62,610)

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 appointment.

A14. Capital Commitments

	As at 31 December 2022 RM
Approved and contracted for: Property, plant and equipment	<u>1,441,511</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 2022 RM
Not later than 1 year	3,828,349
Later than 1 year but not later than 5 years	<u>2,078,447</u>
	<u>5,906,796</u>

B. Additional information required by BMSB's Listing Requirements

B1. Operating Segment Review

(a) Review of Performance for 4Q22 vs 4Q21

The Group has recorded a lower revenue of RM48.513 million for the fourth quarter ended 31 December 2022 (4Q22), a decrease of RM5.491 million (or 10.2%), as compared to the revenue of RM54.004 million for the previous year corresponding quarter ended 31 December 2021 (4Q21). The Group has also recorded a lower profit before tax of RM1.820 million for 4Q22 as compared to a profit before tax of RM6.273 million for 4Q21, a decrease of RM4.453 million (or 71.0%). The lower revenue and profit before tax of the Group can be analysed as below:-

4Q22 vs 4Q21

Increase/(Decrease)	Revenue RM'000	Profit before tax RM'000
Investment	211	1,122
Construction	(9,519)	1,995
Quarry	8,519	1,587
Property development	(3,994)	(2,804)
Utilities	(586)	(6,293)
Others	(122)	(60)
	<u>(5,491)</u>	<u>(4,453)</u>

(b) Review of Performance to date for FY22 vs FY21

The Group has recorded a lower revenue of RM179.703 million for the current financial year ended 31 December 2022 (FY22), a decrease of RM2.532 million (or 1.4%), as compared to the revenue of RM182.235 million for the previous financial year ended 31 December 2021 (FY21). The Group has also recorded a lower profit before tax of RM18.417 million for FY22 as compared to a profit before tax of RM22.251 million for FY21, a decrease of RM3.834 million (or 17.2%). The lower revenue and profit before tax of the Group can be analysed as below:-

FY22 vs FY21

Increase/(Decrease)	Revenue RM'000	Profit before tax RM'000
Investment	(206)	871
Construction	(12,880)	(773)
Quarry	20,993	4,448
Property development	(6,453)	(3,729)
Utilities	(2,068)	(4,519)
Others	(1,918)	(132)
	<u>(2,532)</u>	<u>(3,834)</u>

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

B1. Operating Segment Review (cont'd.)

(b) Review of Performance to date for FY22 vs FY21 (cont'd.)

Investment

The investment segment derived its main income from investment properties.

For the current financial year under review, the investment segment has recorded a lower revenue of RM5.012 million as compared to RM5.218 million in the previous financial year mainly due to lower occupancy rate of 81% (FY21 : 88%) and higher rental discount given to tenants of RM0.097 million (FY21 : RM0.043 million).

Despite a lower revenue recorded, the investment segment has recorded higher profit before tax of RM2.732 million in FY22 (FY21 : RM1.861 million) mainly due to:

- a) higher gain on foreign exchange of RM0.433 million (FY21 : RM0.265 million);
- b) lower interest expenses of RM1.203 million (FY21 : RM1.252 million);
- c) fair value gain on investment properties of RM0.630 million (FY21 : RMNil);
- d) the non-recurring compensation received from tenants for reinstatement of properties and early termination of tenancy agreements of RMNil (FY21 : RM0.223 million); and
- e) share of losses of associate of RMNil (FY21 : RM0.457 million).

If these items were excluded from the profit before tax, the investment segment would have recorded consistent profit margin in both FY22 and FY21.

Construction

For the current financial year under review, the construction segment has recorded a lower revenue of RM41.713 million as compared to RM54.593 million in the previous financial year mainly due to the lower order book.

The profit before tax for FY22 and FY21 were affected by:

- a) an exceptional gain from adjustment on early receipt of receivables of RMNil (FY21 : RM2.073 million);
- b) gain arising from modification of payment terms on receivables of RMNil (FY21 : RM0.804 million);
- c) lower interest income of RM2.067 million (FY21 : RM3.161 million);
- d) higher allowance for impairment loss on receivables, net of RM6.877 million (FY21 : RM6.573 million);
- e) higher interest expense of RM1.338 million (FY21 : RM0.557 million); and
- f) gain on disposal of property, plant and equipment of RM0.250 million (FY21 : RM0.461 million).

If these items were excluded from the profit before tax, the construction segment would have recorded a higher profit margin on a lower revenue as compared to the previous financial year mainly due to the higher profit margin contribution from the completion of a mega infrastructure project, sale of industrial land and loss and expense claim for previously completed project.

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

B1. Operating Segment Review (cont'd.)

Quarry

The quarry segment has recorded a higher profit before tax of RM13.277 million (FY21 : RM8.829 million) on a higher revenue of RM98.690 million (FY21 : RM77.697 million) as compared to the previous financial year due to the higher demand and increase in average selling price for quarry and premix product.

On the back of higher turnover with fairly consistent overhead costs, the quarry segment has recorded a higher profit before tax of RM13.277 million as compared to RM8.829 million in the previous financial year with a higher profit margin.

The quarry segment has recorded a slightly lower other income for the current financial year under review as compared to the previous financial year due to the following:

- a) wages subsidy received of RMNil (FY21 : RM0.416 million);
- b) gain on disposal of property, plant and equipment of RM0.348 million (FY21 : RM0.048 million);
- c) fair value gain on investment properties of RMNil (FY21 : RM0.120 million); and
- d) reversal of impairment losses on receivables, net of RM0.119 million (FY21 : RM0.215 million).

Property Development

The property development segment continued to record a lower profit before tax of RM2.696 million (FY21 : RM6.425 million) on a lower revenue of RM25.702 million (FY21 : RM32.155 million) mainly from its near completion project - "GOSHEN" Ipoh Premier City.

There were no major fluctuations in the other income and overhead costs except for the receipts of government grant of RMNil (FY21 : RM0.264 million) and higher upkeep costs incurred for maintenance of existing infrastructure and show units of RM0.175 million (FY21 : RM0.029 million).

Utilities

The revenue of utilities segment is derived from the 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 loss before tax of RM3.538 million as compared to profit before tax of RM0.981 million in the previous financial year mainly due to:

- a) impairment loss on property, plant and equipment of RM6.348 million (FY21 : RMNil);
- b) lower depreciation charges of RM1.921 million (FY21 : RM4.772 million) as some of the property, plant and equipment have been fully depreciated;
- c) gain on foreign exchange of RM0.046 million (FY21 : loss on foreign exchange of RM0.249 million);
- d) reversal of impairment loss on receivables, net of RM0.202 million (FY21 : allowance for impairment loss on receivables of RM0.110 million); and
- e) lower interest expense of RM0.012 million (FY21 : RM0.186 million).

If these were excluded from the loss before tax, the utilities segment would have recorded a lower profit before tax at a lower margin due to lower revenue with fairly consistent overhead costs.

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

B2. Variance of Results Against Preceding Quarter

	Current Quarter 31 December 2022 (4Q22) RM'000	Immediate Preceding Quarter 30 September 2022 (3Q22) RM'000	Changes Amount RM'000
Revenue	48,513	42,576	5,937
Profit before tax	1,820	6,843	(5,023)

The higher revenue recorded for the current quarter under review as compared to the immediate preceding quarter was mainly contributed by the quarry and property development segment.

The major fluctuations in other income and overhead costs were as follows:

- a) allowance for impairment loss on receivables of RM1.354 million (3Q22 : RM2.987 million);
- b) loss on foreign exchange of RM0.695 million (3Q22 : gain of RM0.605 million);
- c) gain on disposal of property, plant and equipment of RM0.048 million (3Q22 : RM0.313 million);
- d) higher interest income of RM0.622 million (3Q22 : RM0.385 million);
- e) gain on fair value adjustments of investment properties of RM0.630 million (3Q22 : RMNil); and
- f) impairment loss on property, plant and equipment of RM6.348 million (3Q22 : RMNil).

If these items were excluded from profit before tax, the Group would have recorded a lower margin for the current quarter as compared to the immediate preceding quarter mainly due lower profit margin in the construction segment from its on-going projects and a loss and expense claim for the previously completed project versus the higher profit margin contributed by the completion of a mega infrastructure project in the immediate preceding quarter.

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

B3. Prospects

As we move ahead into 2023, we are cautious about the impact of persistent external uncertainties on our economy. We continue to contend with tough market conditions defined by high commodity prices, soaring energy costs and stoking significant inflationary pressures. Notwithstanding the above, the Group will continue to embark on resource optimisation, minimising operating risks and will remain vigilant in addressing any uncertainties in its business activities. The Group will remain prudent and selective as we take advantage of potential opportunities which may emerge.

The Construction Division continues to support the Property Development Division in building quality homes for our customers by adopting the property-construction partnership approach. The Division will also continue to actively tender for more infrastructure and buildings contracting projects to replenish its order book, despite the increasingly competitive and challenging business landscape due to the supply chain disruption and increasing business cost.

The Property Division will continue to put concerted efforts in monitoring its on-going projects to protect margins and to drive property sales with innovative packages and sales promotion amid inflationary pressures, escalating cost of building materials, uptrend in interest rates and strict financing guidelines. The Division will continue to exercise prudence on new projects launches.

The implementation of investment projects by both private and public sectors will continue to lend support to the growth of Quarry Division, in addition to leveraging on growth of its existing customers. While commodity cost volatility and supply chain disruptions are expected to continue, the Division will remain focused on its pricing dynamics to drive further growth. Digitalisation of the sales process has also helped improve business operations. Continuous efforts are taken to level up product quality, product delivery and customer services in order to maintain our strong brand.

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.

Moving forward, the Group aims to strengthen our resilience and financial position by exploring strategic restructuring initiatives that have seen us embarking into digitalisation and technology. Related risks and impact on all business divisions will be monitored closely. All things considered, notwithstanding unforeseen circumstances, the Group remains cautiously optimistic of our prospects for the financial year ending 31 December 2023 despite these challenging times.

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	
	2022 RM	2021 RM	2022 RM	2021 RM
Malaysia income tax:				
Current income tax	1,693,628	1,333,143	5,896,394	5,060,554
Under provision in prior years	-	139,641	294	139,788
Foreign tax:				
Current tax	78,546	35,983	550,898	197,463
Under provision in prior years	-	29,810	-	29,810
	<u>1,772,174</u>	<u>1,538,577</u>	<u>6,447,586</u>	<u>5,427,615</u>
Deferred income tax:				
Relating to origination and reversal of temporary differences	164,167	770,253	623,157	650,155
(Over)/Under provision in prior years	(15,713)	116,386	19,777	119,854
	<u>148,454</u>	<u>886,639</u>	<u>642,934</u>	<u>770,009</u>
Real Property Gains Tax	<u>2,452</u>	<u>82,754</u>	<u>2,452</u>	<u>22,071</u>
Withholding tax	<u>23,936</u>	<u>5,582</u>	<u>26,069</u>	<u>5,582</u>
Income tax expense	<u>1,947,016</u>	<u>2,513,552</u>	<u>7,119,041</u>	<u>6,225,277</u>

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

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

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	
	2022	2021	2022	2021
	RM	RM	RM	RM
Profit before tax	1,819,716	6,272,446	18,417,214	22,251,055
Taxation at applicable tax rates	436,731	1,505,387	4,420,131	5,340,253
Income not subject to tax	(442,656)	(703,154)	(1,078,594)	(1,875,412)
Expenses not deductible for tax purposes	2,266,798	1,358,969	4,085,484	2,486,949
Expenses under special deduction for tax purposes	(15,810)	(28,574)	(84,572)	(38,992)
Current year tax losses that cannot be carried forward	-	(281)	-	-
Difference in tax rate of foreign subsidiary	(15,652)	(8,333)	(109,687)	(42,970)
Deferred tax assets not recognised	-	126	7	609
Deferred tax on fair value adjustment	(281,399)	12,000	(281,399)	12,000
Deferred tax on undistributed earnings from foreign subsidiary	(11,671)	4,031	54,077	26,527
Real Property Gains Tax	2,452	22,071	2,452	22,071
Utilisation of previously unrecognised deferred tax assets	-	(792)	-	(792)
Taxable foreign source income recognised in prior year	-	-	65,002	-
Withholding tax	23,936	66,265	26,069	5,582
Under provision of taxation in prior years	-	139,641	294	139,788
Under provision of foreign tax in prior years	-	29,810	-	29,810
(Over)/Under provision of deferred tax in prior years	(15,713)	116,386	19,777	119,854
Income tax expense	1,947,016	2,513,552	7,119,041	6,225,277

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.

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

B6. Borrowing and Debt Securities

	As at 31 December 2022	As at 31 December 2021
	RM	RM
Short term borrowings		
Bank overdrafts (unsecured)	3,490,470	-
Bank overdrafts (secured)	-	846,089
Hire purchase liabilities (secured)	407,513	341,955
Term loans (secured)	5,000,004	5,000,004
Revolving credits (unsecured)	14,730,000	23,900,000
Lease liabilities (unsecured)	8,492	11,927
	<u>23,636,479</u>	<u>30,099,975</u>
Long term borrowings		
Hire purchase liabilities (secured)	543,678	46,286
Term loans (secured)	23,583,293	28,583,297
Lease liabilities (unsecured)	62,491	95,412
	<u>24,189,462</u>	<u>28,724,995</u>
Total borrowings	<u>47,825,941</u>	<u>58,824,970</u>

Loan and borrowings are denominated in the following currencies:

	As at 31 December 2022	As at 31 December 2021
	RM	RM
Ringgit Malaysia	47,770,342	57,898,493
Lao Kip	55,599	926,477
	<u>47,825,941</u>	<u>58,824,970</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 (2021 : 3.00 sen) per share.
- (b) (i) Amount per share : 3.00 sen per share.
(ii) Previous financial year : 3.00 sen per share.
(iii) Total dividend for the current financial year : 3.00 sen (2021 : 3.00 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.

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 30 September		Financial Year 12 months ended 31 December	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit attributable to owners of the Company	929,284	3,797,801	11,752,458	15,830,627
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	1.00	4.10	12.68	17.08

(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 2021 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 RM14,729,800 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 2022:

Fair value of non-financial assets and 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	-	-	124,850,000
Financial assets:			
Long term/short term investments			
- Equity instruments (quoted)	21,958	-	-
- Unit trust fund (quoted)	-	54,291,886	-
Financial liabilities:			
Other commitments	-	1,219,074	-

There were 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 as at 31 December 2022. 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.

Unit trust fund (quoted)

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

Other commitments

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

Dated : 27 February 2023