

INTERIM FINANCIAL STATEMENTS

*- For The Quarter and Period of Six Months Ended
30th June 2021 -*

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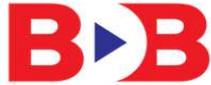
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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2021**
(The figures have not been audited)

	Note	3 months ended 30 June		6 months ended 30 June	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Continuing Operations					
Revenue	9	41,929	24,104	71,837	70,325
Cost of sales		(35,897)	(23,084)	(61,987)	(59,747)
Gross profit		<u>6,032</u>	<u>1,020</u>	<u>9,850</u>	<u>10,578</u>
Selling & Marketing expenses		(430)	(224)	(905)	(772)
Administrative expenses		(7,311)	(6,690)	(13,384)	(13,378)
Other operating income	10	589	1,112	2,276	1,661
Other operating expenses		(132)	(0)	(389)	(1)
Result from operating activities		<u>(1,252)</u>	<u>(4,782)</u>	<u>(2,552)</u>	<u>(1,912)</u>
Finance cost	10	(1,378)	(1,668)	(3,019)	(3,987)
Loss before taxation	10	<u>(2,630)</u>	<u>(6,450)</u>	<u>(5,571)</u>	<u>(5,899)</u>
Tax expense	21	(207)	(271)	(267)	(403)
Loss and total comprehensive expenses for the period		<u>(2,837)</u>	<u>(6,721)</u>	<u>(5,838)</u>	<u>(6,302)</u>
Loss and total comprehensive expenses for the period attributable to :					
Owners of the Company		(2,837)	(6,721)	(5,838)	(6,302)
Non-controlling interests		-	-	-	-
Loss and total comprehensive expenses for the period		<u>(2,837)</u>	<u>(6,721)</u>	<u>(5,838)</u>	<u>(6,302)</u>
Basic loss per ordinary share (sen)	26	(0.05)	(2.21)	(1.92)	(2.07)

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 30 JUNE 2021
(The figures have not been audited)**

	Note	30.06.2021 RM'000	31.12.2020 RM'000
Assets			
Non-current assets			
Property, plant and equipment	12	88,945	89,916
Investment properties		56,048	55,949
Other investments		135	135
Inventories		329,089	336,419
Deferred tax assets		481	584
		<u>474,698</u>	<u>483,003</u>
Current assets			
Inventories		49,568	57,625
Contract assets		17,784	42,852
Contract costs		1,433	1,558
Trade and other receivables		59,379	76,080
Current tax assets		1,185	29
Other Investments		3,288	3,315
Deposits with licensed banks		18,829	14,553
Cash and bank balances		43,420	55,293
		<u>194,886</u>	<u>251,305</u>
Total assets		<u><u>669,584</u></u>	<u><u>734,308</u></u>
Current liabilities			
Trade and other payables		102,869	137,583
Contract Liabilities		1,972	3,653
Loans and borrowings	23	76,002	89,374
Current tax liabilities		-	-
		<u>180,843</u>	<u>230,610</u>
Non-current liabilities			
Loans and borrowings	23	<u>28,209</u>	<u>35,059</u>
		<u>28,209</u>	<u>35,059</u>
Total liabilities		<u>209,052</u>	<u>265,669</u>
Share capital		331,020	331,020
Retained earnings		<u>129,534</u>	<u>137,641</u>
Non-controlling interests		(22)	(22)
Total equity		<u>460,532</u>	<u>468,639</u>
Total equity and liabilities		<u><u>669,584</u></u>	<u><u>734,308</u></u>

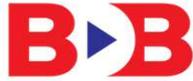
The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2021**
(The figures have not been audited)

	<-----Attributable to owners of the company----->			Non-controlling interests RM'000	Total equity RM'000
	Non-distributable	Distributable	Total		
	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 loss	-	(6,302)	(6,302)	-	(6,302)
As at 30 June 2020	331,020	126,047	457,067	-	457,067
As at 1 January 2021	331,020	137,641	468,661	(22)	468,639
Total comprehensive loss	-	(5,839)	(5,839)	-	(5,839)
Dividend paid	-	(2,268)	(2,268)	-	(2,268)
As at 30 June 2021	331,020	129,534	460,554	(22)	460,532

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 PERIOD ENDED 30 JUNE 2021
(The figures have not been audited)**

	Cumulative Quarter	
	Current Period Ended 30-Jun-21 RM'000	Preceding Period Ended 30-Jun-20 RM'000
Cash flows from operating activities		
Loss before taxation	(5,571)	(5,899)
Adjustments for:		
Non-cash items	3,951	4,025
Non operating items	2,881	1,864
Operating profit / (loss) before working capital changes	1,261	(8)
Changes in working Capital:		
Contract assets	15,309	(10,849)
Contract costs	124	102
Contract liabilities	(1,695)	(6,730)
Trade and other receivables	38,422	19,084
Inventories	15,439	4,690
Trade and other payables	(42,540)	3,718
Cash generated from operations	26,320	10,007
Interest paid	(3,144)	(2,307)
Taxes paid	(765)	(1,165)
Net cash provided by operating activities	22,411	6,535
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,915)	(1,257)
Proceeds / (Purchase) from other investment	256	(1,351)
Interest received	261	428
Net cash used in investing activities	(1,398)	(2,180)
Cash flows from financing activities		
Dividends paid to shareholders of the Company	(2,268)	-
Drawdown of term loan	9,466	34,555
Repayment of bankers' acceptance	(4,641)	-
Repayment of term loan	(15,291)	(60,480)
Repayment of revolving credit	(2,000)	(1,000)
Placement of pledged deposit	240	240
Net changes in finance lease creditors	(1,241)	(2,581)
Net cash used in financing activities	(15,735)	(29,265)
Net increase / (decrease) in cash and cash equivalents	5,278	(24,911)
Cash and cash equivalents at beginning of the period	46,041	53,504
Cash and cash equivalents at end of the period	51,319	28,593
Cash and cash equivalents comprise of the followings:		
Cash and bank balances	43,420	31,460
Fixed deposit	18,828	15,866
Overdraft	(8,640)	(11,089)
	53,608	36,237
Less: Deposits pledged	(2,289)	(7,644)
	51,319	28,593

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 30 JUNE 2021

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 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
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	<u>37,465</u>	<u>34,084</u>	<u>7,966</u>	<u>79,514</u>	<u>(7,677)</u>	<u>71,837</u>
Segment profit/(loss)	(6,195)	252	1,712	(4,231)	(1,340)	(5,571)
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
3 months ended 30 June 2021						
Revenue						
External sales	27,177	14,459	293	41,929	-	41,929
Inter-segment sales	109	-	4,520	4,629	(4,629)	-
Total revenue	<u>27,286</u>	<u>14,459</u>	<u>4,813</u>	<u>46,558</u>	<u>(4,629)</u>	<u>41,929</u>
Segment profit/(loss)	(2,036)	(444)	1,419	(1,061)	(1,569)	(2,630)



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 30 June		6 months ended 30 June	
	2021 RM	2020 RM	2021 RM	2020 RM
<i>After charging:</i>				
Depreciation and amortization:				
-property, plant and equipment	1,891	2,002	3,758	4,047
Property, plant and equipment written off	462		462	-
Interest expense	1,378	1,668	3,019	3,987
Rental expense	38	88	61	236
<i>After crediting:</i>				
Gain on disposal of:				
-property, plant and equipment		-		-
Reversal of impairment:				
-trade receivables	(87)	(21)	(268)	(21)
Interest income	(203)	(1,049)	(212)	(1,214)
Other income including rental and investment income	(386)	(63)	(2,064)	(446)

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 1,077,484 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 2021 are as follows:

	<u>RM'000</u>
Approved and contracted for	<u>1,918</u>

14. Changes in Contingent Liabilities

As at 30 June 2021, 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 30.06.2021 RM'000
Rental of quarry land to ultimate holding corporation	100
Tributes charged by the ultimate holding corporation	199
Estate agency fee charged by a related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.	38
Revenue from oil palm from related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.	491
Property management paid to a related company, Darulaman Asset Sdn. Bhd	1
Insurance paid to a related company, KSDC Insurance Brokers Sdn. Bhd.	739
	<u><u>1,568</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

The Group recorded higher revenue of RM71.8 million in the current financial year to date compared to RM70.3 million in the same corresponding period of last year. The Group also posted lower loss before tax of RM5.6 million in the current financial year to date compared to RM5.9 million in the same corresponding period of last year. Higher revenue and lower loss were mainly contributed by overall uplift in the economic activities in current year to date compared to 2020.

The Property Division posted lower revenue of RM37.2 million compared to RM43.9 million in 2020. The decrease in revenue was contributed by a lesser sales and construction activities on sites in the current quarter under review compared to previous year corresponding period. The division also recorded higher loss before tax of RM6.2 million for current financial year to date compared to the loss before tax of RM5.3 million in the same corresponding period of last year. Higher losses for the current financial year to date was mainly contributed by lesser profit contribution from completed projects.

The Engineering, Construction and Quarry Division posted higher revenue of RM34.1 million compared to RM25.9 million in 2020 due to higher progress billings from the State Road Maintenance Project and the Non-Revenue Water Project in Perlis. However, the division recorded lower profit before tax of RM0.3 million compared to RM1.5 million in 2020, representing a decrease of 18% due to higher operating and administrative costs.

b) Current quarter vs previous year corresponding quarter

Restrictions on movement, due to the Covid-19 situation for five districts in Kedah, started on 1st May 2021 and ended on 14 May 2021. This was followed by the Enhanced Movement Control Order (EMCO) imposed in Alor Setar on 19 May 2021 and the Movement Control Order (MCO 3.0) from 25 May 2021 through to the end of current quarter under review.

Despite these restrictions, the Group managed to post higher revenue of RM41.9 million for the second quarter ended 30 June 2021 compared to RM24.1 million achieved in the same corresponding period of last year. Higher revenue in the current quarter was generated mainly from a joint development project in Bandar Sejahtera. The Group also recorded lower loss before tax of RM2.6 million for the current quarter as compared to loss before tax of RM6.4 million in the previous year corresponding quarter.



The Property Division posted higher revenue of RM27.2 million compared to RM13.7 million in the same corresponding quarter of last year. The division also recorded lower loss before tax of RM2.0 million for the current quarter compared to loss before tax of RM3.9 million in the previous year corresponding period.

The Engineering, Construction and Quarry Division posted higher revenue of RM14.5 million in the current quarter of 2021 compared to RM10.2 million in the same corresponding quarter of last year. Higher revenue was generated by construction activities for the Non-Revenue Water Project in Perlis which commenced in February 2020. The division posted lower loss before tax of RM0.4 million in the current quarter under review compared to a loss before tax of RM1.7 million in the corresponding period of last year.

18. Variation of Results against Preceding Quarter

	Current quarter ended 30 June 2021 RM'000	Preceding quarter ended 31 March 2021 RM'000
Revenue	41,929	29,908
Profit / (Loss) Before Taxation	(2,630)	(2,941)

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

19. Prospects for the current financial year

The Malaysian economic expanded by 16.1% in the second quarter of 2021 (1Q 2021: -0.5%). All economic sectors and activities picked up at the start of the second quarter but slowed following the re-imposition of stricter nationwide containment measures, particularly under Phase 1 of the Full Movement Control Order (FMCO).

In response to the Covid-19 pandemic, the Group has leveraged on technology and digitalisation to connect and to improve processes and operations. Other than managing the business performance, the Group also continues to focus on staff welfare and corporate social activities in an effort to improve wellbeing and contributing back to local Kedah communities.

The Group's Engineering, Construction and Quarry Division remains focused on the progress of the on-going road pavement projects. The Group also will ensure the recently awarded project of the Pelubang Water Treatment Plant and the Non-Revenue Water Project will be completed and delivered within the scheduled time, budget and quality.



The Property Division expects soft property market sentiment on the back of Covid-19's impact to continue. At the same time, the division will continue to focus on developing its existing townships and unlock the potential value of the remaining landbank. In April, a joint venture initiative was undertaken through its subsidiary, BDB Land Sdn Bhd and LPB Development Sdn Bhd to develop an affordable housing project located at Bandar Amanjaya, Sungai Petani with a Gross Development Value of RM550 million. Recently, Langkawi Development Authorities (LADA), BDBMBI and BDB had signed a 30-years concession agreement to develop and manage premium branded outlets in Langkawi with a Gross Rental Value of RM817 million. Both projects are expected to contribute positively to the Group.

20. Variance from Profit Forecast or Profit Guarantee

Not applicable for the financial period ended 30 June 2021.

21. Income Tax Expense

	6 months ended 30 June 2021 RM'000	6 months ended 30 June 2020 RM'000
Malaysian income tax	267	403

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 2021 were as follows:

	Short-term RM'000	Long-term RM'000
Term loans	27,777	25,450
Bankers' Acceptance	-	
Hire Purchase	1,685	2,759
Revolving Credit	37,900	
Bank overdraft	8,640	
TOTAL	76,002	28,209



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 30 June 2021.

26. Earnings / (Loss) Per Share

a. Basic earnings / (loss) per share

	6 months ended 30.06.2021 RM'000	6 months ended 30.06.2020 RM'000
Profit / (Loss) attributable to owners of the Company	(5,839)	(6,302)
Number of ordinary shares in issue	303,855	303,855
Basic earnings / (loss) per share (sen)	(1.92)	(2.07)

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 29th Sept 2021.