



INTERIM FINANCIAL STATEMENTS

***- For The Quarter and Period of Six Months Ended
30th June 2022 -***

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

	Note	3 months ended 30 June		6 months ended 30 June	
		2022	2021	2022	2021
Continuing Operations					
Revenue		51,615	41,929	83,071	71,837
Cost of sales		(40,525)	(35,897)	(70,338)	(61,987)
Gross profit		<u>11,090</u>	<u>6,032</u>	<u>12,733</u>	<u>9,850</u>
Selling & Marketing expenses		(1,686)	(431)	(2,010)	(905)
Administrative expenses		(7,723)	(7,311)	(14,275)	(13,384)
Other operating income		507	590	1,063	2,276
Other operating expenses		(69)	(131)	(135)	(389)
Result from operating activities		<u>2,119</u>	<u>(1,251)</u>	<u>(2,624)</u>	<u>(2,552)</u>
Finance cost		(985)	(1,378)	(2,241)	(3,019)
Profit / (Loss) before taxation	10	<u>1,134</u>	<u>(2,629)</u>	<u>(4,865)</u>	<u>(5,571)</u>
Tax expense	21	(2)	(207)	(2)	(267)
Profit / (Loss) and total comprehensive income / (expenses) for the period		<u>1,132</u>	<u>(2,836)</u>	<u>(4,867)</u>	<u>(5,838)</u>
Profit / (Loss) and total comprehensive income / (expenses) for the period attributable to :					
Owners of the Company		1,132	(2,836)	(4,867)	(5,838)
Non-controlling interests		-	-	-	-
Profit / (Loss) and total comprehensive income / (expenses) for the period		<u>1,132</u>	<u>(2,836)</u>	<u>(4,867)</u>	<u>(5,838)</u>
Basic earning / (loss) per ordinary share (sen)	26	0.37	(0.93)	(1.60)	(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 JUNE 2022
RM'000

	Note	30.06.2022	31.12.2021
Assets			
Non-current assets			
Property, plant and equipment	12	76,565	72,278
Investment properties		89,107	97,007
Investment in associate		-	3,932
Inventories		320,889	319,237
Other investments		-	135
Deferred tax assets		710	718
Trade and other receivables		<u>13,446</u>	<u>19,773</u>
		<u>500,717</u>	<u>513,080</u>
Current assets			
Inventories		20,476	23,343
Contract assets		31,271	30,994
Contract costs		1,550	1,868
Trade and other receivables		60,857	68,355
Current tax assets		676	179
Other Investments		2,307	2,305
Deposits with licensed banks		11,485	16,199
Cash and bank balances		<u>52,521</u>	<u>59,998</u>
		<u>181,143</u>	<u>203,241</u>
Total assets		<u><u>681,860</u></u>	<u><u>716,321</u></u>
Current liabilities			
Trade and other payables		96,336	117,689
Contract Liabilities		2,893	678
Loans and borrowings	23	<u>70,429</u>	<u>80,158</u>
		<u>169,658</u>	<u>198,525</u>
Non-current liabilities			
Loans and borrowings	23	26,368	24,817
Lease liabilities		21,227	21,227
		<u>47,595</u>	<u>46,044</u>
Total liabilities		<u><u>217,253</u></u>	<u><u>244,569</u></u>
Share capital		331,020	331,020
Retained earnings		<u>133,610</u>	<u>140,755</u>
Non-controlling interests		<u>(23)</u>	<u>(23)</u>
Total equity		<u><u>464,607</u></u>	<u><u>471,752</u></u>
Total equity and liabilities		<u><u>681,860</u></u>	<u><u>716,321</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 2021 and the accompanying explanatory notes attached to the interim financial statements.



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

	<-----Attributable to owners of the company-----> <i>Distributable</i>			Non-controlling interests	Total equity
	Share capital	Retained earnings	Total		
As at 1 January 2021	331,020	137,641	468,661	(22)	468,639
Total comprehensive loss		(5,838)	(5,838)	-	(5,838)
Dividend paid		(2,273)	(2,273)		(2,273)
As at 30 June 2021	331,020	129,530	460,550	(22)	460,528
As at 1 January 2022	331,020	140,755	471,775	(23)	471,752
Total comprehensive loss	-	(4,867)	(4,867)	-	(4,867)
Dividend paid	-	(2,278)	(2,278)	-	(2,278)
As at 30 June 2022	331,020	133,610	464,630	(23)	464,607

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 JUNE 2022
RM'000**

	Cumulative Quarter	
	Current Year Ended 30-Jun-22	Preceding Year Ended 30-Jun-21
Cash flows from operating activities		
Loss before taxation	(4,865)	(5,571)
Adjustments for:		
Non-cash items	3,074	3,951
Non operating items	2,162	2,881
Operating profit before working capital changes	371	1,261
Changes in working Capital:		
Contract assets	253	15,309
Contract costs	95	124
Contract liabilities	2,425	(1,695)
Trade and other receivables	17,544	38,422
Inventories	1,278	15,439
Trade and other payables	(16,112)	(42,540)
Cash generated from operations	5,854	26,320
Interest paid	(2,333)	(3,144)
Taxes paid	(585)	(765)
Net cash from operating activities	2,936	22,411
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,540)	(1,915)
Proceeds from disposal of property, plant and equipment	285	-
Proceeds from other investment	299	256
Interest received	172	261
Net cash used in investing activities	(784)	(1,398)
Cash flows from financing activities		
Dividends paid to shareholders of the Company	(2,260)	(2,273)
Drawdown of term loan	1,589	9,466
Drawdown of revolving credit	1,800	-
Repayment of bankers' acceptance	(1,848)	(4,641)
Repayment of term loan	(8,976)	(15,291)
Repayment of revolving credit	-	(2,000)
Placement of pledged deposit	-	240
Net changes in finance lease creditors	113	(1,241)
Net cash used in financing activities	(9,582)	(15,740)
Net (decrease)/increase in cash and cash equivalents	(7,430)	5,273
Cash and cash equivalents at beginning of the period	58,316	46,041
Cash and cash equivalents at end of the period	50,886	51,314
Cash and cash equivalents comprise of the followings:		
Cash and bank balances	52,521	43,415
Fixed deposit	11,485	18,828
Overdraft	(10,761)	(8,640)
	53,245	53,602
Less: Deposits pledged	(2,359)	(2,289)
	50,886	51,314

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 JUNE 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.

The 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 to 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 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 Paid

An Interim Dividend of 0.75 cent per share on 303,855,000 ordinary shares in respect of the financial year ended 31 December 2021 has been declared on 25th April 2022 and was paid on 25th May 2022.

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

RM'000	Property Development	Engineering, Construction and Quarry	Other reportable segments	Total reportable segments	Elimination	Consolidated
6 months ended 30 June 2022						
Revenue						
External sales	31,089	51,223	758	83,071	-	83,071
Inter-segment sales	307	25	9,828	10,160	(10,160)	-
Total revenue	31,397	51,248	10,586	93,231	(10,160)	83,071
Segment profit	(1,141)	(3,470)	3,500	(1,111)	(3,754)	(4,865)
6 months ended 30 June 2021						
Revenue						
External sales	37,243	34,123	471	71,837	-	71,837
Inter-segment sales	222	(40)	7,495	7,677	(7,677)	-
Total revenue	37,464	34,084	7,966	79,514	(7,677)	71,837
Segment profit	(6,195)	252	1,712	(4,231)	(1,341)	(5,571)



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 June		6 months ended 30 June	
	2022	2021	2022	2021
<i>After charging:</i>				
Depreciation and amortization: -property, plant and equipment	1,582	1,891	3,174	3,758
Property, plant and equipment written off	-	462	1	462
Interest expense	984	1,378	2,241	3,019
Rental expense	77	38	158	61
<i>After crediting:</i>				
Gain on disposal of: -property, plant and equipment	48	-	48	-
Reversal of impairment: -trade receivables	(63)	-	(126)	(268)
Interest income	(75)	(203)	(176)	(212)
Other income including rental and investment income	(432)	(386)	(887)	(2,064)

11. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter ended 30 June 2022 except:

- (a) 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 current quarter ended 30th June 2022, the Group has divested 100% of the total issued and paid-up capital in BDB Setia Sdn Bhd.

12. Property, Plant and Equipment

The Group acquired property, plant and equipment worth RM 1,034,874 during the quarter under review.

There were 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 June 2022 are as follows:

	<u>RM'000</u>
Approved and contracted for	<u>1,536</u>

14. Changes in Contingent Liabilities

As at 30 June 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

	6 months ended 30.06.2022 RM'000
Rental of quarry land to ultimate holding corporation	50
Tributes charged by the ultimate holding corporation	550
Estate agency fee charged by a related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.	26
Revenue from oil palm from related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.	700
Property management paid to a related company, Darulaman Asset Sdn. Bhd	12
Insurance paid to a related company, KSDC Insurance Brokers Sdn. Bhd.	590
	1,928

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

For the current financial year to date, the Group posted higher revenue of RM83.1 million which representing an increase of 16% compared to RM71.8 million in the same corresponding period of last year. The increase in revenue was mainly contributed by higher construction activities in the current financial year to date. However, the Group posted lower loss before tax of RM4.9 million in the current financial year to date compared to RM5.6 million in the same corresponding period of last year.

The Property Division posted lower revenue of RM31.1 million compared to RM37.2 million in 2021. The decrease in revenue in the current year to date was contributed by the completion of development activities in Bandar Sejahtera Project in previous year corresponding period. The division posted lower loss before tax of RM1.1 million in the current financial year to date compared to the loss before tax of RM6.2 million in the same corresponding period of last year. This is mainly due to the improvement made in leisure business and the income generated from Joint Development through BDB Setia Sdn Bhd.

The Engineering, Construction and Quarry Division posted higher revenue of RM51.2 million compared to RM34.1 million in 2021 due to the improvement in sales of quarry products as well as construction works. This is mainly contributed by State Road Maintenance Project, Pelubang Water Treatment Plant and sales of quarry product. However, the division recorded loss before tax of RM3.5 million compared to profit before tax RM0.3 million in 2021 due to the maintenance works for plant and machineries in the first quarter of 2022.

Current quarter vs previous year corresponding quarter

The Group posted higher revenue of RM51.6 million for the second quarter ended 30 June 2022 compared to RM41.9 million achieved in the same corresponding period of last year. Similarly, the Group recorded higher profit before tax of RM1.3 million for the current quarter as compared to the loss before tax of RM2.6 million in the previous year corresponding quarter.

The Property Division posted lower revenue of RM19.2 million compared to RM27.2 million in the same corresponding quarter of last year. However, the Division recorded higher profit before tax of RM1.0 million for the current quarter compared to the loss before tax of RM2.0 million in the previous year corresponding period due to the income generated from Join Venture development through BDB Setia.



The Engineering, Construction and Quarry Division posted higher revenue of RM31.9 million in the current quarter of 2022 compared to RM14.5 million in the same corresponding quarter of last year due to overall improvement in the construction activities. The division also posted higher profit before tax of RM0.4 million in the current quarter compared to loss before tax of RM0.4 million in the same corresponding period of last year.

18. Variation of Results against Preceding Quarter

RM'000	Current quarter ended 30 June 2022	Preceding quarter ended 31 March 2022
Revenue	51,615	31,456
Profit / (Loss) Before Taxation	1,132	(5,997)

The Group recorded higher revenue in the current quarter compared to the preceding quarter due to better contribution from road construction activities. Higher profit before tax recorded by the Group in the current quarter compared to the preceding quarter mainly contributed by the resumption of the road construction activities and the completion of initiative from the Property Division in the current quarter under review.

19. Prospects for the current financial year

The Malaysian economy is expected to improve further in 2022. Growth would continue to benefit from the easing of restrictions and reopening of international borders as the country's transitioning into endemic phase. However, the risks to Malaysia's growth prospects remained. These includes a weaker-than-expected global growth, further escalation of geopolitical conflicts, worsening supply chain disruptions, adverse developments surrounding COVID-19 and heightened financial market volatility.

Similarly, Kedah state's economic activities are expected to experience greater economic development based on the investment flowing into the states.

BDB as a Kedah State GLC's is expected to benefit from these investments. Existing order book such as Pelubang Water Treatment Plant project is on track to be completed in 2024. The Engineering, Constructions and Quarry division is also confidence that the remaining State Road Maintenance project will be completed this year.

The Property Division remained focus to develop its existing townships/landbank and unlock the potential value of the remaining landbank. The launches of the joint venture development of the affordable housing project located at Bandar Amanjaya, Sungai Petani is expected to be held in the third quarter of 2022. Langkawi Designer Premium Outlet (LDPO) phase 1 which comprised of 37 units of commercial space of retail and



food and beverages (F&B) is currently at 95% construction progress and expected to be in operation in the fourth quarter of 2022.

The Group remain confident that the existing order book, township development/landbank and improvement on its operational efficiencies will boost the performance and drive the growth moving forward.

20. Variance from Profit Forecast or Profit Guarantee

Not applicable for the financial period ended 30 June 2022.

21. Income Tax Expense

RM'000	3 Months Ended 30 June		6 Months Ended 30 June	
	2022	2021	2022	2021
Continuing Operations				
In respect of current financial year:				
- Current tax	2	207	2	267
- Deferred tax	-	-	-	-
In respect of prior financial years:				
- Current tax	-	-	-	-
- Deferred tax	-	-	-	-
Tax expenses	2	207	2	267

Income tax expenses for the period under review was 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 June 2022 were as follows:

RM'000	Short Term	Long Term	Total
Term loans	17,281	23,466	40,747
Bankers' Acceptance	3,990	-	3,990
Hire Purchase	1,897	2,902	4,799
Revolving Credit	36,500	-	36,500
Bank overdraft	10,761	-	10,761
TOTAL	70,429	26,368	96,797

24. Material Litigation

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

25. Dividends Payable

Except stated in note 7, no dividend in respect of the current financial year under review 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	6 months ended 30.06.2022	6 months ended 30.06.2021
Loss attributable to owners of the Company	(4,867)	(5,838)
Number of ordinary shares in issue	303,855	303,855
Basic loss per share (sen)	(1.60)	(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 21 August 2022.