



INTERIM FINANCIAL STATEMENTS

***- For The Quarter and Period of Six Months Ended
30th June 2020 -***

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND PERIOD ENDED 30 JUNE 2020**
(The figures have not been audited)

	Note	3 months ended 30 June		6 months ended 30 June	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Continuing Operations					
Revenue	9	24,104	47,256	70,325	86,941
Cost of sales		(23,083)	(41,244)	(59,746)	(77,480)
Gross profit		<u>1,021</u>	<u>6,012</u>	<u>10,578</u>	<u>9,461</u>
Selling & Marketing expenses		(224)	(206)	(772)	(924)
Administrative expenses		(6,690)	(8,258)	(13,378)	(15,008)
Other operating income	10	1,112	799	1,661	1,545
Other operating expenses		(0)	(0)	(1)	(1)
Result from operating activities		<u>(4,781)</u>	<u>(1,654)</u>	<u>(1,912)</u>	<u>(4,926)</u>
Finance cost	10	(1,668)	(2,812)	(3,987)	(5,050)
Loss before taxation	10	<u>(6,449)</u>	<u>(4,466)</u>	<u>(5,899)</u>	<u>(9,976)</u>
Tax expense	21	(271)	(397)	(403)	(735)
Loss and total comprehensive expenses for the period		<u>(6,720)</u>	<u>(4,863)</u>	<u>(6,302)</u>	<u>(10,711)</u>
Loss and total comprehensive expenses for the period attributable to :					
Owners of the Company		(6,720)	(4,863)	(6,302)	(10,711)
Non-controlling interests		-	-	-	-
Loss and total comprehensive expenses for the period		<u>(6,720)</u>	<u>(4,863)</u>	<u>(6,302)</u>	<u>(10,711)</u>
Basic loss per ordinary share (sen)	26	(2.21)	(1.61)	(2.07)	(3.53)

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 30 JUNE 2020
(The figures have not been audited)**

	Note	30.06.2020 RM'000	31.12.2019 RM'000
Assets			
Non-current assets			
Property, plant and equipment	12	85,102	87,625
Investment properties		61,287	61,287
Other investments		135	135
Inventories		323,783	326,913
		<u>470,307</u>	<u>475,960</u>
Current assets			
Inventories		68,166	69,318
Contract assets		36,350	17,196
Contract costs		212	232
Trade and other receivables		53,350	80,072
Current tax assets		3,515	2,956
Other Investments		4,284	2,653
Deposits with licensed banks		15,866	18,475
Cash and bank balances		31,461	57,133
		<u>213,204</u>	<u>248,035</u>
Assets classified as held for sale		21,632	21,632
Total assets		<u><u>705,142</u></u>	<u><u>745,627</u></u>
Current liabilities			
Trade and other payables		118,971	139,955
Contract Liabilities		4,073	10,191
Loans and borrowings	23	70,824	102,444
		<u>193,868</u>	<u>252,590</u>
Non-current liabilities			
Deferred tax liabilities		234	507
Loans and borrowings	23	53,971	29,159
		<u>54,205</u>	<u>29,666</u>
Total liabilities		<u>248,073</u>	<u>282,258</u>
Share capital		331,020	331,020
Retained earnings		126,049	132,349
		<u>457,069</u>	<u>463,369</u>
Total equity		<u>457,069</u>	<u>463,369</u>
Total equity and liabilities		<u><u>705,142</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 PERIOD ENDED 30 JUNE 2020
(The figures have not been audited)**

	<-Attributable to owners of the company->		Total equity RM'000
	Non-distributable Share capital RM'000	Distributable Retained earnings RM'000	
As at 1 January 2019	331,020	127,641	458,661
Total comprehensive loss	-	(10,711)	(10,711)
As at 30 June 2019	<u>331,020</u>	<u>116,930</u>	<u>447,949</u>
As at 1 January 2020	331,020	132,349	463,369
Total comprehensive loss	-	(6,302)	(6,302)
As at 30 June 2020	<u>331,020</u>	<u>126,047</u>	<u>457,067</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



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 30 JUNE 2020
(The figures have not been audited)**

	Cumulative Quarter	
	Current Period Ended 30-Jun-20 RM'000	Preceding Period Ended 30-Jun-19 RM'000
Cash flows from operating activities		
Loss before taxation	(5,899)	(9,976)
Adjustments for:		
Non-cash items	4,025	4,885
Non operating items	1,864	4,263
Operating loss before working capital changes	(9)	(827)
Changes in working Capital:		
Contract assets	(10,849)	(7,988)
Contract costs	102	(41)
Contract liabilities	(6,730)	(1,868)
Trade and other receivables	19,084	7,451
Inventories	4,690	(4,091)
Trade and other payables	3,718	(13,543)
Cash generated from / (used in) operations	10,007	(20,908)
Interest paid	(2,307)	(4,663)
Taxes (paid) / refund	(1,165)	1,998
Net cash provided by / (used in) operating activities	6,535	(23,573)
Cash flows from investing activities		
Addition of investment properties	-	(4,155)
Purchase of property, plant and equipment	(1,257)	(1,539)
Proceeds from disposal of property, plant and equipment	0	164
Proceeds / (Purchase) from other investment	(1,351)	9,661
Interest received	428	616
Net cash provided from / (used in) investing activities	(2,180)	4,747
Cash flows from financing activities		
Drawdown of bankers' acceptance	-	2,147
Drawdown of term loan	34,555	20,000
Repayment of term loan	(60,480)	(31,673)
Repayment of revolving credit	(1,000)	-
Placement of pledged deposit	240	240
Net changes in finance lease creditors	(2,581)	(284)
Net cash used in financing activities	(29,266)	(9,570)
Net decrease in cash and cash equivalents	(24,911)	(28,397)
Cash and cash equivalents at beginning of the period	53,504	34,249
Cash and cash equivalents at end of the period	28,593	5,852
Cash and cash equivalents comprise of the followings:		
Cash and bank balances	31,461	17,925
Fixed deposit	15,866	13,177
Overdraft	(11,089)	(18,602)
	36,237	12,500
Less: Deposits pledged	(7,644)	(6,649)
	28,593	5,852

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 ENDED 30 JUNE 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
6 months ended 30 June 2020								
Revenue								
External sales	42,118	13,165	12,758	1,831	452	70,325	-	70,325
Inter-segment sales	92	-	144	12	1,816	2,064	(2,064)	-
Total revenue	42,210	13,165	12,902	1,843	2,268	72,389	(2,064)	70,325
Segment profit/(loss)	(2,828)	(1,585)	3,101	(2,478)	(2,514)	(6,304)	405	(5,899)
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
3 months ended 30 June 2020								
Revenue								
External sales	13,147	6,588	3,633	504	232	24,104	-	24,104
Inter-segment sales	33	-	-	6	908	948	(947)	-
Total revenue	13,180	6,588	3,633	510	1,140	25,052	(947)	24,104
Segment profit/(loss)	(2,627)	(1,791)	82	(1,297)	(1,038)	(6,671)	222	(6,449)



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

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

	3 months ended 30 June		6 months ended 30 June	
	2020 RM	2019 RM	2020 RM	2019 RM
<i>After charging:</i>				
Depreciation and amortization:				
-property, plant and equipment	2,002	2,549	4,047	5,073
Property, plant and equipment written off		(8)	(1)	3
Interest expense	1,668	2,812	3,987	5,050
Rental expense	88	83	236	145
<i>After crediting:</i>				
Gain on disposal of:				
-property, plant and equipment	-	(161)	-	(162)
Reversal of impairment:				
-trade receivables	(21)	(24)	(21)	(24)
Interest income	(1,049)	(242)	(1,214)	(641)
Other income including rental and investment income	(63)	(557)	(446)	(904)

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 283,763 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 2020 are as follows:

	<u>RM'000</u>
Approved and contracted for	<u>524</u>

14. Changes in Contingent Liabilities

As at 30 June 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

	6 months ended 30.06.2020 RM'000
Rental of quarry land to ultimate holding corporation	-
Tributes charged by the ultimate holding corporation	185
Estate agency fee charged by a related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.	28
Revenue from oil palm from related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.	457
Property management paid to a related company, Darulaman Asset Sdn. Bhd	11
Insurance paid to a related company, KSDC Insurance Brokers Sdn. Bhd.	525
	<u><u>1,206</u></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 to date against the previous year corresponding period

For the current financial year to date, the Group recorded revenue of RM70.3 million which represent a decrease of RM16.6 million or 19% compared to RM86.9 million in the same corresponding period of last year. However, the Group posted lower loss before tax of RM5.9 million in the current financial year to date compared to RM10.0 million in the same corresponding period of last year.

The Property Division posted higher revenue of RM42.1 million compared to RM31.1 million in 2019. The increase in revenue was contributed by an improved take-up rates and en-block sales at Bandar Sejahtera and Bandar Darulaman. The division also recorded lower loss before tax of RM2.8 million for current financial year to date compared to the loss before tax of RM8.6 million in the same corresponding period of last year. Lower losses for the current financial year to date was mainly contributed by better project margins as well as lower administrative expenses.

The Engineering and Construction Division posted lower revenue of RM12.8 million compared to RM24.4 million in 2019 mainly due to lower progress billing from its external project. The division recorded higher profit before tax of RM3.1 million compared to RM2.4 million in 2019, representing an increase of 29%. Higher profit before tax was contributed by cost savings from external project.

Road and Quarry Division recorded lower revenue of RM13.2 million compared to RM25.6 million in the previous year. The decrease in revenue was due to lesser construction and road paving works resulting in lower sales of quarry products. The division also posted loss before tax of RM 1.6 million compared to profit before tax in 2019 RM 0.6 million due to higher production cost.

The Leisure Division posted lower revenue of RM1.8 million compared to RM3.9 million in 2019 due to lower contribution from golfing, recreational and water theme parks segments. The division also posted higher loss before tax of RM2.4 million in 2020 compared to RM2.0 million loss before tax in the previous year mainly contributed by the loss of income due to the disruption from Covid-19.



b) Current quarter vs previous year corresponding quarter

The Group posted lower revenue of RM24.1 million for the second quarter ended 30 June 2020 a decrease of 49% compared to RM47.2 million achieved in the same corresponding period of last year. The Group recorded higher loss before tax of RM6.4 million as compared to loss before tax of RM4.5 million in the previous year corresponding quarter.

Except for Property Division, all segments across the group recorded lower revenue and reduced profit / higher loss before tax in the current quarter compared to the previous year corresponding quarter. This is mainly due to the impact of Covid-19.

The Property Division posted slightly lower revenue of RM13.1 million compared to RM13.5 million in the same corresponding quarter of last year. The division recorded lower loss before tax of RM2.6 million compared to RM4.8 million in the previous year corresponding quarter mainly due to lower administrative cost.

Road Building and Quarry Division posted lower revenue of RM6.6 million in the current quarter of 2020 compared to RM21.2 million in the same corresponding quarter of last year mainly due to lesser road paving activities. Similarly, the division posted loss before tax of RM1.8 million in the current quarter under review compared to profit before tax of RM2.3 million in the same corresponding period of last year.

Engineering and Construction Division recorded lower revenue of RM3.6 million for the quarter compared to RM10.5 million in the same corresponding period of last year due to lower contribution from its external projects. The division manage to stay breakeven in the current quarter compared to profit before tax of RM1.0 million last year despite lesser construction activities during Mandatory Control Order (MCO) and Conditional Mandatory Control Order (CMCO).

Leisure and Hospitality Division recorded lower revenue of RM0.5 million for current quarter under review compared to RM1.6 million in the same corresponding quarter of last year. The division has been highly impacted by the constraints of the Control Movement Order. Accordingly, the division recorded higher loss before tax of RM1.3 million in the current quarter compared to loss before tax of RM1.2 million in the previous year.



18. Variation of Results against Preceding Quarter

	Current quarter ended 30 June 2020 RM'000	Preceding quarter ended 31 March 2020 RM'000
Revenue	24,104	46,221
Loss Before Taxation	(6,449)	550

Variation of results against preceding quarter was mainly due to the impact of Covid-19. The Group recorded lower revenue compared to the preceding quarter after the suspension of business operations during Movement Control Order. The Group also posted loss before tax in the current quarter as compared to the profit in the preceding quarter mainly due to the loss of income despite maintaining administrative cost.

19. Prospects for the current financial year

Malaysia's economic activity is expected to gradually improve in the second half of the year 2020 after Covid-19 containment measures are eased and the domestic movement control order (MCO) is lifted. According to Bank Negara, that would allow a gradual resumption of economic activities in the country and a greater demand in the services sector.

Recently, Environment and Water Ministry announce that as part of fostering Kedah state's economic growth and resolving water supply problem in Kedah, the Federal and State government will cooperate to upgrade existing water infrastructure. Along with several other infrastructure projects namely Kulim International Airport, Bukit Kayu Hitam special border economic zone and a new highway linking Sungai Petani and Bandar Baharu, the group is aiming to get the benefit from these upcoming initiatives. This will help BDB to replenish its construction order book and improve its earning visibility.

The Group's Engineering and Construction Division will continue to tap into any suitable opportunities by placing greater emphasis on infrastructure projects. The division is ready to support Federal and State government aspiration to resolve water supply problem in Kedah. The division has completed several waters related projects in the past and currently being awarded non-revenue water project in Perlis worth RM40 million. Recently, our subsidiary, BDB Synergy Sdn Bhd received Letter of Intent 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 and highway maintenance and road building and pavement works from government and private sectors.

The Property division will be focusing to reduce its property inventories. The division is expected to get benefited by the incentives announced in the short-term Economic



Recovery Plan (Penjana) through the reintroduction of Home Ownership Campaign, the uplifting of financing margin limit and real property gains tax (RPGT) exemption. The division also will be prioritizing affordable residential projects to support Kedah State Housing Policy.

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.

Moving forward, the Group is also exploring recurring income projects which may provide sustainable income to the Group in the middle to long term period.

20. Variance from Profit Forecast or Profit Guarantee

Not applicable for the financial period ended 30 June 2020.

21. Income Tax Expense

	6 months ended 30 June 2020 RM'000	6 months ended 30 June 2019 RM'000
Malaysian income tax	403	735

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 2020 were as follows:

	Short-term RM'000	Long-term RM'000
Term loans	17,716	52,964
Bankers' Acceptance	-	-
Hire Purchase	1,519	1,007
Revolving Credit	40,500	-
Bank overdraft	11,089	-
TOTAL	70,824	53,971



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 30 June 2020.

26. Earnings / (Loss) Per Share

a. Basic earnings / (loss) per share

	6 months ended 30.06.2020 RM'000	6 months ended 30.06.2019 RM'000
Loss attributable to owners of the Company	(6,302)	(10,711)
Number of ordinary shares in issue	303,855	303,855
Basic loss per share (sen)	(2.07)	(3.53)

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 August 2020.