



INTERIM FINANCIAL STATEMENTS

*- For The Quarter and Year
Ended 31st December 2020 -*

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2020**
(The figures have not been audited)

	Note	3 months ended 31 December		12 months ended 31 December	
		2020 RM'000 Unaudited	2019 RM'000 Audited	2020 RM'000 Unaudited	2019 RM'000 Audited
Continuing Operations					
Revenue	9	91,870	110,507	219,475	248,220
Cost of sales		(68,241)	(75,214)	(176,236)	(196,040)
Gross profit		<u>23,629</u>	<u>35,293</u>	<u>43,239</u>	<u>52,180</u>
Selling & Marketing expenses		(320)	278	(1,570)	(2,426)
Administrative expenses		(9,474)	(11,799)	(29,769)	(33,455)
Other operating income	10	1,806	5,498	5,258	8,122
Other operating expenses		(1,905)	(7,903)	(1,906)	(7,993)
Result from operating activities		<u>13,736</u>	<u>21,368</u>	<u>15,252</u>	<u>16,429</u>
Finance cost	10	(1,972)	(2,302)	(7,677)	(9,629)
Profit before taxation	10	<u>11,764</u>	<u>19,066</u>	<u>7,575</u>	<u>6,799</u>
Tax expense	21	(814)	(1,095)	(2,299)	(2,092)
Profit and total comprehensive income for the period		<u>10,950</u>	<u>17,970</u>	<u>5,276</u>	<u>4,707</u>
Profit and total comprehensive income for the period attributable to :					
Owners of the Company		10,950	17,970	5,276	4,707
Non-controlling interests		-	-	-	-
Profit and total comprehensive income for the period		<u>10,950</u>	<u>17,970</u>	<u>5,276</u>	<u>4,707</u>
Basic earnings per ordinary share (sen)	26	3.60	5.91	1.74	1.55

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020
(The figures have not been audited)

	Note	31.12.2020 RM'000 Unaudited	31.12.2019 RM'000 Audited
Assets			
Non-current assets			
Property, plant and equipment	12	84,866	87,625
Investment properties		61,387	61,287
Other investments		135	135
Inventories		330,564	326,913
		<u>476,951</u>	<u>475,960</u>
Current assets			
Inventories		56,785	69,318
Contract assets		42,029	17,196
Contract costs		1,558	232
Trade and other receivables		76,998	80,072
Current tax assets		1,969	2,956
Other Investments		3,315	2,653
Deposits with licensed banks		13,592	18,475
Cash and bank balances		56,254	57,133
		<u>252,501</u>	<u>248,035</u>
Assets classified as held for sale		5,918	21,632
Total assets		<u><u>735,370</u></u>	<u><u>745,627</u></u>
Current liabilities			
Trade and other payables		138,393	139,955
Contract Liabilities		3,667	10,191
Loans and borrowings	23	85,391	102,444
		<u>227,450</u>	<u>252,590</u>
Non-current liabilities			
Deferred tax liabilities		234	507
Loans and borrowings	23	39,041	29,159
		<u>39,275</u>	<u>29,666</u>
Total liabilities		<u>266,725</u>	<u>282,258</u>
Share capital		331,020	331,020
Retained earnings		137,625	132,349
Total equity		<u>468,645</u>	<u>463,369</u>
Total equity and liabilities		<u><u>735,370</u></u>	<u><u>745,627</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 2019 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**
(The figures have not been audited)

	<-Attributable to owners of the company->		Total equity RM'000
	<i>Non-distributable</i> Share capital RM'000	<i>Distributable</i> Retained earnings RM'000	
As at 1 January 2019	331,020	127,642	458,661
Total comprehensive income for the year	-	4,707	4,707
As at 31 December 2019	<u>331,020</u>	<u>132,349</u>	<u>463,368</u>
As at 1 January 2020	331,020	132,349	463,369
Total comprehensive income for the year	-	5,276	5,276
As at 31 December 2020	<u>331,020</u>	<u>137,625</u>	<u>468,646</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2020**
(The figures have not been audited)

	Cumulative Quarter	
	Current Year Ended 31-Dec-20 RM'000	Preceding Year Ended 31-Dec-19 RM'000
Cash flows from operating activities		
Profit before taxation	7,575	6,799
Adjustments for:		
Non-cash items	9,321	11,535
Non operating items	5,136	7,959
Operating profit before working capital changes	22,032	26,293
Changes in working Capital:		
Contract assets	(9,154)	(5,910)
Contract costs	(1,244)	(101)
Contract liabilities	(5,949)	(7,706)
Trade and other receivables	(4,534)	3,566
Inventories	9,289	4,142
Trade and other payables	5,225	28,970
Cash generated from operations	15,665	49,254
Interest paid	(6,007)	(9,629)
Taxes (paid) / refund	(1,293)	5,264
Net cash provided by operating activities	8,364	44,889
Cash flows from investing activities		
Addition of investment properties	(100)	(12,889)
Purchase of property, plant and equipment	(2,176)	(5,010)
Proceeds from disposal of property, plant and equipment	492	989
Proceeds / (Purchase) from other investment	(364)	10,741
Interest received	843	1,670
Net cash provided from investing activities	(1,305)	(4,499)
Cash flows from financing activities		
Drawdown of bankers' acceptance	3,069	-
Drawdown of term loan	40,627	20,000
Drawdown of revolving credit	-	(2,093)
Repayment of bankers' acceptance	-	(2,014)
Repayment of term loan	(53,880)	(36,883)
Repayment of revolving credit	(2,500)	6,093
Placement of pledged deposit	710	(3,463)
Net changes in finance lease creditors	(1,245)	(2,775)
Net cash used in financing activities	(13,218)	(21,135)
Net decrease in cash and cash equivalents	(6,158)	19,255
Cash and cash equivalents at beginning of the period	53,504	34,249
Cash and cash equivalents at end of the period	47,345	53,505
Cash and cash equivalents comprise of the followings:		
Cash and bank balances	56,254	57,133
Fixed deposit	13,592	18,475
Overdraft	(15,176)	(12,121)
	54,670	63,487
Less: Deposits pledged	(7,325)	(9,983)
	47,345	53,504

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2019 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 2020

Part A – Explanatory Notes Pursuant to MFRS 134

1. Basis of Preparation

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.

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 2019. 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 2019.

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 2019 except for the adoption of the following new/revised MFRSs and Amendments to MFRSs:

Amendments to MFRS 3, Business Combinations - Definition of a Business

Amendments to MFRS 101, Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material

Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement and MFRS 7, Financial Instruments: Disclosures - Interest Rate Benchmark Reform

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 2019 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	Road building and Quarry RM'000	Engineering and Construction RM'000	Leisure and Hospitality RM'000	Other reportable segments RM'000	Total reportable segments RM'000	Elimination RM'000	Consolidated RM'000
12 months ended 31 December 2020								
Revenue								
External sales	100,124	84,021	30,988	3,459	883	219,475	-	219,475
Inter-segment sales	430	-	144	846	13,633	15,053	(15,053)	-
Total revenue	100,554	84,021	31,132	4,305	14,515	234,528	(15,053)	219,475
Segment profit	6,370	8,228	3,280	(4,088)	2,635	16,425	(8,850)	7,575
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
3 months ended 31 December 2020								
Revenue								
External sales	38,480	38,316	14,243	648	184	91,870	-	91,870
Inter-segment sales	305	-	-	828	10,908	12,041	(12,041)	-
Total revenue	38,785	38,316	14,243	1,476	11,092	103,911	(12,041)	91,870
Segment profit	10,615	5,320	2	(615)	6,398	21,720	(9,956)	11,764



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	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<i>After charging:</i>				
Depreciation and amortization:				
-property, plant and equipment	2,360	2,135	8,496	9,840
Property, plant and equipment written off	-	3	5	5
Interest expense	1,972	2,302	7,677	9,629
Rental expense	147	349	583	560
Impairment loss on:				
- trade receivables	1,085	463	1,085	463
- property, plant and equipment	-	6,710	-	6,710
<i>After crediting:</i>				
Changes in fair value of investment properties	(100)	(3,897)	(100)	(3,897)
Gain on disposal of:				
-property, plant and equipment	(492)	(502)	(493)	(801)
Reversal of impairment:				
-trade receivables	-	17	(21)	(54)
Interest income	(114)	(189)	(879)	(1,211)
Other income including rental and investment income	(1,692)	(5,363)	(4,379)	(6,966)

11. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter including business combination, acquisition or disposal of a subsidiary and long term investment, restructuring and discontinued operation.



12. Property, Plant and Equipment

The Group acquired property, plant and equipment worth RM 74,719 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 31 December 2020 are as follows:

	<u>RM'000</u>
Approved and contracted for	<u>597</u>

14. Changes in Contingent Liabilities

As at 31 December 2020, 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

	12 months ended 31.12.2020 RM'000
Rental of quarry land to ultimate holding corporation	-
Tributes charged by the ultimate holding corporation	1,284
Estate agency fee charged by a related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.	62
Revenue from oil palm from related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.	847
Property management paid to a related company, Darulaman Asset Sdn. Bhd	41
Insurance paid to a related company, KSDC Insurance Brokers Sdn. Bhd.	1,557
	<u>3,791</u>

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 delivered commendable results amid challenging market conditions. Despite the containment measure and Movement Control Order (MCO) imposed by the government which resulted in overall decline in revenue, the Group posted higher profit before tax compared to last year.

The Group recorded revenue of RM219.5 million in the current financial year, decreased by RM28.7 million or 12% compared to RM248.2 million in the same corresponding period of last year. However, the Group posted higher profit before tax of RM7.6 million compared to profit before tax of RM6.8 million in the same corresponding period of last year.

The Property Division posted lower revenue of RM100.1 million compared to RM126.1 million in 2019. The decrease in revenue was due to low take-up rates and lesser work progress in Bandar Darulaman and Darulaman Perdana as its nearing completion stage. The division also recorded lower profit before tax of RM6.4 million for current financial year compared to the profit before tax of RM33.3 million in the same corresponding period of last year.

The Engineering and Construction Division posted lower revenue of RM31.0 million compared to RM48.5 million in 2019 due to lower contribution from external projects. However, the division recorded higher profit before tax of RM3.3 million compared to RM2.1 million in 2019, representing an increase of 54%. Higher profit before tax was contributed by cost savings from external projects.

Road and Quarry Division recorded higher revenue of RM84 million compared to RM63.7 million in the previous year, mainly due to the higher sales of quarry products and better contribution from road paving activities. The division posted slightly higher profit before tax of RM8.2 million compared RM 7.9 million in 2019.

The Leisure Division posted lower revenue of RM3.5 million compared to RM8.5 million in 2019 due to unstable business operations from the control order imposed by the Government. Despite ambiguous business condition, the division manage to record an improved performance in the current year compared to 2019. The division recorded lower loss before tax of RM4.1 million compared to RM10.7 million loss before tax in the previous year.



b) Current quarter vs previous year corresponding quarter

The re-introduction of targeted movement control order in the current quarter under review was the main contributor to the contraction in Malaysia's real GDP growth. The Malaysian economy recorded a negative growth of 3.4% in the fourth quarter of 2020 compared to the expansion of 3.6% in the same corresponding period of last year.

The Group posted lower revenue of RM91.9 million for the fourth quarter ended 31 December 2020, a decrease of 17% compared to RM110.5 million achieved in the same corresponding period of last year. The Group recorded lower profit before tax of RM11.8 million for the current quarter as compared to profit before tax of RM19.1 million in the previous year corresponding quarter.

The Property Division posted lower revenue of RM38.5 million compared to RM70 million in the same corresponding quarter of last year. The division also recorded lower profit before tax of RM10.6 million for the current quarter compared to profit before tax of RM43.5 million in the previous year corresponding period. Lower revenue and profit for the current quarter were due to lesser progress at Bandar Darulaman and Darulaman Perdana Townships as it's nearing its completion stage.

Road Building and Quarry Division posted higher revenue of RM38.3 million in the current quarter of 2020 compared to RM15.1 million in the same corresponding quarter of last year. Higher revenue was contributed by the acceleration of work for the State Road Maintenance project. The division posted slightly lower profit before tax of RM5.3 million in the current quarter under review compared to profit before tax of RM5.9 million in the same corresponding period of last year.

Engineering and Construction Division recorded lower revenue of RM14.2 million for the current quarter compared to RM22.3 million in the same corresponding period of last year due to lower contribution from its external projects.

The Leisure and Hospitality Division was highly impacted by the prolonged MCO. The division recorded lower revenue of RM0.6 million for current quarter under review compared to RM2.6 million in the same corresponding quarter of last year. However, the division recorded lower loss before tax of RM0.6 million in the current quarter compared to the loss before tax of RM8 million in the previous year corresponding quarter.



18. Variation of Results against Preceding Quarter

	Current quarter ended 31 December 2020 RM'000	Preceding quarter ended 30 September 2020 RM'000
Revenue	91,870	57,281
Profit Before Taxation	11,764	1,710

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

19. Prospects for the next financial year

Malaysia's economy is expected to recover in 2021. However, there are concerns that the momentum in economic recovery will be affected by the resurgence in COVID-19 cases and the introduction of targeted containment measures in several states in the fourth quarter of 2020.

While near-term growth will be affected by the re-introduction of stricter containment measures, the impact, however, will be less severe than that experienced in 2020. The growth trajectory is projected to improve from the second quarter onwards. The improvement will be driven by the recovery in global demand, turnaround in public and private sector expenditure amid continued support from policy measures including PENJANA, KITA PRIHATIN, 2021 Budget and PERMAI, and higher production from existing and new facilities in the manufacturing and mining sectors. The vaccine rollout from February onwards is also expected to lift sentiments.

The balance of risks remains tilted to the downside, stemming mainly from ongoing uncertainties surrounding the dynamics of the pandemic and potential challenges that might affect the rollout of vaccines both globally and domestically.

Similarly, the Kedah state's economic activities are expected to recover in 2021 with potential challenges remaining. However, the implementation of various high-impact infrastructure projects namely Kedah Aerotropolis, Bukit Kayu Hitam Special Border Economic Zone and new highway linking Sungai Petani and Bandar Baharu remained under recently approved Northern Corridor Economic Region (NCER) Strategic Development Plan 2021-2025 (SDP).

The Group's Engineering and Construction Division is ready to support Federal and State government aspiration to resolve water supply problems in Kedah. Water Treatment Plant (WTP) in Pelubang has been approved by Ministry of Finance and is expected to commence in quarter two of 2021 while another four WTP namely WTP Jenun Baru, Sungai Limau, Bukit Selambau and Lubuk Buntar Lama are still waiting for approval. The



division has completed several waters related projects in the past namely Water Treatment Plant in Pokok Sena, Kedah and water works in Sik and Pinang Tunggal and currently being awarded a non-revenue water project in Perlis worth RM40 million. The Group construction arm, BDB Synergy Sdn Bhd had received Letter of Intent in June 2020 from Kedah State government for the upgrading works of water treatment plant in Pelubang, Kedah.

Road Building and Quarry Division is expected to consistently contribute to the Group's earnings. The division will continue to pursue routine road maintenance and road-building and pavement works from government and private sectors.

The Property Division will continue to focus on developing its existing townships/landbank. The key priority is to unlock the potential value of the remaining landbank. Project such as Joint development between BDB Land Sdn Bhd and Lagenda Properties Berhad in Darulaman Putra is expected to generate RM550 million in Gross Development Value (GDV).

The market for the Leisure and Hospitality Division is expected to remain challenging due to adverse business conditions caused by the Covid-19 containment measures.

The Group remained vigilant and cautious as the situation remains fluid and uncertain. Amidst these external challenges, the Group is confident that the existing order book and township development/landbank will be sufficient to maintain financial and operational resilience.

20. Variance from Profit Forecast or Profit Guarantee

Not applicable for the financial period ended 31 December 2020.

21. Income Tax Expense

	12 months ended 31 December 2020 RM'000	12 months ended 31 December 2019 RM'000
Malaysian income tax	2,299	2,092

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 31 December 2020 were as follows:

	Short-term RM'000	Long-term RM'000
Term loans	24,358	35,550
Bankers' Acceptance	4,640	-
Hire Purchase	2,217	3,491
Revolving Credit	39,000	-
Bank overdraft	15,176	-
TOTAL	85,391	39,041

24. Material Litigation

There is no pending material litigation since the last annual balance sheet date of 31 December 2019.

25. Dividends Payable

No interim dividend has been declared during quarter ended 31 December 2020.

26. Earnings / (Loss) Per Share

a. Basic earnings / (loss) per share

	12 months ended 31.12.2020 RM'000	12 months ended 31.12.2019 RM'000
Loss attributable to owners of the Company	5,276	4,707
Number of ordinary shares in issue	303,855	303,855
Basic earning per share (sen)	1.74	1.55

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 24 February 2021.