

INTERIM FINANCIAL STATEMENTS

*- For The Quarter Ended
31st March 2022 -*

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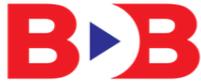
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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2022**

	Note	3 months ended 31 March	
		2022 RM'000	2021 RM'000
Continuing Operations			
Revenue		31,456	29,908
Cost of sales		(29,813)	(26,090)
Gross profit		<u>1,643</u>	<u>3,818</u>
Selling & Marketing expenses		(324)	(474)
Administrative expenses		(6,552)	(6,073)
Other operating income		556	1,686
Other operating expenses		(66)	(258)
Result from operating activities		<u>(4,741)</u>	<u>(1,300)</u>
Finance cost		(1,256)	(1,641)
Loss before taxation	10	<u>(5,997)</u>	<u>(2,941)</u>
Tax expense	21	-	(60)
Loss and total comprehensive expenses for the period		<u><u>(5,997)</u></u>	<u><u>(3,001)</u></u>
Loss and total comprehensive expenses for the period attributable to :			
Owners of the Company		(5,997)	(3,001)
Non-controlling interests		-	-
Loss and total comprehensive expenses for the period		<u><u>(5,997)</u></u>	<u><u>(3,001)</u></u>
Basic loss per ordinary share (sen)	26	(1.97)	(0.99)

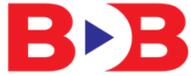
The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022**

	Note	31.03.2022 RM'000	31.12.2021 RM'000
Assets			
Non-current assets			
Property, plant and equipment	12	88,454	72,278
Investment properties		56,500	97,007
Investment in associate		-	3,932
Inventories		321,077	319,237
Other investments		5,949	135
Deferred tax assets		697	718
Trade and other receivables		15,923	19,773
		<u>488,600</u>	<u>513,080</u>
Current assets			
Inventories		27,803	23,343
Contract assets		30,229	30,994
Contract costs		989	1,868
Trade and other receivables		41,807	68,355
Current tax assets		167	179
Other Investments		2,310	2,305
Deposits with licensed banks		11,291	16,199
Cash and bank balances		62,731	59,998
		<u>177,327</u>	<u>203,241</u>
Total assets		<u>665,927</u>	<u>716,321</u>
Current liabilities			
Trade and other payables		100,236	117,689
Contract Liabilities		1,447	678
Loans and borrowings	23	71,399	80,158
		<u>173,082</u>	<u>198,525</u>
Non-current liabilities			
Loans and borrowings	23	27,090	24,817
Lease liabilities		-	21,227
		<u>27,090</u>	<u>46,044</u>
Total liabilities		<u>200,172</u>	<u>244,569</u>
Share capital		331,020	331,020
Retained earnings		134,758	140,755
Non-controlling interests		(23)	(23)
Total equity		<u>465,755</u>	<u>471,752</u>
Total equity and liabilities		<u>665,927</u>	<u>716,321</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 31 MARCH 2022**

	<-----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 2021	331,020	137,641	468,661	(22)	468,639
Total comprehensive loss		(3,001)	(3,001)	-	(3,001)
As at 31 March 2021	<u>331,020</u>	<u>134,640</u>	<u>465,660</u>	<u>(22)</u>	<u>465,638</u>
As at 1 January 2022	331,020	140,755	471,775	(23)	471,752
Total comprehensive loss	-	(5,997)	(5,997)	-	(5,997)
As at 31 March 2022	<u>331,020</u>	<u>134,758</u>	<u>465,778</u>	<u>(23)</u>	<u>465,755</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 CASH FLOW
FOR THE PERIOD ENDED 31 MARCH 2021**

	Cumulative Quarter	
	Current Year Ended 31-Mar-22 RM'000	Preceding Year Ended 31-Mar-21 RM'000
Cash flows from operating activities		
Loss before taxation	(5,997)	(2,941)
Adjustments for:		
Non-cash items	1,555	1,412
Non operating items	1,109	1,372
Operating loss before working capital changes	(3,334)	(157)
Changes in working Capital:		
Contract assets	2,684	1,219
Contract costs	1	541
Contract liabilities	979	742
Trade and other receivables	39,967	38,602
Inventories	(1,308)	(2,317)
Trade and other payables	(26,767)	(16,225)
Cash generated from operations	12,221	22,405
Interest paid	(1,009)	(1,601)
Taxes paid	(471)	(381)
Net cash from operating activities	10,742	20,423
Cash flows from investing activities		
Purchase of property, plant and equipment	(505)	(840)
Proceeds from disposal of property, plant and equipment	276	-
Proceeds from other investment	297	388
Interest received	99	229
Net cash from / (used in) investing activities	167	(223)
Cash flows from financing activities		
Drawdown of term loan	1,133	8,062
Repayment of bankers' acceptance	(5,838)	(4,641)
Repayment of term loan	(3,110)	(11,005)
Repayment of revolving credit	(1,800)	(2,000)
Placement of pledged deposit	-	240
Net changes in finance lease creditors	1,126	(1,030)
Net cash used in financing activities	(8,488)	(10,374)
Net increase in cash and cash equivalents	2,420	9,826
Cash and cash equivalents at beginning of the period	58,316	53,764
Cash and cash equivalents at end of the period	60,736	63,590
Cash and cash equivalents comprise of the followings:		
Cash and bank balances	62,731	60,741
Fixed deposit	11,291	20,736
Overdraft	(10,927)	(15,598)
	63,094	65,879
Less: Deposits pledged	(2,358)	(2,289)
	60,736	63,590

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 31 MARCH 2022

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 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 financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards (“IFRSs”) and the requirements of 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 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

No dividend was paid during the current 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

RM'000	Property Development	Engineering, Construction and Quarry	Other reportable segments	Total reportable segments	Elimination	Consolidated
3 months ended 31 March 2022						
Revenue						
External sales	11,865	19,299	292	31,456	-	31,456
Inter-segment sales	155	-	2,914	3,069	(3,069)	-
Total revenue	10,178	19,625	3,153	32,955	(3,069)	31,456
Segment profit	(2,189)	(3,879)	(162)	(6,230)	232	(5,997)
3 months ended 31 March 2021						
Revenue						
External sales	10,066	19,664	178	29,908	-	29,908
Inter-segment sales	112	(39)	2,975	3,047	(3,047)	-
Total revenue	10,178	19,625	3,153	32,955	(981)	29,908
Segment profit	(4,158)	696	293	(3,169)	228	(2,941)



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 March	
	2022	2021
	RM'000	RM'000
<i>After charging:</i>		
Depreciation and amortization: -property, plant and equipment	1,592	1,867
Property, plant and equipment written off	1	-
Interest expense	1,256	1,641
Rental expense	81	73
<i>After crediting:</i>		
Gain on disposal of: -property, plant and equipment	-	(186)
Reversal of impairment: -trade receivables	(63)	(268)
Interest income	(101)	(9)
Other income including rental and investment income	(455)	(1,677)

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 504,999 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 March 2022 are as follows:

	<u>RM'000</u>
Approved and contracted for	<u>350</u>

14. Changes in Contingent Liabilities

As at 31 March 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

	3 months ended 31.03.2022 RM'000
Rental of quarry land to ultimate holding corporation	-
Tributes charged by the ultimate holding corporation	53
Estate agency fee charged by a related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.	13
Revenue from oil palm from related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.	234
Property management paid to a related company, Darulaman Asset Sdn. Bhd	5
Insurance paid to a related company, KSDC Insurance Brokers Sdn. Bhd.	324
	<u>629</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

Current quarter vs previous year corresponding quarter

The Group posted higher revenue of RM31.5 million for the first quarter ended 31 March 2022 compared to RM29.9 million achieved in the same corresponding period of last year. However, the Group recorded higher loss before tax of RM6.0 million for the current quarter as compared to the loss before tax of RM2.9 million in the previous year corresponding quarter. Higher loss before tax for the current quarter mainly contributed by lower margins from Engineering, Constructions and Quarry Division.

The Property Division posted higher revenue of RM11.9 million compared to RM10.1 million in the same corresponding quarter of last year. The division recorded lower loss before tax of RM2.2 million for the current quarter compared to the loss before tax of RM4.2 million in the previous year corresponding period due to impact of cost saving initiatives carries by the division.

The Engineering, Construction and Quarry Division posted slightly lower revenue of RM19.3 million in the current quarter of 2022 compared to RM19.7 million in the same corresponding quarter of last year. However, the division posted loss before tax of RM3.9 million in the current quarter under review compared to profit before tax of RM0.7 million in the same corresponding period of last year due lower margin from constructions activities and road paving works.

18. Variation of Results against Preceding Quarter

	Current quarter ended 31 March 2022 RM'000	Preceding quarter ended 31 December 2021 RM'000
Revenue	31,456	96,718
Profit / (Loss) Before Taxation	(5,997)	13,457

The Group recorded lower revenue and profit before tax compared to the preceding quarter mainly contributed by lower margin from constructions and road paving activities. Included in the preceding quarter revenue and profit was dilution of shares from properties division.



19. Prospects for the current financial year

Malaysian economic projected to grow by 1.1 per cent quarter on quarter in the first quarter of 2022, following the 6.6 percent expansion in Q4, 2021. The income was contributed by a rise in private consumption after easing of Covid-19 restrictions and policy shift towards endemic phased.

In line with the National recoveries in the fourth quarter of 2021, Kedah state's economic activities are expected to enjoy business recoveries in 2022.

The Group committed to complete the existing order book as scheduled. Pelubang Water Treatment Plant project is on track to be completed in 2024. The Engineering, Constructions and Quarry division also confidence that the remaining State Road Maintenance project will contribute positively to the Group.

The Property Division remained focus to develop its existing townships/landbank and unlock the potential value of the remaining landbank. The joint venture development of the affordable housing project located at Bandar Amanjaya, Sungai Petani is currently underway.

The Group remain confident that the existing order book and township development/landbank is sufficient to 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 March 2022.



21. Income Tax Expense

	3 Months Ended 31 March	
	2022	2021
	RM'000	RM'000
Continuing Operations		
In respect of current financial year:		
- Current tax	-	60
- Deferred tax	-	-
In respect of prior financial years:		
- Current tax	-	-
- Deferred tax	-	-
Tax expenses	-	60

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 March 2022 were as follows:

	Short-term RM'000	Long-term RM'000
Term loans	22,000	23,857
Bankers' Acceptance	-	-
Hire Purchase	1,672	3,233
Revolving Credit	36,800	-
Bank overdraft	10,927	-
TOTAL	71,299	27,090



24. Material Litigation

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

25. Dividends Payable

No dividend in respect of the current financial year under review has been declared during quarter ended 31 March 2022.

26. Earnings / (Loss) Per Share

a. Basic earnings / (loss) per share

	3 months ended 31.03.2022 RM'000	3 months ended 31.03.2021 RM'000
Loss attributable to owners of the Company	(5,997)	(3,001)
Number of ordinary shares in issue	303,855	303,855
Basic loss per share (sen)	(1.97)	(0.99)

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 22 May 2022.