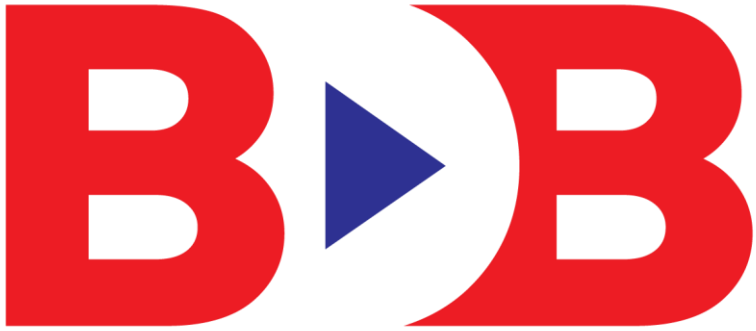


INTERIM FINANCIAL STATEMENTS

- For The Quarter and Period of Nine Months Ended 30th September 2022 -

TABLE OF CONTENTS

	Pages
Condensed consolidated statement of comprehensive income	*1*
Condensed consolidated statement of financial position	*2*
Condensed consolidated statement of changes in equity	*3*
Condensed consolidated statement of cash flow	*4*
Explanatory notes pursuant to MFRS 134	*5-10*
Explanatory notes pursuant to Chapter 9, Appendix 9B of the Listing Requirements of Bursa Malaysia Berhad	*11-15*

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2022
RM'000

	Note	3 months ended 30 September 2022	2021	9 months ended 30 September 2022	2021
Continuing Operations					
Revenue		55,855	42,068	138,926	113,905
Cost of sales		(45,330)	(35,071)	(115,668)	(97,058)
Gross profit		10,525	6,997	23,258	16,847
Selling & Marketing expenses		(746)	(342)	(2,756)	(1,247)
Administrative expenses		(7,495)	(6,780)	(21,769)	(20,164)
Other operating income		960	1,655	2,023	3,931
Other operating expenses		(112)	(46)	(247)	(435)
Result from operating activities		3,132	1,484	509	(1,068)
Finance cost	0	(1,659)	(1,308)	(3,900)	(4,327)
Profit / (Loss) before taxation	10	1,473	176	(3,391)	(5,395)
Tax expense	21	(356)	(182)	(358)	(449)
Profit / (Loss) and total comprehensive income / (expenses) for the period		1,117	(6)	(3,749)	(5,844)
Profit / (Loss) and total comprehensive income / (expenses) for the period					
Owners of the Company		1,117	(6)	(3,749)	(5,844)
Non-controlling interests		-	-	-	-
Profit / (Loss) and total comprehensive income / (expenses) for the period		1,117	(6)	(3,749)	(5,844)
Basic earning / (loss) per ordinary share (sen)	26	0.37	0.00	(1.23)	(1.92)

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022
RM'000

	Note	30.09.2022	31.12.2021
Assets			
Non-current assets			
Property, plant and equipment	12	64,524	72,278
Investment properties		97,007	97,007
Investment in associate		-	3,932
Inventories		320,273	319,237
Other investments		-	135
Deferred tax assets		1,190	718
Trade and other receivables		15,923	19,773
		498,917	513,080
Current assets			
Inventories		20,002	23,343
Contract assets		29,893	30,994
Contract costs		1,497	1,868
Trade and other receivables		66,323	68,355
Current tax assets		2,673	179
Other Investments		1,818	2,305
Deposits with licensed banks		13,501	16,199
Cash and bank balances		55,654	59,998
Asset Held For Sale		7,300	-
		198,661	203,241
Total assets		697,578	716,321
Current liabilities			
Trade and other payables		99,344	117,689
Contract Liabilities		694	678
Loans and borrowings	23	71,733	80,158
		171,771	198,525
Non-current liabilities			
Loans and borrowings	23	38,855	24,817
Lease liabilities		21,227	21,227
		60,082	46,044
Total liabilities		231,853	244,569
Share capital		331,020	331,020
Retained earnings		134,728	140,755
Non-controlling interests		(23)	(23)
Total equity		465,725	471,752
Total equity and liabilities		697,578	716,321

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2022
RM'000

	<--------Attributable to owners of the company---------> *Distributable*				
	Share capital	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
As at 1 January 2021	331,020	137,641	468,661	(22)	468,639
Total comprehensive loss		(5,844)	(5,844)	-	(5,844)
Dividend paid		(2,272)	(2,272)		(2,272)
As at 30 September 2021	331,020	129,525	460,545	(22)	460,523
As at 1 January 2022	331,020	140,755	471,775	(23)	471,752
Total comprehensive loss	-	(3,749)	(3,749)	-	(3,749)
Dividend paid	-	(2,278)	(2,278)	-	(2,278)
As at 30 September 2022	331,020	134,728	465,748	(23)	465,725

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 30 SEPTEMBER 2022
RM'000

	Cumulative Quarter	
	Current Year Ended 30-Sep-22	**Preceding Year Ended 31-Dec-21**
Cash flows from operating activities		
(Loss)/Profit before tax	(3,391)	7,770
Adjustments for:		
Non-cash items	4,680	2,132
Non operating items	3,695	6,775
Operating profit before working capital changes	4,984	16,677
Changes in working Capital:		
Contract assets	1,971	11,858
Contract costs	148	(310)
Contract liabilities	226	(2,975)
Trade and other receivables	6,977	(12,048)
Inventories	2,304	51,464
Trade and other payables	(22,366)	(19,894)
Cash generated (used in)/from operations	(5,756)	44,772
Interest paid	(4,071)	(5,316)
Taxes paid	(2,723)	(2,688)
Net cash (used in)/from operating activities	(12,550)	36,768
Cash flows from investing activities		
Investment in an associate	-	(5,949)
Disposal of share to NCI	-	20
Purchase of property, plant and equipment	(1,222)	(2,488)
Proceeds from disposal of property, plant and equipment	285	58
Proceeds from disposal of other investment	6,738	1,010
Interest received	377	546
Net cash from/(used in) investing activities	6,178	(6,803)
Cash flows from financing activities		
Dividends paid to shareholders of the Company	(2,278)	(2,273)
Drawdown of bankers acceptance	4,548	-
Drawdown of term loan	1,589	-
Repayment of bankers' acceptance	-	(503)
Repayment of term loan	(28,354)	(12,374)
Repayment of revolving credit	13,800	-
Placement of pledged deposit	332	600
Net changes in finance lease creditors	14,436	(3,140)
Net cash from/(used in) financing activities	4,073	(17,690)
Net (decrease)/increase in cash and cash equivalents	(2,299)	12,275
Cash and cash equivalents at beginning of the period	58,316	46,041
Cash and cash equivalents at end of the period	56,017	58,316
Cash and cash equivalents comprise of the followings:		
Cash and bank balances	55,654	59,998
Fixed deposit	13,501	16,199
Overdraft	(10,779)	(9,852)
	58,376	66,345
Less: Deposits pledged	(2,359)	(8,029)
	56,017	58,316

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

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER AND YEAR ENDED 30 SEPTEMBER 2022

Part A – Explanatory Notes Pursuant to MFRS 134

1. Basis of Preparation

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

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

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

2. Significant Accounting Policies

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

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

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

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

- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018-2020)
- Amendments to MFRS 3, Business Combinations - Reference to the Conceptual Framework
- Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018-2020)
- Amendments to Illustrative Examples accompanying MFRS 16, Leases (Annual Improvements to MFRS Standards 2018-2020)
- Amendments to MFRS 116, Property, Plant and Equipment - Proceeds before Intended Use

- Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract
- Amendments to MFRS 141, Agriculture (Annual Improvements to MFRS Standards 2018-2020)

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

3. Auditors' Report on Preceding Annual Financial Statements

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

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

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

5. Changes in Estimates

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

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

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

6. Seasonal or Cyclical Factors

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

7. Dividends Paid

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

8. Debt and Equity Securities

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

9. Segmental Information

RM'000	Property Development	Engineering, Construction and Quarry	Other reportable segments	Total reportable segments	Elimination	Combined
9 months ended 30 September 2022						
Revenue						
External sales	49,072	88,697	1,157	138,925	-	138,925
Inter-segment sales	692	434	12,743	13,869	(13,869)	-
Total revenue	49,794	89,131	13,900	146,845	(13,869)	138,925
Segment profit	(2,269)	(2,432)	2,9567	(1,745)	(1,646)	(3,391)
9 months ended 30 September 2021						
Revenue						
External sales	49,635	63,397	873	113,905	-	113,905
Inter-segment sales	327	(1,343)	10,389	9,373	(9,373)	-
Total revenue	49,962	62,054	11,262	123,278	(9,373)	113,905
Segment profit	(7,190)	1,070	1,854	(4,266)	(1,129)	(5,396)

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

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

RM'000	3 months ended 30 September		9 months ended 30 September	
	2022	2021	2022	2021
After charging:				
Depreciation and amortization: -property, plant and equipment	**1,664**	**1,729**	**4,838**	**5,487**
Property, plant and equipment written off	**-**	**462**	**1**	**462**
Interest expense	**1,659**	**1,308**	**3,900**	**4,327**
Rental expense	**123**	**70**	**281**	**131**
After crediting:				
Gain on disposal of: -property, plant and equipment	**2**	**-**	**50**	**-**
Reversal of impairment: -trade receivables	**(60)**	**-**	**(186)**	**(268)**
Interest income	**(202)**	**(138)**	**(378)**	**(350)**
Other income including rental and investment income	**(759)**	**(1,517)**	**(1,646)**	**(3,581)**

11. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter ended 30 September 2022.

12. Property, Plant and Equipment

The Group acquired property, plant and equipment worth RM 400,441 during the quarter under review.

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

13. Capital Commitments

The amount of commitments for the purchase of property, plant & equipment not provided for in the interim financial statements as at 30 September 2022 are as follows:

	RM'000
Approved and contracted for	1,218

14. Changes in Contingent Liabilities

As of 30 September 2022, the Group does not have any material contingent liability.

15. Material Subsequent Events to the Reporting Period

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

16. Significant Related Party Transactions

		9 months ended 30.09.2022 RM'000
Rental of quarry land to ultimate holding corporation		100
Tributes charged by the ultimate holding corporation		433
Estate agency fee charged by a related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.		39
Revenue from oil palm from related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.		1,099
Property management paid to a related company, Darulaman Asset Sdn. Bhd		13
Insurance paid to a related company, KSDC Insurance Brokers Sdn. Bhd.		895
		2,579

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

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

17. Performance Review

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

The Group posted higher revenue of RM138.9 million in the current financial year to date compared to RM113.9 million in the same corresponding period of last year. The improvement is contributed by higher road paving activities and the completion of initiatives by the Property Division. Similarly, The Group recorded a lower loss before tax of RM3.4 million in the current financial year to date compared to RM5.4 million in the same corresponding period of last year.

The Property Division posted slightly lower revenue of RM49.1 million compared to RM49.6 million in 2021. The division generated a lower loss before tax of RM2.3 million in the current financial year to date compared to the loss before tax of RM7.2 million in the same corresponding period of last year due to income generated from Joint Development through BDB Setia Sdn Bhd and completion of initiative in Darulaman Utama (Oasis).

The Engineering, Construction and Quarry Division posted higher revenue of RM88.7 million compared to RM63.4 million in 2021. The division recorded a loss before tax of RM2.4 million compared to a profit before tax RM1.1 million in 2021 due to high cost incurred.

b) Current quarter vs previous year corresponding quarter

In correspondence with the improvement of Malaysia's economy, The Group posted higher revenue of RM55.9 million and profit before tax of RM1.5 million for the third quarter of 2022 compared to the revenue of RM42.1 million and profit before tax of RM0.2 million in the same corresponding period of last year.

The Property Division posted higher revenue of RM17.9 million compared to RM12.4 million in the same corresponding quarter of last year due to the completion of initiatives in Darulaman Utama (Oasis). The increase in revenue was offset by higher cost incurred in construction materials and manpower supply. The Division then recorded a loss before tax of RM1.1 million for the current quarter compared to the loss before tax of RM1.0 million in the previous year's corresponding period.

The Engineering, Construction and Quarry Division posted higher revenue of RM37.5 million in the current quarter of 2022 compared to RM29.3 million in the same corresponding quarter of last year due to the increase in the road paving activities. The division also posted profit before tax of RM1.0 million in the current quarter compared to profit before tax of RM0.8 million in the same corresponding period of last year.

18. Variation of Results against Preceding Quarter

RM'000	Current quarter ended 30 September 2022	Preceding quarter ended 30 June 2022
Revenue	55,855	51,615
Profit / (Loss) Before Taxation	1,473	1,134

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

19. Prospects for the current financial year

Malaysia's economic growth will be supported by continued expansion in domestic demand. The economy would benefit from improved labour market conditions, the realization of multi-year projects and higher inbound tourism activity. While external demand is expected to moderate, this will be partly cushioned by Malaysia's diversified export base.

The impact of economic growth is being felt in Kedah. Since 2020, Kedah has shown steady growth in investment. The northern state of Kedah has witnessed commendable investment of more than RM20 billion approved investments as at second quarter of 2022 that will be materialized starting in 2023 onwards. The state is keen to facilitate and attract more local and overseas investments based on the Kedah Development Plan 2035.

All investment-related agencies are working as a team with the same purpose and objective, to facilitate and attract more investments into the state. The Group, as a Kedah State Government Link Company, strives to ensure the success of the Kedah Development Plan. The current order book, such as the Pelubang Water Treatment Plant project, is currently in progress. This project is a catalyst for the development and expansion of the new growth areas in Northern Kedah with projects such as the Kedah Rubber City, Delapan Special Border Economic Zone (Delapan SBEZ) in Bukit Kayu Hitam under Northern Gateway Sdn Bhd, Kedah Science and Technology Park and Bukit Kayu Hitam Halal Hub.

The development and expansion of the new growth areas in Northern Kedah will help to boost the existing township's value and unlock the remaining landbanks' potential value. The current joint venture development of the affordable housing project in Bandar Amanjaya, Sungai Petani is on track, while the development of the existing township in Bandar Darulaman continued to contribute positively to the Group.

Moving forward, the Group intends to boost its presence in Kedah and continue to support the state agenda. Internally, the Group continues its operational improvement for a sustainable future. The Group expects a satisfactory performance for the remainder of the current year.

20. Variance from Profit Forecast or Profit Guarantee

Not applicable for the financial period ended 30 September 2022.

21. Income Tax Expense

RM'000	3 Months Ended 30 September		9 Months Ended 30 September	
	2022	2021	2022	2021
Continuing Operations				
In respect of current financial year:				
- Current tax	356	182	358	449
- Deferred tax	-	-	-	-
In respect of prior financial years:				
- Current tax	-	-	-	-
- Deferred tax	-	-	-	-
Tax expenses	356	182	358	449

Income tax expenses for the period under review were provided for profitable companies within the Group.

22. Status of Corporate Proposals

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

23. Group borrowings and Debt Securities

Total loans and borrowings as at 30 September 2022 were as follows:

RM'000	Short Term	Long Term	Total
Term loans	15,944	37,025	52,969
Bankers' Acceptance	10,385	-	10,385
Hire Purchase	2,194	3,063	5,257
Revolving Credit	31,200	-	31,200
Bank overdraft	10,779	-	10,779
TOTAL	**70,502**	**40,088**	**110,590**

24. Material Litigation

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

25. Dividends Payable

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

26. Earnings / (Loss) Per Share

a. Basic earnings / (loss) per share

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

RM'000	9 months ended 30.09.2022	9 months ended 30.09.2021
Loss attributable to owners of the Company	(3,749)	(5,844)
Number of ordinary shares in issue	303,855	303,855
Basic loss per share (sen)	(1.23)	(1.92)

b. Diluted earnings per share

Not applicable.

27. Authorization for Issue

The Interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors on 28 November 2022.