

INTERIM FINANCIAL STATEMENTS

*- For The Quarter and Year Ended
31st December 2021 -*

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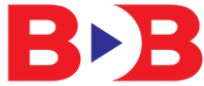
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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2021**

	Note	3 months ended 31 December		12 months ended 31 December	
		2021 RM'000	2020 RM'000	2021 RM'000 Unaudited	2020 RM'000 Audited
Continuing Operations					
Revenue	9	96,718	91,979	210,623	219,585
Cost of sales		(78,196)	(67,972)	(175,254)	(175,967)
Gross profit		<u>18,522</u>	<u>24,007</u>	<u>35,369</u>	<u>43,618</u>
Selling & Marketing expenses		(396)	(409)	(1,644)	(1,659)
Administrative expenses		(9,124)	(2,411)	(29,288)	(22,707)
Other operating income		6,152	1,243	10,083	4,695
Other operating expenses		(896)	(8,033)	(1,330)	(8,034)
Result from operating activities		<u>14,258</u>	<u>14,396</u>	<u>13,189</u>	<u>15,913</u>
Finance cost		(801)	(1,674)	(5,128)	(7,379)
Profit before taxation	10	<u>13,457</u>	<u>12,722</u>	<u>8,061</u>	<u>8,534</u>
Tax expense	21	(2,344)	(1,779)	(2,793)	(3,264)
Profit and total comprehensive income for the period		<u>11,112</u>	<u>10,944</u>	<u>5,267</u>	<u>5,270</u>
Profit and total comprehensive income for the period attributable to :					
Owners of the Company		11,132	10,966	5,287	5,292
Non-controlling interests		(20)	(22)	(20)	(22)
Profit and total comprehensive income for the period		<u>11,112</u>	<u>10,944</u>	<u>5,267</u>	<u>5,270</u>
Basic earning per ordinary share (sen)	26	3.65	3.61	1.73	1.74

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 explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

	Note	31.12.2021 RM'000 Unaudited	31.12.2020 RM'000 Audited
Assets			
Non-current assets			
Property, plant and equipment	12	92,513	89,916
Investment properties		56,600	55,949
Other investments		135	135
Inventories		319,395	336,419
Deferred tax assets		481	584
		<u>469,124</u>	<u>483,003</u>
Current assets			
Inventories		24,539	57,625
Contract assets		24,495	42,852
Contract costs		1,310	1,558
Trade and other receivables		98,917	76,080
Current tax assets		28	29
Other Investments		2,305	3,315
Deposits with licensed banks		16,199	14,553
Cash and bank balances		59,998	55,293
		<u>227,792</u>	<u>251,305</u>
Total assets		<u><u>696,916</u></u>	<u><u>734,308</u></u>
Current liabilities			
Trade and other payables		119,840	137,583
Contract Liabilities		468	3,653
Loans and borrowings	23	78,200	89,374
		<u>198,508</u>	<u>230,610</u>
Non-current liabilities			
Loans and borrowings	23	26,775	35,059
		<u>26,775</u>	<u>35,059</u>
Total liabilities		<u><u>225,282</u></u>	<u><u>265,669</u></u>
Share capital		331,020	331,020
Retained earnings		<u>140,655</u>	<u>137,641</u>
Non-controlling interests		<u>(42)</u>	<u>(22)</u>
Total equity		<u><u>471,633</u></u>	<u><u>468,639</u></u>
Total equity and liabilities		<u><u>696,916</u></u>	<u><u>734,308</u></u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	<-----Attributable to owners of the company-----> <i>Distributable</i>			Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Retained earnings RM'000	Total RM'000		
As at 1 January 2020	331,020	132,349	463,369	-	463,369
Total comprehensive income	-	5,292	5,292	(22)	5,270
As at 31 December 2020 (Audited)	331,020	137,641	468,661	-	468,639
As at 1 January 2021	331,020	137,641	468,661	(22)	468,639
Total comprehensive income	-	5,287	5,287	(20)	5,267
Dividend paid	-	(2,273)	(2,273)	-	(2,273)
As at 31 December 2021 (Unaudited)	331,020	140,655	471,676	(42)	471,634

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 explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Cumulative Quarter	
	Current Year Ended 31-Dec-21 RM'000 Unaudited	Preceding Year Ended 31-Dec-20 RM'000 Audited
Cash flows from operating activities		
Profit before taxation	8,061	8,534
Adjustments for:		
Non-cash items	1,276	7,995
Non operating items	5,330	6,500
Operating profit before working capital changes	14,667	23,029
Changes in working Capital:		
Contract assets	35,931	(25,656)
Contract costs	247	(1,326)
Contract liabilities	(3,199)	(6,538)
Trade and other receivables	(16,754)	3,992
Inventories	50,162	23,819
Trade and other payables	(36,615)	(2,374)
Cash generated from operations	44,440	14,946
Interest paid	(5,658)	(7,379)
Taxes paid	(2,008)	(1,428)
Net cash from operating activities	36,774	6,139
Cash flows from investing activities		
Addition of investment properties	(4,300)	-
Purchase of property, plant and equipment	(3,757)	(1,085)
Proceeds from disposal of property, plant and equipment	(129)	495
Proceeds / (Purchase) from other investment	6,187	(662)
Interest received	320	879
Net cash used in investing activities	(1,679)	(373)
Cash flows from financing activities		
Dividends paid to shareholders of the Company	(2,273)	-
Drawdown of bankers acceptance	1,197	-
Drawdown of term loan	12,413	29,500
Repayment of term loan	(23,794)	(42,018)
Repayment of revolving credit	(2,000)	-
Placement of pledged deposit	(57)	1,354
Net changes in finance lease creditors	(2,635)	(2,065)
Net cash used in financing activities	(17,149)	(13,229)
Net increase / (decrease) in cash and cash equivalents	17,946	(7,463)
Cash and cash equivalents at beginning of the period	46,041	53,504
Cash and cash equivalents at end of the period	63,987	46,041
Cash and cash equivalents comprise of the followings:		
Cash and bank balances	59,998	55,293
Fixed deposit	16,199	14,553
Overdraft	(9,852)	(15,176)
	66,345	54,670
Less: Deposits pledged	(2,358)	(8,629)
	63,987	46,041

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.



EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2021

Part A – Explanatory Notes Pursuant to MFRS 134

1. Basis of Preparation

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

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 2020. 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 2020.

The financial statements of the Economic Entity have been prepared in accordance with Malaysian Financial Reporting Standards (MFRS), generally accepted accounting principles and the Companies Act 2016 in Malaysia.

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 2020 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 June 2020

- Amendments to MFRS 16, Leases – Covid 19 – Related Rent Concessions

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

- 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 – Interest Rate Benchmark Reform – Phase 2

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



3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2020 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 recognised 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 recognised 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

There was no dividend paid during the quarter under review.

8. Debt and Equity Securities

There were no issuances, cancellations, repurchase, resale and repayments of equity securities except for repay of debt in the current quarter.



9. Segmental Information

	Property Development RM'000	Engineering, Construction and Quarry RM'000	Other reportable segments RM'000	Total reportable segments RM'000	Elimination RM'000	Consolidated RM'000
12 months ended 31 December 2021						
Revenue						
External sales	100,218	109,241	1,164	210,623	-	210,623
Inter-segment sales	849	(1,343)	23,758	23,263	(23,263)	-
Total revenue	101,067	107,898	24,922	233,886	(23,263)	210,623
Segment profit/(loss)	6,864	4,325	10,933	22,122	(14,061)	8,061
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
3 months ended 31 December 2021						
Revenue						
External sales	50,584	45,844	290	96,718	-	96,718
Inter-segment sales	522	-	13,369	13,891	(13,891)	-
Total revenue	51,106	45,844	13,659	110,609	(13,891)	96,718
Segment profit/(loss)	14,054	3,255	9,079	26,388	(12,932)	13,457



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:

	3 months ended 31 December		12 months ended 31 December	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
After charging:				
Depreciation and amortization:				
-property, plant and equipment	1,676	2,022	7,163	8,337
Property, plant and equipment written off	-	-	-	4
Interest expense	801	1,674	5,128	7,379
Rental expense	222	583	353	435
Impairment loss on:				
- trade receivables	614	1,085	614	1,085
- property, plant and equipment	258	148	258	148
After crediting:				
Gain on disposal of:				
-property, plant and equipment	-	(494)	-	(494)
Reversal of impairment:				
-trade receivables	(284)	-	(552)	(21)
Interest income	(185)	349	(534)	(416)
Other income including rental and investment income	(5,968)	(1,592)	(9,549)	(4,279)

11. Changes in Composition of the Group

There were no changes in the composition of the Group for the financial year ended 31 December 2021 except:

- a) On 2nd April 2021, BDB Land Sdn Bhd, a wholly-owned subsidiary of the Group and LPB Development Sdn Bhd has incorporate a joint venture company namely, BDB Lagenda Sdn Bhd to undertake an affordable housing development project on 5 parcels of lands all located at Bandar Amanjaya, Daerah Kuala Muda with total gross area measuring approximately 229.99 acres. The agreed proportions of the joint venture company is 50%:50%.



- b) The divestment of a total of 20,000 ordinary shares in BDBMBI Langkawi Ventures Sdn Bhd to Menteri Besar Incorporated for a consideration of RM20,000 representing 20% of the total issued and paid-up capital in BDBMBI Langkawi Ventures Sdn Bhd.
- c) On 19th April 2021, the Group has registered a private limited company namely BDB Setia Sdn Bhd with paid-up capital of RM2.00. Progressively, the equity structure is transferred to Aman Setia Development Sdn Bhd. By the end of the financial year of 2021, the Group has divested 70% of the total issued and paid-up capital in BDB Setia Sdn Bhd. Total equity divested is RM13.8 million.

12. Property, Plant and Equipment

The Group acquired property, plant and equipment worth RM1,439,038 during the quarter under review.

There were RM258,480 impairment loss on property, plant and equipment during the current quarter period.

13. Capital Commitments

The amount of commitments for the purchase of property, plant & equipment not provided for in the interim financial statements as at 31 December 2021 are as follows:

	RM'000
Approved and contracted for	<u>1,900</u>

14. Changes in Contingent Liabilities

As at 31 December 2021, the Group does not have any material contingent liability.

15. Material Events Subsequent 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

	12 months ended 31.12.2021 RM'000
Rental of quarry land to ultimate holding corporation	100
Tributes charged by the ultimate holding corporation	531
Estate agency fee charged by a related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.	30
Revenue from oil palm from related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.	1,164
Property management paid to a related company, Darulaman Asset Sdn. Bhd	1
Insurance paid to a related company, KSDC Insurance Brokers Sdn. Bhd.	2,142
	<hr/> 3,968 <hr/>

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 against the previous year

The Group recorded lower revenue of RM210.6 million for the current financial year compared to RM219.6 million for last year due to the strict containment measures under the National Recovery Plan (NRP) imposed in 2021. This resulted the Group posted lower profit before tax of RM8.0 million in the current financial year compared to RM8.5 million for last year.

The Property Division posted slightly lower revenue of RM100.2 million compared to RM102.7 million in 2020. The decrease in revenue was contributed by the decreased sale of completed units compared to 2020. However, the division recorded higher profit before tax of RM6.9 million for the current financial year compared to the profit before tax of RM2.6 million in 2020 due to the changed of the Leisure business model.

The Engineering, Construction and Quarry Division posted lower revenue of RM109.2 million compared to RM115.0 million in 2020. Strict containment measure under the National Recovery Plan (NRP) particularly in Kedah has dampened the construction activities in 2021. The division recorded lower profit before tax of RM4.3 million in 2021 compared to RM11.4 million in 2020 due to higher operating and administrative costs.



b) Current quarter vs previous year's corresponding quarter

The Malaysian economy registered a positive growth rate of 3.6% in the fourth quarter of 2021 (3Q 2021: -4.5%). Growth was supported mainly by an improvement in domestic demand as economic activity normalised following the easing of containment measures under the National Recovery Plan (NRP).

Similarly, the Group posted higher revenue of RM96.7 million for the fourth quarter ended 31 December 2021 compared to RM92.0 million achieved in the corresponding period of last year. The Group recorded slightly higher profit before tax of RM13.5 million for the current quarter as compared to RM12.7 million in the previous year's corresponding quarter. Higher revenue and profits in the quarter under review coincides with improvement in economic activities in the current quarter.

The Property Division posted higher revenue of RM50.6 million compared to RM38.3 million in the same corresponding quarter of last year. The division also recorded higher profit before tax of RM14.1 million for the quarter under review compared to the profit before tax of RM10.3 million in the previous year's corresponding period. Higher revenue and profit before tax were mainly contributed by the changed of the leisure business model.

The Engineering, Construction and Quarry Division posted lower revenue of RM45.8 million in the quarter ended 31 December 2021 compared to RM52.6 million in the corresponding quarter of last year. Lower revenue in the quarter was due to the constrained of construction activities under Phase 3 of National Recovery Plan (NRP) as imposed by the Government. Similarly, the division posted lower profit before tax of RM3.3 million in the quarter compared to a profit before tax of RM5.2 million in the corresponding period last year.

18. Variation of Results against Preceding Quarter

	Current quarter ended 31 December 2021 RM'000	Preceding quarter ended 30 September 2021 RM'000
Revenue	96,718	42,068
Profit Before Taxation	13,457	175

The Group recorded higher revenue and higher profit before tax compared to the preceding quarter mainly contributed by the Property Division.



19. Prospects for the next financial year

For 2022, the Malaysian economy is expected to remain on its recovery path. According to Bank Negara Malaysia, an expansion between 5.5% to 6.5% is expected and will be supported by the continued expansion in global demand and higher private sector expenditure given improving labour market conditions and ongoing policy support. Furthermore, the continuation of major investment projects in both private and public sectors will lend support to growth. The balance of risks remains tilted to the downside due to external and domestic factors. These risks include weaker-than-expected global growth, a worsening in supply chain disruptions, and the emergence of severe and vaccine resistant COVID-19 variants of concern.

In line with the Malaysian economic recovery, Kedah's vision for a thriving and liveable state as encapsulated in the Kedah Strategic Development Plan 2035 remains intact. As part of the Northern Corridor Economic Region (NCER), 12 key development zones and key initiatives such as Northern Corridor Highway and Bukit Kayu Hitam Special Border Economic Zones will be a catalyst in transforming Kedah's economy.

The Group remains focused to support the State's visions and initiatives. The Group's Engineering, Construction and Quarry Division is on progress to complete several projects namely the State Road Maintenance Project, the Pelubang Water Treatment Plant and the Non-Revenue Water Project in Perlis.

The Property Division will continue to focus on developing its existing townships and unlocking the potential value of its remaining landbank. Projects such as joint development between BDB Land Sdn Bhd and LPB Development Sdn Bhd to develop an affordable housing project located at Bandar Amanjaya, Sungai Petani is expected to generate a Gross Development Value of RM550 million. BDB Land Sdn Bhd also undertake a joint venture arrangement with Aman Setia Development Sdn Bhd to work together as strategic joint development partners through BDB Setia Sdn Bhd to optimize the value of Darulaman Perdana West in Sungai Petani. The Division also committed to develop the premium outlets in Langkawi with Gross Rental Value of RM817 million over a 30-year period.

The Group remains vigilant and cautious amidst external challenges. The Group is confident that existing and future projects will continue to provide sustainable business and boost the performance of the group as it moves forward.

20. Variance from Profit Forecast or Profit Guarantee

Not applicable for the financial period ended 31 December 2021.



21. Income Tax Expense

	3 Months Ended 31 December		12 Months Ended 31 December	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Continuing Operations				
In respect of current financial year:				
- Current tax	1,390	1,943	1,839	3,428
- Deferred tax	-	(795)	-	(795)
In respect of prior financial years:				
- Current tax	953	927	953	927
- Deferred tax	-	(296)	-	(296)
Tax expenses	2,344	1,779	2,793	3,264

The Group's effective tax rate for the year ended 31 December 2021 is higher than statutory tax rate of 24% due to estimation of tax made for profitable companies only.

22. Status of Corporate Proposals

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

23. Group borrowings and Debt Securities

Total loans and borrowings as at 31 December 2021 were as follows:

	Short-term RM'000	Long-term RM'000
Term loans	23,663	23,871
Bankers' Acceptance	5,838	
Hire Purchase	1,547	2,904
Revolving Credit	37,300	-
Bank overdraft	9,852	-
TOTAL	78,200	26,775



24. Material Litigation

There is no pending material litigation since the last annual balance sheet date of 31 December 2020.

25. Dividends Payable

No interim dividend has been declared during the quarter ended 31 December 2021.

26. Earnings / (Loss) Per Share

a. Basic earnings / (loss) per share

	12 months ended 31.12.2021 RM'000	12 months ended 31.12.2020 RM'000
Profit attributable to owners of the Company	5,287	5,292
Number of ordinary shares in issue	303,855	303,855
Basic earning per share (sen)	1.73	1.74

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 27th February 2022.