



INTERIM FINANCIAL STATEMENTS

*- For The Quarter and Year To Date Ended
30th September 2023 -*

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023
RM'000

	Note	30.09.2023	31.12.2022
Assets			
Property, plant and equipment	12	70,774	70,990
Investment properties		100,507	98,507
Quarry development expenditure		1,882	905
Investment in joint venture		125	125
Inventories		250,165	289,265
Deferred tax assets		4,920	4,920
Trade and other receivables		74,869	54,915
Total non-current assets		<u>503,242</u>	<u>519,627</u>
Inventories		34,434	27,839
Contract assets		33,507	32,737
Contract costs		1,489	1,673
Trade and other receivables		100,134	50,083
Current tax assets		1,597	-
Other investments		975	1,322
Short term investments		16,974	3,868
Cash and cash equivalents		41,008	79,980
Assets classified as held for sale		15,672	-
Total current assets		<u>245,790</u>	<u>197,502</u>
Total assets		<u><u>749,032</u></u>	<u><u>717,129</u></u>
Equity			
Share capital		331,020	331,020
Retained earnings		136,732	144,073
Equity attributable to owners of the Company		<u>467,752</u>	<u>475,093</u>
Non-controlling interests		(61)	(61)
Total equity		<u>467,691</u>	<u>475,032</u>
Liabilities			
Trade and other payables		192	192
Deferred tax liabilities		70	214
Loans and borrowings	23	36,081	36,490
Lease liabilities		22,247	21,227
Total non-current liabilities		<u>58,590</u>	<u>58,123</u>
Trade and other payables		137,514	113,244
Contract Liabilities		10,487	11,756
Loans and borrowings	23	74,750	55,027
Current tax liabilities		-	3,947
Total current liabilities		<u>222,751</u>	<u>183,974</u>
Total liabilities		<u>281,341</u>	<u>242,097</u>
Total equity and liabilities		<u><u>749,032</u></u>	<u><u>717,129</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 2022 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2023
RM'000**

	Note	3 months ended		9 months ended	
		2023	30-Sep 2022	2023	30-Sep 2022
Continuing Operations					
Revenue		100,465	55,855	181,995	138,926
Cost of sales		(84,538)	(45,330)	(158,694)	(115,668)
Gross profit		<u>15,927</u>	<u>10,525</u>	<u>23,301</u>	<u>23,258</u>
Selling & Marketing expenses		(792)	(746)	(2,796)	(2,756)
Administrative expenses		(8,846)	(7,494)	(24,544)	(21,769)
Other operating income		805	960	2,648	2,023
Other operating expenses		(50)	(112)	(50)	(247)
Profit/(Loss) from operating activities		<u>7,044</u>	<u>3,133</u>	<u>(1,441)</u>	<u>509</u>
Finance cost		<u>(1,602)</u>	<u>(1,659)</u>	<u>(4,044)</u>	<u>(3,900)</u>
Profit/(Loss) before taxation	10	<u>5,442</u>	<u>1,474</u>	<u>(5,485)</u>	<u>(3,391)</u>
Tax expense	21	(458)	(356)	(458)	(358)
Profit/(Loss) and total comprehensive expenses for the period		<u>4,984</u>	<u>1,118</u>	<u>(5,943)</u>	<u>(3,749)</u>
Profit/(Loss) and total comprehensive expenses for the period attributable to :					
Owners of the Company		4,984	1,118	(5,943)	(3,749)
Non-controlling interests		-	-	-	-
Profit/(Loss) and total comprehensive expenses for the period		<u>4,984</u>	<u>1,118</u>	<u>(5,943)</u>	<u>(3,749)</u>
Basic earning/(loss) per ordinary share (sen)	26	1.64	0.37	(1.96)	(1.23)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2023**
RM'000

	<i>Non-distributable</i>	<i>Distributable</i>	Total	Non-controlling interests	Total equity
	Share capital	Retained earnings			
As at 1 January 2022	331,020	140,755	471,775	(23)	471,752
Total comprehensive income	-	5,597	5,597	(38)	5,559
Dividend paid	-	(2,279)	(2,279)	-	(2,279)
As at 31 December 2022	331,020	144,073	475,093	(61)	475,032
As at 1 January 2023	331,020	144,073	475,093	(61)	475,032
Total comprehensive loss	-	(5,943)	(5,943)	-	(5,943)
Dividend paid	-	(1,398)	(1,398)	-	(1,398)
As at 30 September 2023	331,020	136,732	467,752	(61)	467,691

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2023
RM'000**

	Cumulative Quarter	
	Current Year-to-date ended 30-Sep-23	Preceding Year-to-date ended 30-Sep-22
Cash flows from operating activities		
Loss before taxation	(5,485)	(3,391)
Adjustments for:		
Non-cash items	5,092	4,680
Non-operating items	2,407	3,695
Operating profit before working capital changes	2,014	4,984
Changes in working capital:		
Contract assets	(770)	1,971
Contract costs	184	148
Contract liabilities	(1,269)	226
Trade and other receivables	(70,005)	6,977
Inventories	16,833	2,304
Trade and other payables	24,270	(22,366)
Cash used in operations	(28,743)	(5,756)
Interest paid	(4,044)	(4,071)
Tax paid	(6,146)	(2,723)
Net cash used in operating activities	(38,933)	(12,550)
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,873)	(1,222)
Proceeds from disposal of :		
- Plant and equipment	6	285
- Other investments	347	6,738
Additions of quarry development expenditure	(977)	-
Additions of investment properties	(2,000)	
Interest received	2,648	377
Net cash (used in)/from investing activities	(4,849)	6,178
Cash flows from financing activities		
Dividends paid to shareholders of the Company	(1,398)	(2,278)
(Repayment)/Drawdown of term loan	5,515	1,589
Movements of other borrowings, net	12,643	4,430
Placement of short term investments	(13,106)	332
Net cash from financing activities	3,654	4,073
Net decrease in cash and cash equivalents	(40,128)	(2,299)
Cash and cash equivalents at beginning of the period	69,067	58,316
Cash and cash equivalents at end of the period	28,939	56,017
Cash and cash equivalents comprise of the followings:		
Cash and cash equivalents	41,008	66,796
Less: Bank overdrafts	(12,069)	(10,779)
	28,939	56,017

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.



EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2023

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 2022. 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 2022.

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 2022 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 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*



MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendment to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendment to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The adoption of the above MFRSs does not have significant financial impact on the Group.

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2022 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 recognized 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 recognized 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

A first and final dividend of 0.46 sen per share on 303,855,000 ordinary shares in respect of the financial year ended 31 December 2022 has been declared on 12 April 2023 and paid on 18 July 2023.

8. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resales and repayments of equity securities except for repayment of debt in the current quarter.



9. Segmental Information

RM'000	Property Development	Engineering, Construction and Quarry	Leisure	Other reportable segments	Total reportable segments	Elimination	Combined
9 months ended 30 September 2023							
Revenue							
External sales	63,500	114,737	3,300	458	181,995	-	181,995
Inter-segment sales	220	-	-	8,743	8,970	(8,970)	-
Total revenue	63,720	114,737	3,300	9,201	190,965	(8,970)	181,995
Segment profit/(loss)	5,156	(7,026)	(1,053)	(2,614)	(5,537)	52	(5,485)
9 months ended 30 September 2022							
Revenue							
External sales	47,375	88,697	1,697	1,157	138,926	-	138,926
Inter-segment sales	202	434	490	12,743	13,869	(13,869)	-
Total revenue	47,577	89,131	2,187	13,900	152,795	(13,869)	138,926
Segment profit/(loss)	(1,567)	(2,432)	(703)	2,957	(1,745)	(1,646)	(3,391)



10. Loss before tax

Loss before tax is arrived at :

RM'000	3 months ended 30 September		9 months ended 30 September	
	2023	2022	2023	2022
<i>After charging :</i>				
Depreciation of property, plant and equipment	2,702	1,664	5,092	4,838
Expenses relating to short-term leases	102	123	296	281
Expenses relating to leases of low-value assets	-	-	-	-
Royalties and tributes	491	470	885	1,020
<i>and after crediting :</i>				
Rental income	282	759	811	1,646
(Loss)/Gain on disposal of plant and equipment	(1)	2	9	50
Interest income	251	202	764	378
Government grants (wages subsidies)	-	-	-	-
Net loss on impairment of financial instruments of financial instruments and contract assets Financial assets at amortised cost - Trade receivables	38	60	98	186

11. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter ended 30 September 2023.

12. Property, Plant and Equipment

The Group acquired property, plant and equipment worth RM1,395,000 during the quarter under review.

There was 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 September 2023 are as follows:

	RM'000
Approved and contracted for	1,625

14. Changes in Contingent Liabilities

As of 30 September 2023, 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

	9 months ended 30.09.2023 RM'000
Rental of quarry land to ultimate holding corporation	108
Tributes charged by the ultimate holding corporation	376
Estate agency fee charged by a related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.	-
Revenue from oil palm from related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.	458
Property management paid to a related company, Darulaman Asset Sdn. Bhd	2
Insurance paid to a related company, KSDC Insurance Brokers Sdn. Bhd.	581
	1,525

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 financial year to date against previous year corresponding period

The Group posted higher revenue of RM182.0 million in the current financial year to date compared to the RM138.9 million recorded in the same corresponding period of last year. The Group's registered loss before tax of RM5.5 million in the current financial year to date compared to the RM3.4 million loss before tax reported in the corresponding period of the previous year. The increase in revenue and higher loss before tax are attributed to lower net contribution from Property and Engineering, Construction and Quarry Division.

The Engineering, Construction, and Quarry Division has reported a notable increase in revenue, with RM114.7 million compared to RM88.7 million in the previous year's corresponding period. The progress of the Water Treatment Pelubang Project mainly contributes to this growth. However, the division also experienced a higher loss before tax of RM7.0 million during the current year to date, compared to RM2.4 million in the previous year's corresponding period. This increase in loss before tax are due to the delay in resumption of the road works activities and the lower net margin of other Engineering and Construction projects.

The Property Division has recorded a significant increase in revenue for the current year to date, with RM63.5 million compared to the RM45.6 million achieved in the previous year's corresponding period. The division recorded a profit before tax of RM5.2 million for the current financial year to date compared to the RM1.6 million loss before tax recorded during the equivalent period of the preceding financial year. Higher revenue and profit before tax are due from the execution of joint venture agreements in Napoh and Sungai Petani, Kedah.

Current quarter vs previous year corresponding quarter

The Group posted higher revenue of RM100.5 million for the third quarter ended 30 September 2023, compared to RM55.9 million achieved in the same corresponding period of last year. The Group recorded a higher profit before tax of RM5.4 million for the current quarter compared to RM1.5 million in the previous year's corresponding quarter.

The Property Division posted higher revenue of RM49.7 million compared to RM17.9 million in the same quarter last year. The Division also posted a profit before tax of RM8.4 million for the current quarter compared to the loss before tax of RM1.1 million in the previous year's corresponding period.



The Engineering, Construction and Quarry Division posted slightly higher revenue of RM49.6 million in the current quarter of 2023 compared to RM37.5 million in the same corresponding quarter of last year due to the contribution from the existing construction projects. However, the Division posted a loss before tax of RM3.0 million in the current quarter compared to a profit before tax of RM1.0 million in the same period last year.

18. Variation of Results against Preceding Quarter

RM'000	Current quarter ended 30 September 2023	Preceding quarter ended 30 June 2023
Revenue	100,465	43,215
Profit/(Loss) Before Taxation	5,442	(3,405)

The Group registered higher revenue and profit before tax due to the improvements made by the construction activities and the completion of initiatives from the Property Division.

19. Prospects for the current financial year

Malaysia's economy is expected to grow at 4% in 2023, supported by a recovery in the external environment and better domestic demand expectations. Kedah state's economic activities are expected to accelerate further in the second half of 2023.

The Group's current construction projects which include the Pelubang Water Treatment Plant, Irrigation System Development Project and State Road Maintenance Project, are progressing as planned. The new quarry in Langkawi is currently in operation and contributing positively to the Group.

The Property division remained focused on developing existing townships in Bandar Darulaman, Darulaman Saujana in Hosba and Aman Nusa in Langkawi. The ongoing joint venture development of the affordable housing project, Darulaman Lagenda in Bandar Amanjaya, Sungai Petani, delivers actual results and provides affordable housing solutions for those in need.

The Group is also exploring opportunities in various projects related to Renewable Energy-solar through its newly established entity, BDB Energy Sdn Bhd, with Pumar Solar Sdn Bhd.

Based on the current order book of approximately RM1.1 billion, market outlook and expansion initiatives, the Group is expected to record a commendable performance for the current financial year and beyond.



20. Variance from Profit Forecast or Profit Guarantee

Not applicable for the financial period ended 30 September 2023.

21. Income Tax Expense

RM'000	9 Months Ended 30 September	
	2023	2022
Continuing Operations		
In respect of current financial year:		
- Current tax	-	-
- Deferred tax	-	-
In respect of prior financial years:		
- Current tax	458	358
- Deferred tax	-	-
Tax expenses	458	358

Income tax expenses for the quarter and year ended under review were 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 September 2023 were as follows:

RM'000	Short Term	Long Term	Total
Term loans	22,185	32,358	54,543
Bankers' Acceptance	3,461	-	3,461
Hire Purchase	2,035	3,723	5,758
Revolving Credit	35,000	-	35,000
Bank overdraft	12,069	-	12,069
TOTAL	74,750	36,081	110,381



24. Material Litigation

There has been no pending material litigation since the last annual balance sheet date of 31 December 2022.

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 loss per share

The basic loss per share were calculated by dividing the Group's net loss attributable to ordinary shareholders by the number of ordinary shares in issue as follows:

RM'000	9 months ended 30.09.2023	9 months ended 30.09.2022
Loss attributable to owners of the Company	(5,943)	(3,749)
Number of ordinary shares in issue	303,855	303,855
Basic loss per share (sen)	(1.96)	(1.23)

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 November 2023.