Unless otherwise stated, all abbreviations contained in this abridged prospectus are defined in the 'Definitions' section of this abridged prospectus.

THIS AP IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKERS, BANK MANAGERS, SOLICITORS, ACCOUNTANTS OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY. All enquiries concerning the Rights Issue should be addressed to our share registrar, Bina Management (M) Sdn Bhd, at Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan.

This AP is issued in compliance with the laws of Malaysia only. The Documents are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia. No action has been or will be taken to ensure that the Rights Issue and the Documents comply with the laws of any countries or jurisdictions other than the laws of Malaysia. It shall be the sole responsibility of Entitled Shareholders and/or their renouncee(s) (if applicable) who are or may be subject to the laws of countries or jurisdictions other than Malaysia to immediately consult their legal advisers and/or other professional advisers as to whether the acceptance, renunciation, sale or transfer of the Provisional Rights Shares (as the case may be), would result in the contravention of any laws of such countries or jurisdictions. Such Entitled Shareholders and/or their renouncee(s) (if applicable) should note the additional terms and restrictions as set out in Section 12.6 of this AP. Neither we nor RHB Investment Bank shall accept any responsibility or liability whatsoever to any party in the event that any acceptance, renunciation, sale or transfer of the Provisional Rights Shares (as the case may be) made by Entitled Shareholders and/or their renouncee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions.

A copy of this AP has been registered with the SC. The registration of this AP should not be taken to indicate that the SC recommends the Rights Issue or assumes responsibility for the correctness of any statement made or opinion or report expressed in this AP. The SC has not, in any way, considered the merits of the Rights Shares with attached Bonus Shares. A copy of the Documents has also been lodged with the Registrar of Companies who takes no responsibility for their contents.

Approval for the Rights Issue has been obtained from our shareholders at our EGM held on 23 November 2014. Approval has been obtained from Bursa Securities vide its letter dated 27 October 2014 for the listing of and quotation for, amongst others, the Rights Shares and the Bonus Shares on the Main Market of Bursa Securities. The listing of and quotation for the Rights Shares and Bonus Shares will commence after, amongst others, receipt of confirmation from Bursa Depository that the Rights Shares and Bonus Shares are ready to be credited into the CDS Accounts of the Entitled Shareholders and/or their renouncee(s) (if applicable) and notices of allotment have been despatched to them. Admission to the Official List of Bursa Securities and quotation for the Rights Shares and Bonus Shares are in no way reflective of the merits of the Rights Issue.

Our Board has seen and approved the Documents. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make the statements in the Documents false or misleading.

RHB Investment Bank, being our Principal Adviser and Sole Underwriter for the Rights Issue, acknowledges that, based on all available information, and to the best of its knowledge and belief, this AP constitutes a full and true disclosure of all material facts concerning the Rights Issue.

BINA DARULAMAN BERHAD

BINA DARULAMAN BERHAD

(Company No.: 332945-X)
(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF 72,815,856 NEW ORDINARY SHARES OF RM1.00 EACH IN OUR COMPANY ("BDB SHARES") ("RIGHTS SHARES") AT AN ISSUE PRICE OF RM1.30 PER RIGHTS SHARE, TOGETHER WITH A BONUS ISSUE OF 72,815,856 NEW BDB SHARES ("BONUS SHARES") ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY ONE EXISTING BDB SHARE HELD BY OUR SHAREHOLDERS AS AT 5.00 P.M. ON 18 DECEMBER 2014 AND ONE BONUS SHARE FOR EVERY ONE RIGHTS SHARE SUBSCRIBED ("RIGHTS ISSUE")

Principal Adviser and Sole Underwriter

RHB

RHB Investment Bank Berhad

(Company No.: 19663-P)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIMES

Entitlement Date……:	Thursday, 18 December 2014 at 5.00 p.m.
LAST DATES AND TIMES FOR:	
Sale of Provisional Rights Shares……:	Tuesday, 30 December 2014 at 5.00 p.m.
Transfer of Provisional Rights Shares……:	Monday, 5 January 2015 at 4.00 p.m.
Acceptance of and payment for Provisional Rights Shares……:	Thursday, 8 January 2015 at 5.00 p.m.*
Excess Application and payment for Excess Rights Shares……:	Thursday, 8 January 2015 at 5.00 p.m.*

** or such later time and date as our Board may decide and announce not less than two Market Days before the stipulated time and date.*

This AP is dated 18 December 2014

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON OUR PART AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS AP, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS AP.

THE INCLUSION OF THE VALUATION CERTIFICATE IN RELATION TO THE LANDBANK IN THIS AP SHOULD NOT BE CONSTRUED AS AN ENDORSEMENT BY THE SC ON THE VALUE OF THE LANDBANK.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKERS, BANK MANAGERS, SOLICITORS, ACCOUNTANTS OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE AND MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS AP ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CAPITAL MARKETS AND SERVICES ACT, 2007 ("CMSA").

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

WE AND OUR ADVISERS FOR THE RIGHTS ISSUE HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THIS AP.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this AP:

Abridged Prospectus or AP	:	This Abridged Prospectus dated 18 December 2014 in relation to the Rights Issue
Acquisition	:	Collectively, the Acquisition of Non-Malay Reserved Land and Acquisition of Malay Reserved Land
Acquisition of Malay Reserved Land	:	Acquisition of Malay Reserved Land for a total consideration of approximately RM101.4 million, subject to terms and conditions of the SPA
Acquisition of Non-Malay Reserved Land	:	Acquisition of Non-Malay Reserved Land for a total consideration of approximately RM100.5 million, subject to terms and conditions of the SPA
Act	:	Companies Act, 1965 as amended from time to time and includes any re-enactment thereof
BDB or Company	:	Bina Darulaman Berhad
BDB Share(s) or Share(s)	:	Ordinary shares of RM1.00 each in our Company
Board	:	Board of Directors of our Company
Bonus Share(s)	:	New BDB Share(s) to be issued pursuant to the bonus issue under the Rights Issue
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd
Bursa Securities	:	Bursa Malaysia Securities Berhad
CDS Account(s)	:	Account established by Bursa Depository for a depositor for the recording of deposit of securities and dealings in such securities by that depositor
Closing Date	:	5.00 p.m. on 8 January 2015, being the last time and date for acceptance of and payment for the Provisional Rights Shares, or such later time and date as our Board may decide and announce not less than two Market Days before the stipulated time and date
Code	:	Malaysian Code on Take-Overs and Merger 2010, including any amendments and modifications that may be made from time to time
Completion Date	:	(i) in respect of the Non-Malay Reserved Land, a date falling within six months after the Non-Malay Reserved Land's unconditional date; (ii) in respect of the Malay Reserved Land, a date falling within six months after the Malay Reserved Land's unconditional date; or any other date as may be mutually agreed in writing between the Parties

Consideration Cash	:	The collective amount of RM76,600,000 payable in cash, forming part of the Purchase Consideration, for the following: (i) in respect of the Non-Malay Reserved Land, the sum of RM58,976,900; and (ii) in respect of the Malay Reserved Land, the sum of RM17,623,100. The Consideration Cash of RM76,600,000 shall be raised via the proceeds of the Rights Issue.
Consideration Shares	:	The collective issuance of 85,407,409 new BDB Shares to be issued at RM1.35 each to the Vendor (or its nominees) constituting a total value of approximately RM115.3 million, forming part of the Purchase Consideration, for the following: (i) in respect of the Non-Malay Reserved Land, 27,037,038 new BDB Shares to be issued at RM1.35 each to the Vendor (or its nominees) constituting a total value of approximately RM36.5 million; and (ii) in respect of the Malay Reserved Land, 58,370,371 new BDB Shares to be issued at RM1.35 each to the Vendor (or its nominees) constituting a total value of approximately RM78.8 million.
Corporate Exercises	:	Collectively, the Acquisition, the Rights Issue, the IASC and the M&A Amendment
Deposit	:	A deposit of RM10,100,000 payable in cash within five business days upon execution of the SPA, equivalent to 5% of the Purchase Consideration
Documents	:	The AP, NPA and RSF, collectively
EGM	:	Extraordinary General Meeting
Entitled Shareholder(s)	:	Our shareholder(s) whose name(s) appear in our Record of Depositors on the Entitlement Date
Entitlement Basis	:	One Rights Share for every one existing BDB share held as at the Entitlement Date and one Bonus Share for every one Rights Share subscribed
Entitlement Date	:	5.00 p.m. on 18 December 2014, being the time and date on which our shareholders must be registered in our Record of Depositors in order to be entitled to participate in the Rights Issue
EPS	:	Earnings per BDB Share
Excess Application	:	Application(s) for additional Rights Shares with attached Bonus Shares in excess of Entitled Shareholder's entitlement under the Rights Issue as set out in Section 12.3 of this AP
Excess Rights Shares	:	Rights Shares with attached Bonus Shares which are not taken up or not validly taken up by the Entitled Shareholders and/or their renouncee(s) (if applicable)

FPE	:	Financial period ended
FYE	:	Financial year ended/ ending (whichever is applicable)
GDV	:	Gross development value
Group	:	Our Company and our subsidiaries
HOA	:	Heads of Agreement dated 13 July 2014 entered into between our Company and PKNK in relation to the Acquisition
IASC	:	Increase in authorised share capital of our Company from RM100,000,000 comprising 100,000,000 BDB Shares to RM400,000,000 comprising 400,000,000 BDB Shares
Interested Directors	:	Collectively, Dato' Izham bin Yusoff and Dato' Abdul Rahman bin Ibrahim
Issue Price	:	Issue price for each Rights Share, being RM1.30
Landbank	:	Collectively, the Malay Reserved Land and Non-Malay Reserved Land.
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities as amended from time to time
LPD	:	17 November 2014, being the latest practicable date prior to the printing of this AP
Malay Reserved Land	:	Parcels of land located in Kedah Darul Aman, namely, (i) Ulu Melaka, Langkawi and (ii) Hosba, Kubang Pasu amounting to 423.5 acres (171.4 hectares)
Market Day(s)	:	Any day between Monday and Friday, both days inclusive, which is not a public holiday and on which Bursa Securities is open for the trading of securities
M&A Amendment	:	Amendment to the Memorandum and Articles of Association of our Company
NA	:	Net assets
NBV	:	Net book value
Non-Malay Reserved Land	:	Parcels of land located in Kedah Darul Aman, namely, (i) Sungai Petani, Kuala Muda, (ii) Pokok Sena and (iii) Sungai Ular, Kulim amounting to 731.3 acres (296.0 hectares)
NPA	:	Notice of provisional allotment in relation to the Rights Issue
Parties	:	Collectively, our Company and PKNK
PKNK or Vendor	:	Perbadanan Kemajuan Negeri Kedah
Price-Fixing Date	:	4 December 2014, being the date on which we have fixed the Issue Price
Provisional Rights Shares	:	Rights Shares with attached Bonus Shares provisionally allotted to the Entitled Shareholders

DEFINITIONS *(Cont'd)*

Purchase Consideration	:	The aggregate purchase consideration of approximately RM202.0 million payable by our Company to the Vendor in relation to the Proposed Acquisition by way of Consideration Cash, Consideration Shares and Deposit
Rahim & Co or Valuer	:	Rahim & Co Chartered Surveyors Sdn Bhd, being the appointed valuer by our Company
Record of Depositors	:	A record of securities holders established by Bursa Depository under Chapter 24 of the Rules of Bursa Depository
RHB Investment Bank	:	RHB Investment Bank Berhad, being the appointed Principal Adviser and Sole Underwriter in relation to the Corporate Exercise
Rights Issue	:	Renounceable rights issue of 72,815,856 Rights Shares at the Issue Price, together with a bonus issue of 72,815,856 Bonus Shares on the basis of one Rights Share for every one existing BDB Share held by the Entitled Shareholders and one Bonus Share for every one Rights Share subscribed
Rights Share(s)	:	New BDB Share(s) to be issued pursuant to the Rights Issue
RM and sen	:	Ringgit Malaysia and sen respectively
RSF	:	Rights subscription form in relation to the Rights Issue
Rules of Bursa Depository	:	The rules of Bursa Depository as issued pursuant to the SICDA
SC	:	Securities Commission Malaysia
Share Registrar	:	Bina Management (M) Sdn Bhd
SICDA	:	Securities Industry (Central Depositories) Act, 1991 of Malaysia as may be amended from time to time, including Securities Industry (Central Depositories) Amendment Act, 1998 of Malaysia
SPA	:	Sale and purchase agreement dated 4 September 2014 (as amended and supplemented by a supplemental agreement dated 3 October 2014) entered into between our Company and the Vendor in relation to the Acquisition
State Authority	:	As defined in the Land Acquisition Act, 1960
Subscription Undertaking	:	The irrevocable and unconditional written undertaking dated 7 October 2014 by PKNK to subscribe in full for their entitlement under the Rights Issue as at the Entitlement Date
TEAP	:	Theoretical ex-all price
Undertaking Shareholder	:	Our substantial shareholder, namely PKNK
Underwriting Agreement	:	Underwriting agreement dated 4 December 2014 entered into between our Company and RHB Investment Bank in relation to the underwriting of 33,136,863 Rights Shares
Valuation Certificate	:	Certificate of valuation issued by Rahim & Co, as appended in Appendix VII of this AP
VWAP	:	Volume weighted average market price

PRESENTATION OF INFORMATION

All references to "**our Company**" in this AP are to BDB and references to "**our Group**" are to our Company and our subsidiaries, collectively.

All references to "**you**" and "**your**" in this AP are to our Entitled shareholders. References to "**we**", "**us**", "**our**" and "**ourselves**" are to our Company and where the context otherwise requires, shall include our subsidiaries.

Words incorporating the singular shall, where applicable, include the plural and *vice versa*. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include a company or a corporation, unless otherwise specified.

Any reference herein to any statute is a reference to that statute as amended from time to time or re-enacted. Any reference to a time of a day herein shall be a reference to Malaysian time, unless otherwise specified.

Certain amounts and percentage figures included herein have been subject to rounding adjustments. Any discrepancy between the figures shown herein and figures published by our Company such as quarterly results and annual reports, are due to rounding.

All statements other than statements of historical facts included in this AP are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect our current expectations, beliefs, hopes, intentions, or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements and we do not undertake any obligation to update publicly or revise any forward-looking statements.

Our Board's expectations of the benefits derived from the Rights Issue are forward-looking in nature, and are thus subject to uncertainties and contingencies. Although our Board holds that its expectations are reasonable at this point in time given the prevailing circumstances, there can be no certainty that such expectations will materialise.

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APPENDICES

CORPORATE DIRECTORY

OUR BOARD

Name *(Designation)*	Address	Nationality	Profession
Datuk Mohd Nasir bin Ahmad *(Senior Independent Non-Executive Director)*	No. 39, Lorong Bunga Matahari 1A, Taman Maju Jaya 56100 Kuala Lumpur	Malaysian	Company Director
Dato' Izham bin Yusoff *(Group Managing Director, Executive Director)*	No. 48, Jalan SS 3/43 47301 Petaling Jaya Selangor Darul Ehsan	Malaysian	Company Director
Dato' Abdul Rahman bin Ibrahim *(Non-Independent Non-Executive Director)*	Lot 153, Jalan Indah 3 Taman Suasana Indah 06000 Jitra Kedah Darul Aman	Malaysian	Company Director
Encik Asri bin Hamidin @ Hamidon *(Independent Non-Executive Director)*	Kampung Kodiang Lama 06100 Kodiang Kedah Darul Aman	Malaysian	Company Director
Datuk Wan Azhar bin Wan Ahmad *(Independent Non-Executive Director)*	No. 43, Jalan PJU 3/15B Damansara Indah Resort Homes 47810 Petaling Jaya Selangor Darul Ehsan	Malaysian	Company Director

AUDIT COMMITTEE

Name	Designation	Directorship
Datuk Mohd Nasir bin Ahmad	Chairman	*(Senior Independent Non-Executive Director)*
Dato' Abdul Rahman bin Ibrahim	Member	*(Non-Independent Non-Executive Director)*
Encik Asri bin Hamidin @ Hamidon	Member	*(Independent Non-Executive Director)*

COMPANY SECRETARY : Khairulmuna binti Abd Ghani
(LS No. 0008190)

Level 9 & 10, Menara BDB
88, Lebuhraya Darulaman
05100 Alor Setar
Kedah Darul Aman

REGISTERED OFFICE : Level 9, Menara BDB
88, Lebuhraya Darulaman
05100 Alor Setar
Kedah Darul Aman

Tel. No.: (604) 730 0303
Fax. No.: (604) 734 2714

CORPORATE DIRECTORY *(Cont'd)*

HEAD/MANAGEMENT OFFICE	:	Level 5, 9 and 10, Menara BDB 88, Lebuhraya Darulaman 05100 Alor Setar Kedah Darul Aman Tel. No.: (604) 730 0303 Fax. No.: (604) 734 2714 E-mail: bina_darulaman@bdb.com.my Website: www.bdb.com.my
AUDITORS AND REPORTING ACCOUNTANTS FOR THE RIGHTS ISSUE	:	Messrs KPMG Level 18, Hunza Tower 163E Jalan Kelawei 10250 Pulau Pinang Tel. No.: (604) 238 2288 Fax. No.: (604) 238 2222
SOLICITORS FOR THE RIGHTS ISSUE	:	Kadir Andri & Partners Level 10, Menara BRDB 285 Jalan Maarof 59000 Kuala Lumpur Tel. No.: (603) 2780 2888 Fax. No.: (603) 2780 2832
PRINCIPAL BANKER	:	Affin Islamic Bank Berhad No. 147 & 148 Susuran Sultan Abdul Hamid 8 Kompleks Sultan Abdul Hamid Fasa 2, Persiaran Sultan Abdul Hamid 05050 Alor Setar Kedah Darul Aman Tel. No.: (604) 772 1477 Fax. No.: (604) 771 4796
SHARE REGISTRAR	:	Bina Management (M) Sdn. Bhd. Lot 10, The Highway Centre Jalan 51/205 46050 Petaling Jaya Selangor Darul Ehsan Tel. No.: (603) 7784 3922 Fax. No.: (603) 7784 1988
PRINCIPAL ADVISER AND SOLE UNDERWRITER	:	RHB Investment Bank Berhad Level 10, Tower One, RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Tel. No.: (603) 9287 3888 Fax. No.: (603) 9287 2233/3355

CORPORATE DIRECTORY *(Cont'd)*

PROPERTY VALUER	:	Rahim & Co Chartered Surveyors Sdn. Bhd. Level 17 Menara Uni.Asia 1008, Jalan Sultan Ismail 50250 Kuala Lumpur Tel. No.: (603) 2691 9922 Fax. No.: (603) 2691 9992
STOCK EXCHANGE LISTED	:	Main Market of Bursa Securities

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BINA DARULAMAN BERHAD
(Company No.: 332945-X)
Incorporated in Malaysia under the Act

Registered Office

Level 9, Menara BDB
88, Lebuhraya Darulaman
05100 Alor Setar
Kedah Darul Aman

18 December 2014

Board of Directors

Datuk Mohd Nasir bin Ahmad *(Senior Independent Non-Executive Director)*
Dato' Izham bin Yusoff *(Group Managing Director, Executive Director)*
Dato' Abdul Rahman bin Ibrahim *(Non-Independent Non-Executive Director)*
Encik Asri bin Hamidin @ Hamidon *(Independent Non-Executive Director)*
Datuk Wan Azhar Bin Wan Ahmad *(Independent Non-Executive Director)*

To: Our Entitled Shareholders

Dear Sir/Madam,

RENOUNCEABLE RIGHTS ISSUE OF 72,815,856 NEW ORDINARY SHARES OF RM1.00 EACH IN OUR COMPANY AT AN ISSUE PRICE OF RM1.30 PER RIGHTS SHARE, TOGETHER WITH A BONUS ISSUE OF 72,815,856 NEW BDB SHARES ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY ONE EXISTING BDB SHARE HELD BY OUR SHAREHOLDERS AS AT 5.00 P.M. ON 18 DECEMBER 2014 AND ONE BONUS SHARE FOR EVERY ONE RIGHTS SHARE SUBSCRIBED

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1. INTRODUCTION

On 14 July 2014, our Company announced that we had on 13 July 2014, entered into a HOA with PKNK in relation to the acquisition of land owned by PKNK measuring approximately 1,200 acres (485 hectares) in aggregate for a total purchase consideration of approximately RM204,000,000.

On 4 September 2014, RHB Investment Bank had, on behalf of our Board, announced that our Company had on 4 September 2014, entered into the SPA with the Vendor for the Acquisition ("**Initial Announcement**"). The revision in the Purchase Consideration from RM204,000,000 to RM202,000,000 is a result of the decision of the Vendor and our Company to exclude a plot of land located in Mukim of Jabi, District of Pokok Sena from the transaction subsequent to the signing of the HOA.

In conjunction with the Acquisition, RHB Investment Bank had, on behalf of our Board, further announced that the Rights Issue, the IASC and the M&A Amendment will be implemented.

On 3 October 2014, RHB Investment Bank had, on behalf of our Board, announced that our Company had on 3 October 2014, entered into a supplemental agreement dated 3 October 2014 with the Vendor for the Acquisition to vary and amend certain terms of the SPA after taking into consideration the timing that may be required to complete the acquisition of certain parcels of the Landbank, namely the Malay Reserved Land.

On 28 October 2014, RHB Investment Bank had, on behalf of our Board, announced that Bursa Securities has, vide its letter dated 27 October 2014, approved the following:

(i) listing and quotation of up to 93,739,838 new BDB Shares to be issued pursuant to the Acquisition;

(ii) listing and quotation of up to 91,019,820 Rights Shares to be issued pursuant to the Rights Issue; and

(iii) listing and quotation of up to 91,019,820 Bonus Shares to be issued pursuant to the Rights Issue.

The approval granted by Bursa Securities for the Corporate Exercises is subject to the following conditions:

(i) Our Company and RHB Investment Bank must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Corporate Exercises;

(ii) Our Company and RHB Investment Bank are to inform Bursa Securities upon the completion of the Corporate Exercises;

(iii) Our Company is to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Corporate Exercises are completed;

(iv) Our Company and RHB Investment Bank to furnish Bursa Securities copy of all letters of approval from the relevant authorities;

(v) RHB Investment Bank to furnish Bursa Securities a letter confirming all approvals of the relevant authorities has been obtained;

(vi) Certified true copy of the resolution passed by the shareholders in general meeting approving the Corporate Exercises; and

(vii) Our Company and RHB Investment Bank are required to make the relevant announcements pursuant to Paragraphs 6.35(2)(a) and (b), and 6.35(3) of the Listing Requirements.

The conditions imposed by Bursa Securities will be complied with during, and where applicable, after the implementation of the Rights Issue.

On 23 November 2014, our shareholders had approved the Corporate Exercises at our EGM. A certified true extract of the resolutions pertaining to the Corporate Exercises passed by our shareholders at the aforesaid EGM is set out in Appendix I of this AP.

On 4 December 2014, RHB Investment Bank had, on behalf of our Board, announced that the Board had resolved to fix the issue price of the Rights Share at RM1.30 per Rights Share at an entitlement basis of one Rights Share for every one existing BDB Share held by the Entitled Shareholders and one Bonus Share for every one Rights Share subscribed.

On 4 December 2014, RHB Investment Bank had, on behalf of our Board, also announced that our Company had on the same day executed an underwriting agreement with RHB Investment Bank for the underwriting of 33,136,863 Rights Shares (where no Subscription Undertaking is procured), representing approximately 45.5% of the total number of Rights Shares.

RHB Investment Bank had, on behalf of our Board, announced on 4 December 2014 and 5 December 2014 the important relevant dates pertaining to the Rights Issue and the Entitlement Date respectively. Further, on 15 December 2014, RHB Investment Bank had, on behalf of our Board, announced the amended important relevant dates pertaining to the Rights Issue to extend, *inter-alia*, the Closing Date from 5.00 p.m. on 6 January 2015 to 5.00 p.m. on 8 January 2015.

No person is authorised to give any information or make any representation not contained in this AP in connection with the Rights Issue and if given or made, such information or representation must not be relied upon as having been authorised by us or RHB Investment Bank.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKERS, BANK MANAGERS, SOLICITORS, ACCOUNTANTS OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

2. PARTICULARS OF THE RIGHTS ISSUE

2.1 Details of the Rights Issue

The Rights Issue entails the provisional allotment of 72,815,856 Rights Shares at the Issue Price, on the basis of one Rights Share for every one existing BDB Share held by the Entitled Shareholders and one Bonus Share for every one Rights Share subscribed.

The Rights Issue is renounceable in full or in part. Accordingly, the Entitled Shareholders can subscribe for and/or renounce their entitlements to the Provisional Rights Shares in full or in part. The Bonus Shares are attached to the Rights Shares without any cost and will be issued only to the Entitled Shareholders and/or their renouncees (if applicable) who subscribe for the Rights Shares. The Rights Shares and Bonus Shares are not separately renounceable. Entitled Shareholders who renounce all or part of their entitlement to the Rights Shares shall be deemed to have renounced the accompanying entitlement to the Bonus Shares. If the Entitled Shareholders decide to accept only part of their entitlement to the Rights Shares, they shall be entitled to the Bonus Shares in the proportion of their acceptance of the entitlement to the Rights Shares. You should also take note that, in order to be entitled to one Bonus Share, you must subscribe for one Rights Share.

Any Rights Shares with attached Bonus Shares which are not taken up or not validly taken up shall be made available for Excess Applications by you and/or your renouncee(s) (if applicable) in the manner set out in Section 12.3 of this AP. It is the intention of our Board to allocate the Excess Rights Shares, if any, in a fair and equitable manner, and on such basis as they may deem fit or expedient and in the best interest of our Company. The indicative basis for the allotment of Excess Rights Shares is set out in Section 12.3 of this AP.

Any fractional entitlements of the Rights Shares and/or Bonus Shares under the Rights Issue will be disregarded and shall be dealt with in such manner as our Board shall in their absolute discretion deems fit or expedient, and in the best interest of our Company.

Upon allotment and issuance by our Company, the Rights Shares and Bonus Shares will be credited directly into your and/or your renouncee(s)' respective CDS Accounts. No physical certificates will be issued to you and/or your renouncee(s).

As you are an Entitled Shareholder, you will find enclosed with this AP, an NPA setting out the number of Provisional Rights Shares which you are entitled to subscribe for and a RSF which is to be used for the acceptance of the Provisional Rights Shares and for the Excess Application, should you wish to do so.

2.2 Basis of determining the issue price for the Rights Shares

The Issue Price has been determined by our Board at RM1.30 per Rights Share, after taking into consideration, amongst others, the following:

(i) the funding requirements of our Company;

(ii) the effective issue price of each Rights Share of RM0.65 (after taking into consideration the attached Bonus Share) represents a discount of approximately 42.0% to the theoretical ex-all price of BDB Shares of RM1.12 and approximately 68.8% to the five-day volume weighted average market price of BDB Shares up to and including 3 December 2014, being the last Market Day prior to the Price-Fixing Date, of RM2.08; and

(iii) par value of BDB Shares of RM1.00 each.

2.3 Capitalisation of reserves for the Bonus Shares

The issuance of the Bonus Shares shall be wholly capitalised from firstly the entire share premium account with the remainder to be capitalised from the retained earnings of our Company.

The effects of the capitalisation for the Bonus Shares based on our Company's 9-month unaudited financial statements as at 30 September 2014 and after taking into consideration the dividends paid by our Company in respect of the FYE 31 December 2013, are as illustrated below:

	Unaudited as at 30 September 2014 (RM'000)	After dividends from our subsidiaries (RM'000)	After issuance of Rights Shares (RM'000)	Amount to be capitalised for Bonus Shares (RM'000)	Estimated expenses for the Corporate Exercises (RM'000)	Balance after Rights Issue (RM'000)
Share premium account	17,062	-	38,907	(38,907)	-	-
Retained earnings	39,615	47,615	-	(33,909)	(5,000)	8,706

Further, the Reporting Accountants for the Corporate Exercises, namely Messrs KPMG has, vide its letter dated 4 December 2014, confirmed that our Company has sufficient reserves available for capitalisation based on our Company's 9-month unaudited financial statements as at 30 September 2014. A copy of the letter is set out in Appendix III of this AP.

2.4 Ranking of the Rights Shares and Bonus Shares

The Rights Shares and Bonus Shares, shall upon being issued and allotted as fully paid-up, rank *pari passu* with the then existing issued and paid-up share capital of our Company save that they shall not be entitled to any dividends, rights, bonuses, issues or other allotments or distributions which relevant book closing date is on or before the date of allotment of the Rights Shares and Bonus Shares.

2.5 Details of other corporate exercises

Save for the Corporate Exercises, our Company does not have any other corporate exercise which have been approved by our shareholders and/or relevant authorities that are pending completion as at the LPD.

3. RATIONALE FOR THE RIGHTS ISSUE

The Rights Issue is undertaken with the following objectives:

(i) to enable our Company to raise funds to part finance the Acquisition. In addition, equity financing will allow our Company to raise funds without incurring interest cost as well as to minimise any potential cash outflow in respect of interest servicing, as compared with bank borrowings;

(ii) to provide an opportunity to our Company's shareholders to participate in an equity offering on a pro-rata basis and acquire new BDB Shares at a discount to prevailing market prices, as compared with a private placement of new BDB Shares;

(iii) to maintain the strength of our Company's balance sheet. In addition, the enlarged share capital base is also expected to reduce our Company's gearing levels; and

(iv) increase the number and enhance the liquidity of BDB Shares on the Main Market of Bursa Securities, potentially enabling more active participation by the investing market.

Our Board is of the opinion that the Bonus Shares (attached to the Rights Shares) will provide the Entitled Shareholders with an added incentive to subscribe for the Rights Shares while at the same time, enhance our Company's capital base as the Bonus Shares will increase the number of BDB Shares held by our Company's existing shareholders, albeit without increasing their percentage of shareholdings in our Company.

4. UTILISATION OF PROCEEDS

The gross proceeds to be raised from the Rights Issue of approximately RM94.7 million are expected to be utilised in the following manner:

Utilisation	Estimated time frame for utilisation of proceeds	RM'mil	%
Reimbursement of Deposit (1) (2)	Immediately	10.1	10.7
Settlement of the consideration cash for the Non-Malay Reserved Land (2)	Immediately	59.0	62.3
Settlement of the consideration cash for the Malay Reserved Land (2)	Within 6 months	17.6	18.6
Working capital (3)	Within 12 months	3.0	3.2
Estimated expenses in relation to the Corporate Exercises (4)	Immediately	5.0	5.3
Total proceeds from the Rights Issue		**94.7**	**100.0^**

Notes:

^ *Total does not add up due to rounding.*

(1) *Being the initial payment paid by our Company in relation to the Acquisition.*

(2) *In the event that the Acquisition of Malay Reserved Land is not completed, the amount allocated to the payment for the acquisition (including the corresponding amount of Deposit) shall be utilised to finance our Group's on-going development projects; namely Darulaman Perdana, Bandar Darulaman and Darulaman Utama township projects. For the avoidance of doubt, the settlement of the consideration cash for the Non-Malay Reserved Land will be made immediately after the completion of the Rights Issue as all the conditions precedent in respect of the Non-Malay Reserved Land have been fulfilled as at the date of this AP. Please see Section 5 of this AP for further details on the status of the Acquisition.*

(3) *Our Company intends to utilise part of the proceeds raised to finance our Group's day-to-day operations, that are as follows:*

Working Capital Requirements(*)	*RM'mil*
Payment of staff salaries	*2.0*
Administrative expenses	*0.5*
Advertising, marketing and promotional activities	*0.5*

* *Intended utilisation for each component of working capital may differ from actual utilisation, depending on the evolving operational requirements of our Group.*

(4) *The estimated expenses relating to the Corporate Exercises comprise, inter-alia, the following:*

Estimated Expenses for the Corporate Exercise	*RM'mil*
Professional fees	*2.8*
Regulatory fees	*0.1*
Underwriting commission	*0.9*
Printing costs, advertising and other miscellaneous expenses	*1.2*

Any variation to the estimated expenses in relation to the Corporate Exercises will be adjusted to the amount allocated for working capital of our Group.

5. DETAILS OF THE ACQUISITION

In accordance with the SPA, our Company is to acquire the Landbank, free from encumbrances, from PKNK for a collective total consideration of approximately RM202.0 million. The Acquisition, which has been approved by our shareholders at the EGM which was held on 23 November 2014, is to be implemented in the following manner:

(i) acquisition of Non-Malay Reserved Land for a total consideration of approximately RM100.5 million; and

(ii) acquisition of Malay Reserved Land for a total consideration of approximately RM101.4 million.

As at the date of this AP, all the conditions precedent in respect of the Non-Malay Reserved Land have been fulfilled whilst the following conditions precedents as set out in the SPA in respect of the acquisition of Malay Reserved Land have yet to be fulfilled:

(i) our Company, or its nominees, to obtain the necessary Approvals and/or declaration from the Authority pursuant to the Malay Reserves Enactment (Kedah) No. 63; or

(ii) PKNK to obtain Approval from the Authority to enable the transfer of the Malay Reserved Land to our Company as not being categorized as Malay Reserved Land status ("**Change of Status**") and having completed the Change of Status; and

(iii) PKNK to obtain the Consent to Transfer, if any may be required, in respect of the Malay Reserved Land, subject to terms reasonably acceptable to the Purchaser, and the Purchaser's receipt of the original letter issued by the relevant Authority containing the Consent to Transfer.

The settlement of the consideration cash for the Malay Reserved Land will be completed upon the fulfilment of all the conditions precedents set out in the above. Our Company expects for the conditions precedents to be fulfilled within six months from the date of this AP. Consequentially, the Acquisition of Malay Reserved Land is expected to be completed in end of June 2015.

Meanwhile, the settlement for the consideration cash for Non-Malay Reserved is expected to be made immediately as all the conditions precedent in respect of the Non-Malay Reserved Land have been fulfilled as at the date of this AP. Hence, the Acquisition of Non-Malay Reserved Land is expected to be completed in early January 2015.

Details of the Landbank

The registered owner of the Landbank is PKNK and the brief details of the Landbank are as follows:

Non-Malay Reserved Land						
Landbank	**Lot Nos.**	**Title Nos.**	**Express Condition**	**Existing Usage**	**Tenure**	**Surveyed land area (hectares)**
Sungai Petani	PT 2416	HSD 126043	Tapak Kediaman *(Residential Site)*	The land is overgrown with old oil palm trees and the holding is fairly well maintained	Freehold	93.07
	PT 2418	HSD 126045	Kemajuan Masa Hadapan *(For Future Development)*	The land is vacant from any cultivation and is overgrown with shrubs and bushes		
	PT 2423	HSD 126050	Tapak Kediaman *(Residential Site)*	The land is cultivated with tapioca trees and the rest is overgrown with shrubs and bushes		
	PT 65003	HSD 34392	Kemajuan Masa Hadapan *(For Future Development)*	The land is vacant and is overgrown with shrubs and bushes		
	PT 48856	HSD 90453	Tapak Peniagaan *(Commercial Site)*	The land is overgrown with old oil palm trees and the holding is fairly well maintained		
Pokok Sena	PT 2516	HSD 2979	Tanah yang terkandung dalam hakmilik ini hendaklah digunakan sebagai tapak pertanian sahaja *(The land held under this title shall be used as an agricultural site only)*	The subject property is still under rubber and banana trees, wild vegetation and bushes	Freehold	51.45
Sungai Ular	PT 2333-2342	HSD 69188-69197	Getah *(Rubber)* (1)	Partly vacant and partly cultivated with oil palms	Freehold	151.41

Note:

(1) *Tanah yang terkandung dalam hakmilik ini hendaklah ditanam dengan pokok-pokok getah. Walaubagaimanapun tanaman-tanaman lain boleh juga di tanam di atas tanah ini dengan syarat pemilik tanah hendaklah memberitahu Pentadbir Tanah terlebih dahulu akan pertukaran jenis tanaman itu serta keluasan tanamannya dan (ii) Tidak lebih dari 1/5 bahagian daripada kesemua tanah atau 2 hektar atau mana-mana yang kurang, boleh digunakan untuk bangunan yang dibenarkan oleh Seksyen 115(4) Kanun Tanah Negara (Pindaan Tahun 1992) (The land held under this title shall be planted with rubber trees. However, other plants can also be planted on this land on the condition that the landlord shall notify the Land Administrator in advance on the change of plants together with the acreage of such plants; and (ii) Not more than 1/5 of the entire land or 2 hectares or whichever is less can be used for building as permitted by Section 115(4) of the National Land Code (Amendment 1992).*

Malay Reserved Land						
Landbank	**Lot Nos.**	**Title Nos.**	**Express Condition**	**Existing Usage**	**Tenure**	**Surveyed land area (hectares)**
Ulu Melaka	PT 2042 & 2043	HSD 1149 & 1150	Lain-lain jenis tanaman *(Other types of plants)*	The site is still a secondary jungle and is overgrown with wild trees and bushes	99 year leasehold interest expiring on 16 October, 2111	79.3
	PT 2044	HSD 1151	Please refer to Note (1)	The site is still a secondary jungle and is overgrown with wild trees and bushes		12.26
Hosba	1659	GRN 11523	Getah *(Rubber)*	The subject property is planted with old rubber trees. The rubber trees are no longer tapped and the land is not maintained and is overgrown with shrubs, bushes and wild trees.	Freehold	79.85*

Notes:

* *The land area in respect of the Hosba land as stated in the issue document of title is 83.49 hectares. The 79.85 hectares (as stated above) is the net area to be acquired by our Company after deducting the earlier three land acquisitions by the Kedah State Government that were registered on 2 June 1984, 16 November 1985 and 9 October 1995.*

(1) *<u>PT 2044</u>: Tanah yang terkandung dalam hakmilik ini hendaklah digunakan bagi maksud yang dibenarkan semata-mata iaitu Tapak Bangunan Perniagaan sahaja (PT 2044: The Land held under this title shall be used for its sole permitted purpose which is Commercial Building Site only).*

Further details of the Landbank (including the market value) are set out in the Valuation Certificate in Appendix VII of this AP.

5.1 Rationale for the Acquisition

The Acquisition is undertaken with the following objectives:

(i) to allow our Company to replenish our existing landbank as well as to provide an opportunity for our Company to further strengthen our position as one of the main property development players in Kedah;

(ii) with our sizeable landbank (increased to over 2,000 acres of land with the addition of the Landbank) in Kedah upon completion of the Acquisition, our Group will be better positioned to reach out to a broader range of customers by offering, *inter-alia*, residential, commercial and/or mixed development townships; and

(iii) to assist in realising our Company's vision to be a partner of the Government in primarily developing township and infrastructure, and construction.

The Acquisition is expected to augur well for our Group's plans to achieve strong and sustainable long-term growth. We believe that the Acquisition will contribute positively to the long-term earnings of our Group via the development of the Landbank.

5.2 Basis and justification of arriving at the Purchase Consideration

The Purchase Consideration for the Acquisition was arrived at on a willing-buyer-willing-seller basis after taking into consideration of the following:

(i) the aggregate market value of the Landbank of RM198,280,000 as appraised by the Valuer. The appraisals by the Valuer are set out in the Valuation Certificate in Appendix VII of this AP.

The market values of the Non-Malay Reserved Land and Malay Reserved Land as at 1 August 2014, 2 August 2014 and 3 August 2014 are as follows:

Landbank		Valuation Date	Market Value (RM) *
Non-Malay Reserved Land			
(i)	Pokok Sena	1 August 2014	16,050,000
(ii)	Sungai Petani	3 August 2014	45,100,000
(iii)	Sungai Ular	3 August 2014	37,500,000
Total			**98,650,000**
Malay Reserved Land			
(i)	Hosba	1 August 2014	55,000,000
(ii)	Ulu Melaka	2 August 2014	44,630,000
Total			**99,630,000**

Note:

* *In assessing the market values of the Landbank, the only method of valuation adopted by the Valuer is the Comparison Method due to the nature of the Landbank (i.e. vacant land with development potential but without any approved plans).*

The Comparison Method entails critical analysis of recent evidence of values of comparables in the neighbourhood and making adjustments for differences. For further details, please refer to the Valuation Certificate in Appendix VII of this AP.

(ii) Based on the audited financial statements of PKNK as at 31 December 2013, 31 December 2012 and 31 December 2011, the net book value of the Landbank are as follows:

	Non-Malay Reserved Land			Malay Reserved Land	
As at 31 December	"Sungai Ular" RM	"Pokok Sena" RM	"Sungai Petani" RM	"Hosba" RM	"Ulu Melaka" RM
2013	6,947,078	3,827,943	16,029,000	5,950,000	10,291,056
2012	6,947,078	3,827,943	16,029,000	5,950,000	10,291,056
2011	6,947,078	3,827,943	16,029,000	5,950,000	10,291,056

5.3 Mode of settlement of the Purchase Consideration

The Purchase Consideration is to be satisfied in the following manner:

(i) a total of RM10,100,000 being the total deposit that has been paid within five business days upon execution of the SPA in respect of the Acquisition. The breakdown of the total deposit attributable to the Non-Malay Reserved Land and Malay Reserved Land is as follows:

	(RM)
Non-Malay Reserved Land	5,025,100
Malay Reserved Land	5,074,900
Total	**10,100,000**

(ii) in respect of the Acquisition of Non-Malay Reserved Land, the balance purchase price of approximately RM95.4 million shall be satisfied in the following manner:

(a) the issuance of 27,037,038 new BDB Shares at RM1.35 each to the Vendor amounting to approximately RM36.5 million; and

(b) the remaining balance consideration of RM58,976,900[(1)] which will be satisfied via proceeds from the Rights Issue.

Note:

*(1) include the amount of approximately RM51.6 million, being the subscription amount of the Rights Shares to be paid by PKNK pursuant to the Subscription Undertaking ("**Subscription Amount**").*

For the avoidance of doubt, the remaining balance consideration of RM58,976,900 will be set-off with the Subscription Amount. Accordingly, the effective Consideration Cash in respect of the Non-Malay Reserved Land to be paid by our Company to PKNK is approximately RM7.4 million.

(iii) in respect of the Acquisition of Malay Reserved Land, the balance purchase consideration of approximately RM96.4 million shall be satisfied in the following manner:

(a) the issuance of 58,370,371 new BDB Shares at RM1.35 each to the Vendor amounting to approximately RM78.8 million; and

(b) the remaining balance consideration of RM17,623,100 will be satisfied via proceeds from the Rights Issue.

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6. RISK FACTORS

Our Group's main divisions are property, construction, and road and quarry in Malaysia. Hence, our risk factors are concentrated in these divisions that we operate in.

In addition to other information contained in this AP, you should carefully consider the following risk factors (which may not be exhaustive) before subscribing for or investing in the Rights Shares with attached Bonus Shares. There may be additional risk factors, which are not disclosed below, which are not presently known to us or which we currently deem to be less significant that may materially and adversely affect our business, financial condition, operating results and prospects in the future.

6.1 Risks relating to the operations and business of our Company

(i) We are exposed to competition risk in our businesses

The success of our property development projects is based on a number of factors, which include but are not limited to, location, pricing, infrastructure, accessibility and amenities, quality of development and our reputation and reliability. Failure by us to secure strategically located and/or commercially viable landbank for development, price our products competitively and offer a property which meets or exceeds the expectations of our prospective customers (for a given price range) may have a bearing on our ability to sell such property which in turn, could result in property overhang. As such, there can also be no assurance that the demand for our properties can continue to be sustained.

Our construction, and road and quarry divisions are facing competition from other listed and non-listed companies operating in the same businesses. Intense competition may result in highly competitive pricing in securing a contract, which may subsequently affect our financial performance. No assurance can be given that we will be able to compete effectively with current and new entrants into the construction, and road and quarry businesses in the future.

(ii) We are exposed to variations to and/or termination of our agreements

In our Group's ordinary course of business, we may enter into joint venture agreements, business arrangements and other contracts to acquire land and/or development rights with third parties for the purposes of developing properties for sale and investment, as well as to provide main/sub-contractor services for construction opportunities. There is no assurance that such agreements, arrangements and/or contracts will not be terminated due to *inter-alia*, non-fulfilment of terms and conditions therein, and/or non-observance of the obligations by parties concerned, thus resulting in our Group being unable to proceed with the development activities and/or losing our development land or rights to continue with the development activities relating thereto.

Our Group's projects being embarked upon on a joint venture may give rise to:

(a) disagreements or disputes with our customers and/or partners that may have an adverse effect on our development and/or construction activities; and

(b) the possibility of a potential breach of the contract/agreements, which may result in the termination of such contracts/agreements.

In the event of the above, there can be no assurance that we will be able to resolve and/or address such disagreements, disputes or breaches in a manner which is not unfavourable to us or our interests.

Any of these and/or other unforeseeable factors may materially and adversely affect the performance of our various business activities, which may in turn affect our financial condition and results of our operations. Notwithstanding the above potential risks factors, based on our past track record, we have not encountered any termination and/or abortion of any joint venture development projects that we have undertaken in the past as a result of any default of obligations or breach of responsibilities by us or our customers/partners. However, there is no assurance that we will not face any such risks of obligations being defaulted by us or our counter-parties in the future.

(iii) We are subject to political, economic, market and regulatory considerations

Like all other business entities, we could be adversely affected by changes in the political, economic, market and regulatory conditions in Malaysia. These uncertainties include changes in political leadership conditions, risks of war and riots, expropriation, nationalisation, changes in interest rates and method of taxation. For instance, the property business will be sensitive to, *inter-alia*, interest rate movements, consumer sentiment, regulation and taxation changes or the gradual tightening of credit conditions.

In terms of economic risks, our business operations and financial performance may be affected by a downturn in the Malaysian or global economy. The property, construction and construction-related industries are most likely to be affected by the economic downturn. Any future decline of the Malaysian and the global economy could materially affect our financial condition or results of operations.

There can be no assurance that any changes to the political, economic, market and regulatory conditions do not have a material and adverse effect on our business and prospects.

(iv) Financing risk and cost as well as loan covenants

Our Group finances our operations through internally-generated funds and bank borrowings. All our bank borrowings bear interest and as a result, any increase in interest rates will increase our interest payments and finance costs. Our financial performance may therefore be affected if interest rates increase significantly. For the FYE 31 December 2013, our Group incurred total finance costs of approximately RM16.0 million comprising approximately RM15.5 million which has been expensed off and the balance of approximately RM0.5 million which has been capitalised into the property development costs account. RM13.9 million of our total financing commitments as at 31 December 2013 is in relation to the construction of the permanent campus of Kolej Universiti Insaniah in Kuala Ketil, Kedah.

Our ability to arrange for our current and future external financing and the cost of such financing are dependent on numerous factors, including general economic and capital market conditions, fluctuation of interest rate levels, credit availability from financial institutions, the success and track record of our business, changes in the provisions of tax and securities laws that maybe applicable to our efforts to raise capital, any restrictions imposed by the Malaysian Government, and the political, social and economic conditions in Malaysia.

We are also bound by loan covenants contained within the facility and loan agreements which we have executed with the financial institutions. These covenants that govern our loans consist of standard commercial terms, are common within such agreements in Malaysia and generally limit our operating and financial flexibilities. Any act or omission by us resulting in breaches to these covenants may result in the lenders exercising their rights to terminate the facilities and/or enforce granted securities. If this occurs, our future financial performance may be affected.

Recently, in July 2014, Bank Negara Malaysia increased the overnight policy rate (OPR) by 25 basis points or 0.25% to 3.25%, which has increased the interest rates of some of our banking facilities.

(v) Increase in cost of operations of our businesses

Any increase in raw material prices, labour and sub-contractor costs, overheads, energy costs and other cost of operations may result in lower margins, culminating in a need to increase prices of our products and services. Any material increase in the aforesaid costs will have an adverse impact on our profit margins in the event we are unable to pass on the additional costs by increasing the prices of our products and services.

(vi) Sustainability of our current order book

There can be no certainty that our current order book can be sustained in the future given that contracts are based on open tenders and are very competitive due to the numerous players in the industry. Further, there can also be no assurance that there will be a continuous upward trend in construction activity in the local construction scene. Our inability to maintain a sufficiently strong order book may have a material adverse impact on our Group's profitability and financial performance.

(vii) Property overhang

The property division of our Company is exposed to the inherent risk of property overhang, which is caused by over-supply and low demand of property due to various external factors such as rising interest rates, negative consumer sentiment, unattractive location of properties or oversupply of properties in the market. Any occurrence of property overhang will affect property developers, including our Company, and in turn, affects the financial performance of our Company adversely.

(viii) We are exposed to retention and succession risk of our key management and directors

Our success depends to a significant extent on the abilities and continuing efforts of our directors and key management. The loss of any of these persons without a suitable replacement, or our inability to attract and retain qualified and skilled key management, could adversely affect our continued ability to compete in our industries which may then adversely affect our businesses, financial conditions, results of operations and prospects.

(ix) We are dependent on operating licences

We have been granted various licences, certificates and permits from authorities, some of which are subject to periodic renewals, for our businesses. There can be no assurance that our licences, certificates and permits from authorities will not be revoked or suspended prior to their expiration. There can also be no assurance that we will be able to renew such licences, certificates and permits from authorities. Any revocation or non-renewal of our licences, certificates and permits from authorities or failure by us to obtain new licences, certificates and permits from authorities (if so required) will have a material impact on our ability to continue our operations and hence will affect our profitability.

(x) Our current insurance coverage may not be sufficient to cover the risks related to our operations

We have taken the necessary measure to ensure that all our assets are adequately covered by insurance in accordance with standard industry practice. Our Group reviews our insurance policy every year to ensure the amount of sum insured shall be at market or industry practice. However, there can be no assurance that the coverage would be adequate for the replacement cost of the assets or any consequential losses arising thereof. Any losses or liabilities that are not covered by our standard insurance plan may have a material adverse effect on our businesses, financial conditions and results of operations.

In addition, we are also exposed to third party claims or litigation made against us as the owner/manager/contractor of the properties due to personal injury or other damages resulting from contract with or use of our properties. There can be no assurance that the insurance coverage that we have obtained will be adequate to safeguard ourselves from the impact of such potential third party claims or litigation. Nevertheless, this risk did not adversely affect us in the past.

(xi) Our failure to comply with environmental, and health and safety laws and regulations may result in penalties

In general, all our road and quarry, and construction activities generate dust, waste and noise pollution. We are required to comply with various environmental laws and regulations relating to water, air and noise pollution, and the disposal of waste materials. Our failure to comply with such environmental laws and regulations may result in penalties and in serious cases, stop work orders for our construction sites, and/or temporary closure of our quarry activities.

Our operating expenses could also be higher than anticipated due to the cost of complying with existing and future environmental, and health and safety laws and regulations. Further, some of our operations may be affected by changes in environmental, and health and safety laws and regulations where compliance with these new laws and regulations may entail significant expenses to us. Although we will take all steps to comply with these laws and regulations, there is no assurance that liabilities arising from the non-compliance of the relevant environmental, and health and safety laws and regulations will not exist in the future, or that any of such liabilities will not be material to our businesses.

(xii) Our ability to renew the leases of our quarry

Our quarry site is located on land which is under leases such that our quarrying activities are subject to renewal of the said leases. Although we have to date, been able to renew the leases, there is no assurance that we may be similarly successful in renewing the leases when the tenure of such leases expire in the future. Any non-renewal of the leases of the quarry would adversely affect our quarry division's operating profits.

6.2 Risks relating to the industry

Property and construction divisions

(i) Implementation of recent control measures on property market and future implementation of goods and service tax (GST)

Since 2010, Bank Negara Malaysia and the Government had implemented measures to ensure stability in housing prices, and to control speculative activities. The measures that are applicable to residential and commercial properties include among others, the upward revision of Real Property Gains Tax (RPGT), prohibition on property developers from implementing projects that have features of Developer Interest Bearing Scheme (DIBS), and increase in the minimum price of property that can be purchased by foreign individuals and companies, and the tightening of the lending policies. The details of these cooling measures that are applicable for residential and commercial properties are as follows:

(a) The implementation of a maximum loan-to-value (LTV) ratio of 70% on third and subsequent housing loans taken by individuals by Bank Negara Malaysia on 3 November 2010. Subsequently, in December 2011, non-individual borrowers were also subjected to an LTV ratio of 60% for residential property loans to ensure consistency with the 2010 measure applied to individuals.

(Source: Financial Stability and Payment Systems Report 2011, Bank Negara Malaysia)

(b) From 1 January 2012 onwards, financial institutions are required to assess borrower's income after statutory deductions for tax and retirement fund, and consider all debt obligations before approval of the loan.

(c) In July 2013, Bank Negara Malaysia reduced the maximum tenure of property loans, residential and non-residential, from 45 years to 35 years.

(d) The upward revision of RPGT. This was the 3rd consecutive year the Government has raised the RPGT. The revised RPGT is as shown in the following table:

Disposal period (from acquisition date)	RPGT effective 1 January 2014		
	Individual		Companies
	Malaysian*	Foreign	
Within 3 years	30%	30%	30%
4th year	20%	30%	20%
5th year	15%	30%	15%
After 5 years	0%	5%	5%

(Source: Ministry of Finance)

Note:

* *Citizens and Permanent Residents*

(e) The increase of minimum price of property that can be purchased by foreign individuals and companies from RM500,000 to RM1,000,000.

(f) Prohibition on property developers from implementing projects that have features of DIBS and the interest capitalisation scheme (ICS), to prevent developers from incorporating interest rates on loans in house prices during the construction period. Financial institutions are prohibited from providing the final funding for projects involved in the DIBS.

(g) Subsequently, in July 2014, Bank Negara Malaysia increased the overnight policy rate (OPR) by 25 basis points or 0.25% to 3.25%, which will increase the base lending rate and base financing rate.

These measures that have been aimed at reducing speculation of properties, in addition to the tightening of the loan requirements, are likely to affect the demand for residential and commercial properties. Similar to all other property developers, our Company is subjected to risks in relation to the implementation of recent control measures on the property market as mentioned above.

In addition, our Company may be affected by the introduction of GST from 1 April 2015 onwards. The implementation of GST may impact on the selling prices for developed properties and affect the take-up rate of our Company's properties. Nevertheless, the GST is a broad base tax that affects all other property developers.

(ii) Compulsory acquisition by state government

Pursuant to the provisions of the Land Acquisition Act, 1960, the State Authority has the power to acquire any land, whether in whole or in part, which is needed:

(a) for any public purpose; or

(b) by any person or corporation for any purpose which in the opinion of the State Authority is beneficial to the economic development of Malaysia or any part thereof or to the public generally or any class of the public; or

(c) for the purpose of mining or for residential, agricultural, commercial, industrial or recreational purposes or any combination of such purposes.

In the event of such compulsory acquisition, the amount of such compensation awarded may be less than the open market value of the property and may be less than the purchase consideration of the property which was paid by our Group. Notwithstanding the above and pursuant to the Land Acquisition Act, 1960, we have the right to submit an objection against the quantum of compensation awarded. In the past and at present, none of our Company's landbank in relation to our current development plans has been compulsorily acquired.

(iii) Dependence on third party contractors

Generally, property and construction industries are dependent on the support of third party contractors to ensure the continuous supply of services and construction materials. Hence, any non-performance or unsatisfactory performance of our appointed contractors and their inability to supply sufficient labour, whether skilled or unskilled, and quality building materials will inevitably disrupt the progress and/or quality of our operations and will have an adverse effect on our profitability.

Our Group utilises our internal construction capabilities to support our property development projects. Further, our Group also sub-contract certain construction work to third party contractors in relation to areas which are specialised (e.g. electrical, mechanical, and structural engineers, amongst others) and/or in situations where additional resources are required. However, any future non-performance by our third party contractors may have an impact on our results of operations.

As at the LPD, we have not been materially impacted by the non-performance of our Group's third party contractors.

(iv) Exposure to unforeseen delays in the completion of a project

The timely completion of property and construction projects is dependent on many external factors such as obtaining the necessary approvals on a timely basis, sourcing and securing quality construction materials in adequate amounts on favourable credit terms, and the satisfactory performance of the contractors appointed to complete the projects. Further, adverse weather conditions may disrupt construction progress. Delays in the completion of our projects may result in claims for liquidated and ascertained damages by our customers, thus affecting our cash flow, profitability and reputation.

(v) Exposure to inherent risks in the construction industry

The construction industry face shortages of construction materials and skilled workers, non-availability and inefficiency of equipment, price increase in construction materials, labour disputes, the non-performance or unsatisfactory performance of contractors, inclement weather, natural disasters, accidents, failure or postponement of the issuance or grant of licences, permits and approvals, non-compliance of designs to local standards and unforeseen engineering or environmental problems. Construction delays, loss of revenue and cost over-runs are likely to result from such events, which could in turn materially and adversely affect the operations and financial performance of our construction division.

Road and quarry division

(i) Exposure to inherent risks in road and quarry industry

The primary output from quarries generally includes aggregates, crusher run and premix products. Aggregates are generally utilised for the production of building materials such as cement and ready-mixed concrete, and also form the base material for various applications, such as road and railway construction as well as the production of concrete, mortar and premix products. Crusher run and premix products are predominantly used for road construction.

Our quarry division produces aggregates, crusher run and premix products. As such, the general demand for our quarry products is highly dependent on the health of the construction industry. In addition, our premix products may be affected by the volatility in bitumen prices as bitumen forms the bulk of the production cost of premix.

In addition, other key raw materials for our quarry operations are diesel, lubricants and explosives. As such, our operations are subject to the volatility in prices of these raw materials and any increase may affect our profit margin.

6.3 Risks relating to the Rights Issue

6.3.1 Market price for BDB Shares

The market price of BDB Shares is dependent on or influenced by, *inter-alia*, the prevailing stock market sentiments, the volatility of the stock market, movement in interest rates, our Company's future profitability, the outlook of the industry in which our Company operates in and our financial performance. In view of this, there can be no assurance that BDB Shares will trade at or above the TEAP of BDB Shares upon or subsequent to the listing of and quotation for the Consideration Shares, Rights Shares and Bonus Shares on the Main Market of Bursa Securities.

Accordingly, there is no assurance that the market price of the Rights Shares and Bonus Shares will be at a level that meets the specific investment objectives or targets of any subscriber of the Rights Shares with attached Bonus Shares.

6.3.2 Capital market risk

The performance of our local bourse is influenced by a number of factors, amongst them are the general economic climate of Malaysia, the Southeast Asia region and the rest of the world, the performance of the global capital markets and investors' sentiments. These factors contribute to the volatility of trading volume on Bursa Securities.

6.3.3 Delay in or abortion of the Rights Issue

The Rights Issue is exposed to the risk that it may be aborted or delayed on the occurrence of, *inter-alia*, any or more of the following events:

(i) there are material breach of representations, warranties and undertakings on the part of our Company or in the event any conditions precedent to the Underwriting Agreement have not been fulfilled; or

(ii) any force majeure event which is any event or series of events beyond the reasonable control of our Company, including (without limitation) acts of government, acts of God (including, without limitation, the occurrence of a tsunami and/or earthquakes), acts of terrorism, strikes, national disorder, declaration of a state of emergency, lock-outs, fire, explosion, flooding, landslide, civil commotion, sabotage, acts of war, diseases or accidents arising prior to the implementation of the Rights Issue.

We will use our best endeavours to successfully implement the Rights Issue. However, there can be no assurance that the Rights Issue will not be delayed or aborted. In the event the Rights Issue is aborted:

(i) all the subscription/application monies received pursuant to the Rights Issue will be refunded to the subscribing Entitled Shareholders and/or their renouncee(s) (if applicable), without interest, or with interest if the application monies are not refunded within 14 days after our Company becomes liable to repay, in accordance with the provisions of Section 243(2) of the Capital Markets and Services Act, 2007; and

(ii) the Acquisition of Non-Malay Reserved Land, the IASC and the M&A Amendment will not be completed as they are inter-conditional upon each other.

6.3.4 Potential dilution

Entitled Shareholders who do not or are not able to accept their Provisional Rights Shares will have their proportionate ownership and voting interests in our Company reduced, and the percentage of our enlarged issued and paid-up share capital represented by their shareholdings in our Company will also be reduced accordingly. Pursuant thereto, their proportionate entitlement to any dividends, rights allotments and/or other distributions that we may declare, make or pay will correspondingly be diluted.

7. INDUSTRY OVERVIEW AND PROSPECTS OF OUR GROUP

Our Group's main divisions are property, construction, and road and quarry in Malaysia, collectively contributing approximately 97% of our Group's revenue for the FYE 31 December 2013. The outlook and prospects of our road and quarry division is highly dependent on the health of the construction industry. Hence, the prospects of our Group are driven by the property, construction and construction-related sectors in Malaysia.

7.1 Overview and outlook of the Malaysian economy

The Malaysian economy expanded by 6.4% in the second quarter of 2014. Global economic activity continued to expand at a moderate pace in the second quarter. The recovery in the US resumed after an unusual weather-related weakness in the first quarter. Growth in Japan was, however, affected by the implementation of the increase in the consumption tax in April. In Asia, economic activity continued to expand, albeit at a more moderate pace in most economies.

The Malaysian economy registered a strong growth of 6.4% in the second quarter of 2014 (1Q 2014: 6.2%), underpinned by higher exports and continued strength in private domestic demand. On the supply side, growth in the major economic sectors remained firm, supported by trade and domestic activity. On a quarter-on-quarter seasonally adjusted basis, the economy grew by 1.8% (1Q 2014: 0.8%).

(Source: Economic and Financial Developments in Malaysia in the Second Quarter of 2014, Bank Negara Malaysia)

7.2 Overview and outlook of the property, construction sector and construction-related sectors

The real estate and business services subsector expanded 8% during the first six months of 2014 (January – June 2013: 6.7%). The real estate segment grew 5.5% (January – June 2013: 4%) following higher real estate transactions which rebounded by 3.3% to 193,430 (January – June 2013: -13.8%; 187,164) with transaction value recording a double-digit growth of 19% to RM82 billion (January – June 2013: -0.3%: RM69 billion). Despite property prices hovering at a high level, the various cooling measures introduced to curb rising property prices and speculative activities have started to gain traction. This was reflected in the slower increase in residential property prices at 8.1% while transactions fell 2.7% during the first half of 2014 (January – June 2013: 11%: 5.1%). Growth of the real estate and business services subsector is projected to sustain at 7.5% in 2014 (2013: 7.5%).

The construction sector continued to register a double-digit growth of 14.3% during the first half of 2014 (January – June 2013: 12%). During the period, 19,649 construction projects were undertaken with contract value of RM50.1 billion. The civil engineering subsector contributed 33% to the total construction works, followed by the non-residential (32.3%), residential (29.6%) and special trade (5%). The private sector contributed 71.4% to the total value of construction works. Meanwhile, the higher construction activity was led by the residential and non-residential subsectors, while growth in the civil engineering subsector moderated following the completion of some major projects, including KLIA2, Second Penang Bridge and Manjung coal-power plant. Moving forward, the sector is expected to grow 12.7% in 2014 (2013: 10.9%) and contribute 4% to GDP, supported by ongoing residential, O&G and transportation projects.

Growth in the non-residential subsector turned around sharply by 14% (January – June 2013: -1%) in line with healthy business activity during the first half of 2014. This was reflected by increased construction activities especially for commercial buildings with the incoming supply of shops increasing to 72,117 units (January – June 2013: 66,167 units). In the public sector, construction was mainly concentrated in building 33 new schools and upgrading facilities in universities and hospitals. Industrial building starts grew significantly by 81.6% to 1,580 units (January – June 2013: 73.7%; 870 units), particularly in Johor, Selangor and Pulau Pinang.

The residential subsector expanded strongly by 22.1% during the first half of 2014 (January – June 2013: 15.7%) supported by higher growth in incoming supply at 9.5% (January – June 2013: 15.3%). Meanwhile, new housing approvals increased significantly by 32.6% to 96,115 units (January – June 2013: 6.8%; 72,461 units). Despite the decline in housing starts at 5.3% to 70,346 units (January – June 2013: 21.1%; 74,270 units), residential activity is expected to remain stable. The take-up rate for houses priced between RM500,001 and RM1,000,000, within six months after launch, was lower at 11.6% (January – June 2013: 34.2%) following several measures to cool the housing sector. Meanwhile, the highest take-up rate was recorded for houses priced between RM200,001 and RM250,000 at 49.3%.

Following several cooling measures imposed to curb speculative activity in the property sector, the number of residential property transactions decreased 2.7% in the first half of 2014 (July – December 2013: 5.1%). During the same period, residential transactions decline in Kuala Lumpur (-4.8%) and Selangor (-2.1%), while Johor and Pulau Pinang registered positive growth of 17.5% and 2.7%, respectively. Meanwhile, the residential overhang declined 11.5% to 12,105 units during the first half of 2014 (January – June 2013: -15.1%; 13,673 units), with a total value of RM4.5 billion (January – June 2013: RM5 billion).

The construction-related industries registered growth of 3.5% (January – July 2013: 5.7%). The subsector was cushioned by the turnaround in production of non-metallic mineral and other related products at 5.4% (January – July 2013: -2%). New orders for construction-related materials increased, mainly driven by public works. Output of glass products rebounded by 11.7% (January – July 2013: -15.6%) while precast concrete expanded 21.1% (January – July 2013: 9.1%), supported by ongoing infrastructure project, which include MRT and LRT as well as extension of Duta-Ulu Kelang Expressway (DUKE) and widening of Lebuh Raya Utara-Selatan (PLUS).

(Source: Economic Report 2014/2015, Ministry of Finance)

7.3 Overview and outlook of the property and construction sector in Kedah

The State of Kedah's property market softened in 2013 evidenced by the slight drop in both volume and value of transactions. The year recorded 25,389 transactions worth RM4.40 billion as compared to 2012. Both volume and value of transaction dropped by 8.6 % and 0.6 % respectively (2012 : 27,775 transactions worth RM4.44 billion).

Market activity by sub-sectors registered positive movement with exception to the agricultural sub-sectors. The industrial sub-sector portrayed substantial increase of 67.7 % in the review period. Development land, residential and commercial grew by 5.2 %, 4.8 % and 2.2 % respectively. The agricultural sub-sector continued to decrease significantly by 37.0 % against 15.2 % in 2012.

Value of agricultural sub-sector continued to decrease significantly by 22.5 % reduction. Meanwhile, value of commercial sub-sector reduced by 23.7 % as opposed to the increase in the number of transactions. Conversely, industrial and development lands sub-sectors saw significant increases by 26.7 % and 21.6 % respectively, while the residential sub –sector grew marginally by 5.6 %.

The units launched in the residential primary market softened in the review period. The number decreased to 2,611 units (2012 : 3,804 units) with higher sales performance of 51.1 % (2012 : 28%). Terraced houses formed the bulk of these new units, accounting for 48.4 % (1,263 units) of the total new launches.

Overall occupancy rate of shopping complexes in the state sustained at 79% (2012 : 78.3%). The performance of office sub-sector reduced marginally with the overall occupancy rate declined to 91.6 % (2012 : 92.8%).

(Source: Property Market Report 2013 by the Valuation and Property Services Department, Ministry of Finance Malaysia)

7.4 Prospects of the Landbank

Our Company's management is of the view that the demand for residential property in Kedah is expected to remain favourable among local buyers, based on our Company's track record and experience of effectively targeting local buyers with the right type of property offering at the right price level. Our Company's existing property development projects as at the LPD have seen sufficiently successful take-up rates so far (please refer to Section 7.5 below for a breakdown of our current property development projects). The majority of buyers for our Company's property products are first time and actual homeowners rather than speculative investors.

To ensure continuing alignment of our product supply with market demand for the new Landbank, our Company will constantly re-evaluate existing market and feasibility studies, and undertake other detailed market surveys and analyses prior to finalising the development plans for the Landbank.

There is also potential for some areas of the Landbank to be used for mixed residential and commercial township development with a focus on affordable housing. The prospects of the Landbank to be acquired by our Company, located in areas listed below, are as follows:

(i) Ulu Melaka, Langkawi

Langkawi, one of the United Nations Educational, Scientific and Cultural Organization's (UNESCO) Geoparks, is one of the key tourists spots in Malaysia. Due to its location within Langkawi, the subject land is in a good stead for the realisation of developments related to tourism, such as medical tourism. The absence of a medical tourism hospital in Langkawi at the moment presents an opportunity for the development of a medical tourism hospital to attract tourists from neighbouring countries such as Indonesia and Thailand.

Further, the subject land is located within a 10 kilometer radius from popular tourist attractions in Langkawi such as Mahsuri Tomb and Malaysian Agricultural Research and Development Institute (MARDI) Agro Technology Park. Hence, the development of the subject land into a tourism development would allow our Company to capitalise on the tourism industry in Langkawi by drawing tourists to our development. This development will also act as catalysts for other activities such as residential and commercial. Lastly, with the Northern Corridor Economic Region (NCER) initiative by the Government, which *inter-alia*, aims to encourage tourism activity in Kedah, the prospect of the subject land is expected to be favourable.

(ii) Hosba, Kubang Pasu

Considering that the location of the subject land is located next to the North-South Expressway and is sited between the towns of Jitra and Changlun, the area has the potential to be developed into a mixed development. Although in general, the property market in Kubang Pasu indicated a stable and consistent annual growth pattern for residential and commercial properties in the last three years, our Company views the prospects of the subject land favourably considering that the subject land is strategically and conveniently located. The potential market catchment for the development might come from educational institutions such as Universiti Utara Malaysia, Kolej Matrikulasi Kubang Pasu and Institut Perguruan Darulaman, and industrial areas like Bandar Darulaman Industrial Area and Bukit Kayu Hitam Industrial Area.

(iii) Sungai Petani, Kuala Muda

Under the National Housing Policy, the Government has introduced various programmes which encourages private sector in providing affordable houses, and this will have spillover effects in the economic growth and housing demand in Kuala Muda. This will also be complemented further as Sungai Petani (located within the district of Kuala Muda) will soon be upgraded from a town to a city by 2015.

Furthermore, the subject land is strategically located within the immediate Amanjaya township and is accessible from the Sungai Lalang – Bukit Selambau road, hence the subject land would be ideal for a mixed-development comprising residential and commercial component. Its potential is further enhanced by being near to the exit of North-South Highway (PLUS) about 4 km to the south. Further, the location of Kuala Muda adjacent to Penang also provides the opportunity for additional demand from Penang's residents.

As such, our Company believes that the subject land can still be successfully developed with emphasis being placed on introducing building designs with unique and improved development concepts, modern security and improved accessibility. Combined with the immediate proximity to an existing township, the development should be able to capture the market for our properties.

(iv) Pokok Sena

The subject land that is strategically located about 15 kilometers from Alor Setar city centre is ideal for potential mixed-development comprising residential, commercial and leisure components. With the new dual carriageway between Alor Setar and Pokok Sena, accessibility to Alor Setar has improved and travelling time has been shortened. Since the subject land is outside of the Malay Reservation Area, a wide range of buyers will be attracted to our development projects as well.

In creating a market niche, a mixed-development in Pokok Sena would be strategically positioned to complement the existing market by offering products that are rare in Pokok Sena and Alor Setar areas. By having a strategic location outside the congested city centre of Alor Setar, the subject land is also suitable for medium to medium-high end development targeted for population working in Alor Setar, Jitra and even Kuala Nerang apart from Pokok Sena itself. The subject site is expected to stand a good chance to become a niche for residential scheme and other economic prospects such as potential competitive rentals.

(v) Sungai Ular, Kulim

Due to the sizeable area of this landbank (374.13 acres), and its relatively low cost per sq. ft. (RM2.30 per sq. ft.), our Company believes there is a suitable opportunity for the initial development of the subject land to be catered towards low to medium cost houses and potentially as part of a longer-term sustainable township development. This will be a catalyst for creating a pool of residents in the area prior to further developments. Once the residential community is established, it would be easier to attract buyers for the properties to be developed in the subsequent phases, which may include mixed/commercial/retail concepts.

Further, the opening of Sultan Abdul Halim Muadzam Shah Bridge (Second Penang Bridge) will act as a catalyst for further economic growth in Kulim, which will create a spillover effect benefitting Kulim in general.

Our Company's management is of the view that the Acquisition coupled with the overall prospects of a positive outlook of the Malaysian economy and the property market in Malaysia as set out in Sections 7.1 and 7.2 of this AP will enable our Group to realise the potential arising from the highlighted features above. Thus, the Acquisition is expected to contribute positively to our Group's future earnings.

Notwithstanding the above and given that the Landbank is seen to comprise lands with favourable characteristics, the Landbank provide further opportunities for our Group to explore new real estate concepts and solutions that may not have yet been introduced to the Kedah property market. Our Company is currently undertaking feasibility studies to review and evaluate development opportunities for the Landbank. The new real estate concepts and solutions that are being explored include, *inter-alia*, a wellness and retirement village and Eco-Resort concept in Langkawi, which is currently not available in Langkawi, townships which focus on healthy living and lifestyles, by including green and sustainable features within the townships, new unit types such as strata homes in gated and guarded sub-sections of the townships as well as townhouse and/or low-rise condominium concepts that are more efficient at utilising the Landbank.

The size of the Landbank provides our Group with such opportunities, and it is envisaged that the Landbank will provide more flexible, versatile and creative avenues in township and mixed development planning that our Group could consider in the future. However, the feasibility studies have not culminated in any conclusive decision on the type of development to be implemented, and currently, there are no specific plans for the Landbank.

Further, our Group currently has approximately 917 acres of remaining landbank spread over three primary townships which are all located in Kedah and will continue developing these townships up to 2020. With the Acquisition, we will replenish a further 1,154.8 acres of land to our total landbank, hence strengthening our Group's asset size and allowing for a more sustainable development of our business. The Acquisition will also allow us to increase our brand recognition in Kedah given the anticipated future new developments.

Premised on the foregoing, and barring unforeseen circumstances, the Acquisition is expected to augur well for our Group's strategy and to support, and strengthen the strategic development objectives and value enhancement of our Group.

(Source: Our management)

7.5 Prospects of our Group

The prospects of our Group are predominantly affected by the following main divisions of our Group:

Property Division

As mentioned in Section 7.4 of this AP, the Acquisition is expected to augur well for our Group and in turn our property division, which contributed approximately 37.5% of our Group's revenue for FYE 31 December 2013. Further, our Group is also looking forward to expanding our property division outside of Kedah and is exploring opportunities in other states in Malaysia.

Details of the existing property development projects as at the LPD are as follows:

Projects / Type of development / Location	Estimated gross development value (RM'mil)	Estimated gross development cost (RM'mil)	Approximate percentage of completion	Expected completion	Take-up rate
Bandar Darulaman / Township / Jitra, Kedah	76.3	64.8	80.5%	2019	91.4%
Darulaman Perdana / Township / Sg. Petani, Kedah	40.2	34.1	10.0%	2020	62.5%
Darulaman Utama / Township / Kuala Ketil, Kedah	86.6	73.6	79.8%	2018	78.0%

Construction Division

For our construction division, which contributed approximately 24.1% of our Group's revenue for FYE 31 December 2013, we are in a strategic position to participate in an assortment of construction projects as a Government Linked Company (GLC). This enables us to expend our resources on discovering other project opportunities whilst still obtaining a consistent stream of income from the Kedah state projects.

Our Group is also well capitalised to support the Kedah state government's pledge to fulfill their development agenda to provide affordable housing for the public. In realising this initiative, our Group is working closely with PKNK, Perbadanan PR1MA Malaysia, Syarikat Perumahan Negara Berhad as well as Kementerian Kesejahteraan Bandar, Perumahan dan Kerajaan Tempatan for the construction of affordable housing development. The division had in this year completed the construction of 406 units of low cost and affordable housing valued at RM33.3 million vis-à-vis total residential sales of approximately RM85 milion from January until November 2014.

Further, both the Federal and Kedah state Governments' initiatives in investing in Kedah state infrastructure (e.g. the Kulim International Airport, Pulau Bunting seaport, Sungai Petani-Kulim Expressway, Rubber City, etc.) are expected to augur well for our Group, and we will aggressively seek participation in such projects either as a main or sub-contractor.

Road and Quarry Division

For our road and quarry division, which contributed approximately 35.8% of our Group's revenue for FYE 31 December 2013, our Group is actively exploring new contracts for road maintenance projects within and beyond Kedah. Across Kedah, we are expected to secure more sizeable projects that include undertaking road maintenance works and supplying quarry and asphaltic concrete products for federal road projects, which will contribute positively to the future earnings of our Group. We will also continue to pursue routine highway maintenance and upgrading jobs from our existing customers such as expanding the scope of work for our existing highway maintenance contract for the North-South Expressway with Projek Penyelenggaraan Lebuhraya Berhad (PROPEL). Further, as and when more townships are developed by our property division, more opportunities for road building and maintenance will arise as well.

Our Group is the sole operator of a 240-acre granite quarry located in Bukit Perak, Pendang, Kedah, which involves the development and operations of the quarry for the production and sale of quarry products. The quarry is currently being leased from PKNK for a tenure of 20 years from 7 April 1995 to 31 May 2015 under a lease agreement, which gives us the exclusive right to extract and sell the extracted quarry products from the quarry site. As at the LPD, our Company and PKNK are in the midst of finalising the agreement for the renewal of the lease, which is expected to be finalised by the end of January 2015.

Our Group is in the midst of expanding our quarry division by identifying new quarry sites in Kedah to fulfil the demands for our quarry products from internal as well as external customers, and to penetrate new markets in the northern states of Malaysia.

Our Group is monitoring closely the developments on proposed infrastructural developments in Kedah such as the Kulim International Airport, Pulau Bunting seaport and Sungai Petani-Kulim Expressway. Such developments can give rise to significant opportunities for us to participate in road building (e.g. runway tarmac, seaport inland infrastructure and access and expressway tarmac).

(Source: Our management)

8. EFFECTS OF THE CORPORATE EXERCISES

The IASC and the M&A Amendment will not have any effect on the issued and paid-up share capital, consolidated NA and gearing, NA per share of our Company, and shareholdings of our Company's substantial shareholder.

8.1 Share capital

The proforma effects of the Acquisition and the Rights Issue on our issued and paid-up share capital are set out below:

	No. of BDB Shares	RM
As at the LPD	72,815,856	72,815,856
To be issued pursuant to the following:		
- Rights Issue	145,631,712	145,631,712
- Acquisition of Non-Malay Reserved Land	27,037,038	27,037,038
- Acquisition of Malay Reserved Land	58,370,371	58,370,371
Enlarged issued and paid-up share capital	**303,854,977**	**303,854,977**

8.2 NA per BDB Share and gearing

You should read this section in conjunction with the Reporting Accountants' Letter on the proforma consolidated statements of financial position of our Company as at 31 December 2013 as set out in Appendix IV of this AP.

The proforma effects of the Acquisition and the Rights Issue on our consolidated NA and gearing, and NA per BDB Share as at 31 December 2013 are set out below:

			Proforma I	Proforma II	Proforma III
	Audited as at 31 December 2013	Adjusting for dividend payment (1)	After Rights Issue	After Proforma I and Acquisition of Non-Malay Reserved Land	After Proforma II and Acquisition of Malay Reserved Land
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
Share capital	72,816	72,816	218,448	245,485	303,855
Share premium	17,062	17,062	- (6)	9,463	29,893
Exchange fluctuation reserves	10	10	10	10	10
Retained earnings	175,341	170,244	136,335 (6)	136,335	131,335 (4)
Non-controlling interest	8,068	8,068	8,068	8,068	8,068
Total equity	**273,297**	**268,200**	**362,861**	**399,361**	**473,161**
No. of BDB Shares in issue ('000)	72,816	72,816	218,448	245,458	303,855
NA per BDB Share (RM)	3.75	3.68	1.66	1.63	1.56
Total borrowings	343,192	343,192	343,192	343,192	343,192
Cash and bank balances	101,589	96,492	191,153	127,151 (5)	99,453 (4)(5)
Gross gearing (times) (2)	1.26	1.28	0.95	0.86	0.73
Net gearing (times) (3)	0.88	0.92	0.42	0.54	0.52

Notes:

(1) On 20 May 2014, our Company has paid first and final single tier dividend of 7 sen per BDB Share amounting to RM5,097,110.

(2) *Gross gearing is computed as total borrowings divided by total equity.*

(3) *Net gearing is computed as net borrowings (total borrowings minus cash and bank balances) divided by total equity.*

(4) *After deducting the estimated expenses in relation to the Corporate Exercises of RM5.0 million.*

(5) *After payment of Consideration Cash and Deposit by our Company in relation to the respective acquisitions.*

(6) *For purposes of capitalisation for Bonus Shares, RM38.907 million is first capitalised from the share premium account and the remaining RM33.909 million is capitalised from retained earnings.*

8.3 Earnings and EPS

For illustration purposes only, based on the latest audited consolidated financial statements of our Company as at 31 December 2013, the proforma effects of the Corporate Exercises on the earnings and EPS of our Group are as follows:

		Proforma I	**Proforma II**	**Proforma III**
	Audited as at 31 December 2013	**After Rights Issue**	**After Proforma I and Acquisition of Non-Malay Reserved Land**	**After Proforma II and Acquisition of Malay Reserved Land**
Profit after non-controlling interest (RM)	21,143,267	21,143,267	21,143,267	21,143,267
Number of BDB Shares in issue	72,815,856	218,447,568	245,484,606	303,854,977
Basic EPS (sen)	29.0	9.7	8.6	7.0

The Acquisition and Rights Issue are not expected to have a material effect on the consolidated earnings of our Company and EPS for the FYE 31 December 2014 as the Acquisition of Non-Malay Reserved Land and the Rights Issue are expected to only be completed in the first quarter of 2015 whilst the Acquisition of Malay Reserved Land is expected to be completed in the second quarter of 2015.

As illustrated above, the EPS of our Company is expected to be proportionately reduced as a result of the increase in the number of BDB Shares upon allotment and issuance of the Rights Shares with attached Bonus Shares, Bonus Shares and Consideration Shares. Nevertheless, the potential impact of the Acquisition and the Rights Issue on the future earnings and EPS of our Company will depend upon, *inter-alia*, the future development plans for the Landbank to be acquired and the level of returns from such development.

9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

9.1 Working capital

Our Board is of the opinion that, after taking into consideration the banking facilities available to our Company, our Company's cash balance, internally-generated funds from our operations as well as proceeds to be raised from the Rights Issue, we will have adequate working capital to meet our present and foreseeable future working capital requirements for a period of 12 months from the date of this AP.

9.2 Borrowings

As at 31 October 2014, being the latest practicable date at which such amounts could be calculated prior to the printing of this AP, our Company had total borrowings amounting to approximately RM317.1 million, all of which are interest-bearing. The total outstanding borrowings are divided into the following:

	Short-term borrowings	**Long-term borrowings**	**Total borrowings**
	(RM'000)	**(RM'000)**	**(RM'000)**
Secured borrowings	40,778	276,339	317,117

There has not been any default on payment of either interest and/or principal sums in respect of any borrowings throughout FYE 31 December 2013 and the subsequent financial period thereof up to the LPD.

9.3 Contingent liabilities

As at the LPD, our Group does not have any contingent liabilities.

9.4 Material commitments

As at 31 October 2014, being the latest practicable date at which such amounts could be calculated prior to the printing of this AP, our Group had total material commitments amounting to approximately RM7.6 million. The total material commitments are divided into the following:

	RM
Plant, machinery and equipment:	
Approved and contracted for [(1)]	2,205,900
Approved but not contracted for [(2)]	5,394,132
Total	**7,600,032**

Notes:

(1) Consisting of lorries and road surfacing machineries, and enterprise resource planning (ERP) and infrastructure technology (IT) systems.

(2) Consisting of plant and machineries for quarry and road surfacing, and building and office renovation.

The material commitments are expected to be funded by internally-generated funds, bank borrowings and/or proceeds from the Rights Issue.

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10. SHAREHOLDERS' UNDERTAKINGS AND UNDERWRITING ARRANGEMENT

10.1 Shareholders' undertakings

Our Company had procured the Subscription Undertaking dated 7 October 2014 from PKNK. As at the LPD, PKNK collectively holds 39,678,993 BDB Shares, representing approximately 54.5% shareholding in our Company. PKNK does not intend to dispose its shareholdings from the LPD up to the Entitlement Date.

The following table sets out the shareholding of PKNK and the number of Rights Shares and Bonus Shares to be subscribed by PKNK pursuant to the Subscription Undertaking:

	As at the LPD		Entitlement under the Rights Issue/ Rights Shares to be subscribed under the Subscription Undertaking		Bonus Shares to be issued pursuant to the Rights Shares subscribed	
Name	**No. of BDB Shares held**	**%**	**No. of Rights Shares**	**%**	**No. of Bonus Shares**	**%**
PKNK	39,678,993	54.5	39,678,993	54.5	39,678,993	54.5

The open portion of 33,136,863 Rights Shares, representing 45.5% of the number of Rights Shares, will be underwritten by RHB Investment Bank.

The Rights Issue is not undertaken on a minimum level of subscription.

10.2 Underwriting arrangement and salient terms of the Underwriting Agreement

Pursuant to the Underwriting Agreement, RHB Investment Bank has agreed to underwrite 33,136,863 Rights Shares ("**Underwritten Shares**"), representing 45.5% of the number of Rights Shares to be issued. The remaining 39,678,993 Rights Shares will be subscribed by PKNK pursuant to the Subscription Undertaking.

The underwriting commission payable by our Company to RHB Investment Bank is 2.25% multiplied by the issue price of RM1.30 per Underwritten Share and the number of Underwritten Shares.

The obligations of RHB Investment Bank to underwrite the Underwritten Shares under the Underwriting Agreement shall be conditional upon the fulfilment or waiver, in the manner provided for below, of each of the following conditions:

(i) RHB Investment Bank having received certificates in the form or substantially in the form contained in Schedule 1 of the Underwriting Agreement from our Company dated the date of registration of the AP and next, dated the Closing Date, all of which are to be signed by a Director or authorised signatory of our Company (on behalf of our Company);

(ii) the Underwriting Agreement has been stamped within the statutory time frame;

(iii) all the approvals in relation to the Acquisition of Non-Malay Reserved Land, Rights Issue, IASC and M&A Amendment having been obtained and remaining in full force and effect by the Closing Date and none have been withdrawn, revoked, suspended or terminated or lapsed, and a certified true copy of each of such approvals having been provided to RHB Investment Bank (and, if any of such approvals is conditional, such conditions being on terms acceptable to RHB Investment Bank, acting reasonably);

(iv) the AP having been approved by our Company for issuance;

(v) the AP having been lodged with the Registrar of Companies and registered with the SC prior to issuance, in each case, in accordance with all applicable laws, and RHB Investment Bank having received a copy of the confirmation of lodgement and registration;

(vi) the AP having been issued not later than three months after the date of the Underwriting Agreement or such later date as RHB Investment Bank and our Company may from time to time agree in writing;

(vii) RHB Investment Bank having received, prior to the date of the registration of the AP with the SC, a copy of the memorandum and articles of association of our Company, the latest Forms 24, 44 and 49, and an extract of a resolution of the Directors and where relevant, resolution of the shareholders of our Company in respect of the following, each duly certified as true by the secretary of our Company:

(a) approving the AP, the Underwriting Agreement and the transactions contemplated by it;

(b) authorising the issuance of the AP; and

(c) authorising a person to sign and deliver the Underwriting Agreement on behalf of our Company;

(viii) RHB Investment Bank having received, prior to the date of the registration of the AP with the SC, the legal opinion of Kadir Andri & Partners dated the date prior to the registration of the AP, in such form and content satisfactory to RHB Investment Bank (acting reasonably); and

(ix) the Rights Issue has not been prohibited or impeded by any statute, order, rule, directive or regulation promulgated by any legislative, executive or regulatory body or authority of Malaysia or any jurisdiction within which such Rights Shares with attached Bonus Shares are offered and all approvals required by our Company under the laws of Malaysia for or in connection with the Rights Issue and/or listing of and quotation for the Rights Shares and Bonus Shares on the Main Market have been obtained and are in force up to the Closing Date.

RHB Investment Bank will also have a right to terminate, cancel and withdraw their respective commitments pursuant to the Underwriting Agreement if:

(i) there is any breach by our Company of any of the representations, warranties or undertakings contained in the Underwriting Agreement, which is not capable of remedy or, if capable of remedy, is not remedied within 15 days from receipt of the notice of such breach being given to our Company by RHB Investment Bank or by the Closing Date, whichever is the earlier; or

(ii) there is failure on the part of our Company to perform any of its obligations contained in the Underwriting Agreement and such obligations have not been complied with within two Market Days of the default and in any event before the Closing Date; or

(iii) there is withholding of information of material nature from RHB Investment Bank which is required to be disclosed pursuant to the Underwriting Agreement which, in the opinion of RHB Investment Bank, would have a Material Adverse Effect (as defined in the Underwriting Agreement); or

(iv) there shall have occurred, happened or come into effect in the opinion of the RHB Investment Bank any material and adverse change or Material Adverse Effect, taken as a whole; or

(v) the Closing Date does not occur within 30 days from the date of the AP, subject to such extension which may be agreed between our Company and RHB Investment Bank; or

(vi) the occurrence of any of the following events:

(a) any material adverse change or Material Adverse Effect in national or international monetary, financial and capital markets (including stock market conditions and interest rates), political or economic conditions or exchange control or currency exchange rates which in the reasonable opinion of RHB Investment Bank would reasonably be expected to have a Material Adverse Effect. For the avoidance of doubt, and without prejudice to the foregoing, if the FTSE Bursa Malaysia KLCI Index ("**Index**") is, at the close of normal trading on Bursa Securities, on any Market Day:

(I) on or after the date of the Underwriting Agreement; and

(II) prior to the Closing Date,

lower than 90% of the level of the Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to the date of the Underwriting Agreement and remains at or below that level for at least three Market Days or any other adverse change in the market conditions which the parties mutually agree to be sufficiently material and adverse to render it to be a terminating event, it shall be deemed a material adverse change in the stock market condition; or

(b) any new law or change in law, regulation, directive, policy or ruling in any jurisdiction, interpretation or application by the court/authorities which has or could reasonably be expected to have Material Adverse Effect; or

(c) any *force majeure* event which is any event or series of events beyond the reasonable control of RHB Investment Bank, including (without limitation) acts of government, acts of God (including, without limitation, the occurrence of a tsunami and/or earthquakes), acts of terrorism, strikes, national disorder, declaration of a state of emergency, lock-outs, fire, explosion, flooding, landslide, civil commotion, sabotage, acts of war, diseases or accidents which has or is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms or which prevents the processing of applications and/or payments pursuant to the Rights Issue or pursuant to the underwriting of the Underwritten Shares; or

(d) any imposition of moratorium, suspension or material restriction on trading of securities on Bursa Securities for a period exceeding three consecutive Market Days whether due to exceptional financial circumstances or otherwise; or

(e) any government requisition or occurrence of any other nature whatsoever which is likely to have a Material Adverse Effect.

11. TERMS AND CONDITIONS

The subscription of the Rights Shares with attached Bonus Shares is governed by the terms and conditions set out in the Documents.

12. INSTRUCTION FOR ACCEPTANCE, PAYMENT, SALE/TRANSFER AND EXCESS APPLICATION

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL RIGHTS SHARES AS WELL AS FOR EXCESS APPLICATION AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU AND/OR YOUR RENOUNCEE(S) AND/OR TRANSFEREE(S) (IF APPLICABLE) WISH TO SELL/TRANSFER ALL OR ANY PART OF YOUR/THEIR ENTITLEMENT ARE SET OUT IN THIS AP AND THE ACCOMPANYING RSF. YOU ARE ADVISED TO READ THIS AP, THE RSF AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY. THE RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THIS AP.

ACCEPTANCES WHICH DO NOT CONFORM STRICTLY TO THE TERMS OF THIS AP, THE RSF AND NOTES AND INSTRUCTION THEREIN OR WHICH ARE ILLEGIBLE MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF OUR BOARD.

12.1 General

If you are an Entitled Shareholder, your CDS Account will be duly credited with the number of Provisional Rights Shares which you are entitled to subscribe for in full or in part under the terms of the Rights Issue. You will find enclosed with this AP, the NPA notifying you of the crediting of such Provisional Rights Shares into your CDS Account and the RSF to enable you to subscribe for the Rights Shares with attached Bonus Shares, as well as to apply for any Excess Rights Shares if you choose to do so. This AP and the RSF are also available on Bursa Securities' website at "www.bursamalaysia.com".

12.2 Procedures for acceptance and payment

If you wish to accept your entitlement to the Provisional Rights Shares either in full or in part, please complete Parts I(A) and II of the RSF in accordance with the notes and instructions therein. Each completed RSF together with the appropriate remittance(s) for the full amount payable in respect of the amount of the Rights Shares with attached Bonus Shares accepted must be despatched by **ORDINARY POST**, **COURIER** or **DELIVERED BY HAND** in the official envelope provided, at your own risk, to our Share Registrar at the following address:

Bina Management (M) Sdn. Bhd.
Lot 10, The Highway Centre
Jalan 51/205
46050 Petaling Jaya
Selangor Darul Ehsan

so as to arrive not later than **5.00 p.m. on 8 January 2015**, being the last time and date for acceptance and payment, or such later date and time as may be determined and announced by our Board not less than two Market Days before the stipulated date and time.

If you do not wish to accept the Provisional Rights Shares in full, you are entitled to accept part of your entitlement. The minimum number of Provisional Rights Shares that can be accepted is one. However, you should take note that in order to be entitled to one Bonus Share, you must subscribe for one Rights Share. Fractions of a Rights Share and/or Bonus Share under the Rights Issue will be disregarded and shall be dealt with in such manner as our Board shall in their absolute discretion deems fit or expedient, and in the best interest of our Company. You should also take note that a trading board lot of the BDB Shares comprises 100 BDB Shares. You have to complete Parts I(A) and II of the RSF by specifying the number of Provisional Rights Shares which you are accepting. The portion of the Provisional Rights Shares that has not been accepted will be allotted to applicants applying for Excess Rights Shares in the manner set out in Section 12.3 of this AP.

Acceptance of and payment for the Provisional Rights Shares must be made on the RSF and must be completed in accordance with the notes and instructions therein. Acceptances which do not conform with the terms of this AP or RSF together with the notes and instructions therein or which are illegible may be rejected at the absolute discretion of our Board.

All acceptance of and payment for the Provisional Rights Shares must be submitted to our Share Registrar by the mode of despatch of your choice and is entirely at your own risk.

One RSF can only be used for acceptance of the Provisional Rights Shares standing to the credit of one CDS Account. Separate RSF must be used for the acceptance of the Provisional Rights Shares standing to the credit of more than one CDS Account. If successful, the Rights Shares with attached Bonus Shares that you subscribed for will be credited into your respective CDS Accounts where the Provisional Rights Shares are standing to the credit.

A reply envelope is enclosed in this AP. To facilitate the processing of the RSF by our Share Registrar, you are advised to use one reply envelope for each completed RSF.

Each completed RSF must be accompanied by the appropriate remittance in RM for the full amount payable for the Provisional Rights Shares accepted in the form of banker's draft(s), cashier's order(s), money order(s) or postal order(s) drawn on a bank or post office in Malaysia and must be made payable to **"BDB RIGHTS ISSUE ACCOUNT"**, crossed **"A/C PAYEE ONLY"**, and **endorsed on the reverse side with your name, contact number and address in block letters and your CDS Account number**. The remittance must be made for the exact amount payable for the Provisional Rights Shares accepted. Any acceptance with excess or insufficient payment may be rejected at the absolute discretion of our Board. Cheques or any other mode of payments not prescribed herein are not acceptable.

NO ACKNOWLEDGEMENT OF THE RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE ACCEPTANCE OF THE PROVISIONAL RIGHTS SHARES. PROOF OF TIME OF POSTAGE SHALL NOT CONSTITUTE PROOF OF TIME OF RECEIPT BY OUR SHARE REGISTRAR. IF YOUR APPLICATION IS SUCCESSFUL, THE RIGHTS SHARES WITH ATTACHED BONUS SHARES SHALL BE CREDITED INTO YOUR CDS ACCOUNT AND A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS STATED IN THE RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN EIGHT MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL RIGHTS SHARES.

If acceptance of and payment for the Provisional Rights Shares (whether in full or in part, as the case may be) are not received by our Share Registrar by **5.00 p.m. on 8 January 2015**, being the last date and time for acceptance and payment, or such later date and time as may be determined and announced by our Board not less than two Market Days before the stipulated date and time, your Provisional Rights Shares will be deemed to have been declined and will be cancelled. Such Provisional Rights Shares not taken up shall be made available for Excess Rights Shares in the manner as set out in Section 12.3 of this AP.

AN APPLICATION SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. OUR BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY APPLICATION OR TO ACCEPT IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.

YOU SHOULD NOTE THAT ALL RSF AND REMITTANCES LODGED WITH OUR SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT SUBSEQUENTLY BE WITHDRAWN. IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES (AS THE CASE MAY BE) WILL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS STATED IN THE RECORD OF DEPOSITORS AT YOUR

OWN RISK WITHIN 14 MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL RIGHTS SHARES.

12.3 Application for Excess Rights Shares

If you wish to apply for additional Rights Shares with attached Bonus Shares in excess of those provisionally allotted to you, please complete Parts I(B) and II of the RSF and forward the RSF with a **SEPARATE** remittance in RM for the full amount payable in respect of the Excess Rights Shares applied for to our Share Registrar at the address set out in Section 12.2 of this AP so as to arrive not later than **5.00 p.m. on 8 January 2015,** being the last time and date for application and payment for Excess Rights Shares, or such later date and time as may be determined and announced by our Board not less than two Market Days before the stipulated date and time.

Payment for the Excess Application should be made in the same manner described in Section 12.2 of this AP except that the banker's draft(s), cashier's order(s), money order(s) or postal order(s) drawn on a bank or post office in Malaysia should be made payable to **"BDB EXCESS RIGHTS SHARES ACCOUNT"**, crossed **"A/C PAYEE ONLY"**, and **endorsed on the reverse side with your name, contact number and address in block letters and your CDS Account number**. The remittance must be made for the exact amount payable for the Excess Rights Shares applied. Any application with excess or insufficient payment may be rejected at the absolute discretion of our Board. Cheques or any other mode of payments not prescribed herein are not acceptable.

Our Board reserves the right to allot any Excess Rights Shares applied for under the RSF in such manner as it deems fit and expedient, and in the best interest of our Company subject always to such allocation achieving the intention of our Board as set out in Section 12.3 (i) - (iv) below. It is the intention of our Board to allocate the Excess Rights Shares, if any, in a fair and equitable manner in the following priority:

(i) firstly, to minimise the incidence of odd lots;

(ii) secondly, for allocation to our Entitled Shareholders who have applied for the Excess Rights Shares, on a pro-rata basis and in board lots, calculated based on their respective shareholdings on the Entitlement Date;

(iii) thirdly, for allocation to our Entitled Shareholders who have applied for the Excess Rights Shares, on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Applications; and

(iv) fourthly, for allocation to transferee(s) and/or renouncee(s) who have applied for the Excess Rights Shares, on a pro-rata basis and in board lots, calculated based on the quantum of their respective Excess Applications.

Nevertheless, our Board also reserves the right to allot the Excess Rights Shares in respect of any Excess Application, in full or in part, without assigning any reason thereto subject always to such allocation being made in a fair and equitable manner.

NO ACKNOWLEDGEMENT OF THE RECEIPT OF THE RSF FOR THE EXCESS APPLICATION OR APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE EXCESS RIGHTS SHARES. PROOF OF TIME OF POSTAGE SHALL NOT CONSTITUTE PROOF OF TIME OF RECEIPT BY OUR SHARE REGISTRAR. IF YOUR EXCESS APPLICATION IS SUCCESSFUL, THE EXCESS RIGHTS SHARES SHALL BE CREDITED INTO YOUR CDS ACCOUNT AND A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS STATED IN THE RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN EIGHT MARKET DAYS FROM THE LAST DATE FOR APPLICATION OF AND PAYMENT FOR THE EXCESS RIGHTS SHARES.

AN APPLICATION SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. OUR BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY APPLICATION OR TO ACCEPT IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.

IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL EXCESS APPLICATIONS, THE FULL AMOUNT OR THE SURPLUS APPLICATION MONIES (AS THE CASE MAY BE) WILL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS STATED IN THE RECORD OF DEPOSITORS AT YOUR OWN RISK WITHIN 14 MARKET DAYS FROM THE LAST DATE FOR APPLICATION OF AND PAYMENT FOR THE EXCESS RIGHTS SHARES.

IF YOU LOSE, MISPLACE OR FOR ANY REASON REQUIRE ANOTHER COPY OF THE RSF, YOU MAY OBTAIN ADDITIONAL COPIES FROM YOUR STOCKBROKERS, OUR REGISTERED OFFICE, BURSA SECURITIES' WEBSITE AT "WWW.BURSAMALAYSIA.COM" OR OUR SHARE REGISTRAR AT THE ADDRESS SET OUT IN SECTION 12.2 OF THIS AP.

12.4 Procedure for sale and/or transfer of the Provisional Rights Shares

The Provisional Rights Shares is renounceable in full and in part and will be traded on Bursa Securities commencing 19 December 2014 until 30 December 2014 at 5.00 p.m. As such, you and/or your renouncee(s) may sell/transfer all or part of your entitlements to the Provisional Rights Shares.

As the Provisional Rights Shares are prescribed securities, you and/or your renouncee(s) who wish to sell/transfer all or part of your entitlement to the Provisional Rights Shares may do so immediately through your stockbroker for the period up to the last date and time for sale/transfer of the Provisional Rights Shares without first having to request for a split of the Provisional Rights Shares standing to the credit of your CDS Accounts.

To sell/transfer all or part of your Provisional Rights Shares, you and/or your renouncee(s) may sell such entitlements on Bursa Securities or transfer such entitlements to such persons as may be allowed pursuant to the Rules of Bursa Depository, for the period up to the last time and date for the sale/transfer of your Provisional Rights Shares.

In selling/transferring all or part of your Provisional Rights Shares, you and/or your renouncee(s) need not deliver any document (including the RSF) to the stockbroker in respect of the portion of the Provisional Rights Shares to be sold/transferred. However, you and/or your renouncee(s) must ensure that you have sufficient Provisional Rights Shares standing to the credit of your CDS Account for settlement of the sale/transfer.

If you have purchased any Provisional Rights Shares on Bursa Securities, to enable you to accept the Provisional Rights Shares, you should obtain the RSF from one of the following:

1) Any Malaysian stockbroking company

2) Our Registered Office at:

   Level 9, Menara BDB
   88, Lebuhraya Darulaman
   05100 Alor Setar
   Kedah Darul Aman

3) Our Share Registrar's office at:

Bina Management (M) Sdn. Bhd.
Lot 10, The Highway Centre
Jalan 51/205
46050 Petaling Jaya
Selangor Darul Ehsan

4) Bursa Securities' website at "www.bursamalaysia.com"

If you and/or your renouncee(s) have sold only part of your Provisional Rights Shares, you may still accept the balance of your entitlements to the Provisional Rights Shares by completing Parts I(A) and II of the RSF and forwarding the RSF together with the full amount payable on the balance of the Provisional Rights Shares applied for to our Share Registrar in accordance with the instructions in Section 12.2 of this AP.

12.5 CDS Accounts

Bursa Securities has already prescribed our securities listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares with attached Bonus Shares are prescribed securities and as such, all dealings in the Rights Shares with attached Bonus Shares will be by book entry through CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. You must have a CDS Account in order to subscribe for the Rights Shares with attached Bonus Shares. Failure to comply with the specific instructions for application or inaccuracy in the CDS Account number may result in the application being rejected.

The acceptance of the Provisional Rights Shares by you or any purchaser of the Provisional Rights Shares thereof shall mean consent to receiving such Rights Shares with attached Bonus Shares as prescribed securities which will be credited directly into your or the purchaser's CDS Account.

All Excess Rights Shares allotted shall be credited directly into the CDS Accounts of the successful applicants.

If you have multiple CDS Accounts into which the Provisional Rights Shares have been credited, you cannot use a single RSF for subscription of all of these Rights Shares with attached Bonus Shares. Separate RSF must be used for separate CDS Accounts. If successful, the Rights Shares with attached Bonus Shares that you subscribed for will be credited into your respective CDS Accounts where the Provisional Rights Shares are standing to the credit.

12.6 Foreign-addressed Shareholders

The Documents are not intended to be (and will not be) issued, circulated or distributed and the Rights Issue will not be made or offered for purchase or subscription, in any country or jurisdiction other than, nor under or in accordance with any laws other than that of, nor lodged, registered or approved by any regulatory authority or relevant body other than those in, Malaysia.

The Rights Issue to which this AP relates is only available to Entitled Shareholders receiving this AP and the RSF electronically or otherwise within Malaysia. Accordingly, the Documents will not be sent to the Entitled Shareholders of our Company who do not have a registered address in Malaysia ("**Foreign-Addressed Shareholders**"). Foreign-Addressed Shareholders may collect or authorise any other persons to collect on their behalf, this AP including the accompanying documents from our Share Registrar, in which event, our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and/or authority of the person collecting the aforesaid documents.

If you accept the Rights Issue, we will assume that such acceptance would not be in breach of the laws of any jurisdiction that you are subject to and that your acceptance of such Rights Issue will be subject to the laws of Malaysia.

Nevertheless, our Board reserves the right, in its absolute discretion, to treat any acceptance as invalid and/or ineffective, if they believe or have reason to believe that such acceptance may violate applicable legal or regulatory requirements.

It shall be your sole responsibility to consult your legal and/or other professional advisers and to satisfy yourself as to whether your acceptance or renunciation of your Provisional Rights Shares would result in the contravention of any law to which you are subject to (including those of any country or jurisdiction other than Malaysia, if any) and we, RHB Investment Bank or any other advisers to the Rights Issue do not accept and hereby disclaim any responsibility or liability whatsoever to any party in the event that such acceptance or renunciation by you and/or your renouncee(s) is or shall become illegal, unenforceable, voidable or void in any country or jurisdiction.

Remittances by Foreign-Addressed Shareholders and/or their renouncee(s) who wish to apply for Excess Rights Shares and/or accept the Provisional Rights Shares subject to the above conditions must be made in the manner prescribed in Sections 12.2 and 12.3 of this AP.

If you are a Foreign-Addressed Shareholder, by signing the RSF, you and/or your renouncee(s) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) our Company, our Board and officers and other advisers to the Rights Issue that:

(i) our Company would not, by acting on the acceptance or renunciation in connection with the Rights Issue, be in breach of the laws of any jurisdiction to which you and/or your renouncee(s) are or may be subject to;

(ii) you and/or your renouncee(s) have complied with the laws to which you and/or your renouncee(s) are or may be subjected to in connection with the acceptance or renunciation;

(iii) you and/or your renouncee(s) are not a nominee or agent of a person in respect of whom we would, by acting on the acceptance or renunciation, be in breach of the laws of any jurisdiction to which that person is or may be subject to;

(iv) you and/or your renouncee(s) are aware that the Provisional Rights Shares can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged or dealt with in any way in accordance with all applicable laws in Malaysia;

(v) you and/or your renouncee(s) have respectively received a copy of this AP and have read and understood the contents of this AP; and

(vi) you and/or your renouncee(s) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares with attached Bonus Shares, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares with attached Bonus Shares.

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13. FURTHER INFORMATION

You are advised to refer to the attached appendices for further information.

Yours faithfully,
For and on behalf of the Board of Directors of
BINA DARULAMAN BERHAD

Datuk Mohd Nasir bin Ahmad
Senior Independent Non-Executive Director

CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS IN RESPECT OF THE RIGHTS ISSUE PASSED AT OUR EGM HELD ON 23 NOVEMBER 2014

BINA DARULAMAN BERHAD (332945-X)
(A Subsidiary of Kedah State Development Corporation)

"KEDAH AMAN MAKMUR"
BERSAMA MEMACU TRANSFORMASI

STRICTLY PRIVATE & CONFIDENTIAL

CERTIFIED TRUE COPY OF AN EXTRACT MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF THE COMPANY HELD ON 23 NOVEMBER 2014

ORDINARY RESOLUTION 1

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF NEW ORDINARY SHARES OF RM1.00 EACH IN BDB ("BDB SHARES") ("RIGHTS SHARES") TO RAISE GROSS PROCEEDS OF UP TO RM95 MILLION, TOGETHER WITH BONUS ISSUE OF NEW BDB SHARES ("BONUS SHARES") ("PROPOSED RIGHTS ISSUE")

"**THAT,** subject to passing of Ordinary Resolution 2, Ordinary Resolution 4, Special Resolution 1 and the approvals of all relevant authorities/parties being obtained, where required, and the conditions precedent in the sale and purchase agreement dated 4 September 2014 (as amended and supplemented by a supplemental agreement dated 3 October 2014) entered into between BDB and Perbadanan Kemajuan Negeri Kedah ("**PKNK**") ("**SPA**") being fulfilled or waived (as the case maybe), the Board be and are hereby authorised:

(i) to provisionally allot and issue such number of Rights Shares and Bonus Shares by way of a renounceable rights issue together with a bonus issue to raise gross proceeds of up to RM95,000,000, to the shareholders of BDB whose names appear in the record of depositors of the Company ("**Record of Depositors**") at the close of business on the entitlement date to be determined by the Board, or their renouncee(s), to be credited as fully paid-up upon the full payment, on the entitlement basis and at the issue price to be determined later by the Board; and

(ii) to capitalise and apply such amount that may be required from the share premium account and retained earnings of the Company for the purposes of issuance of the Bonus Shares;

THAT the Rights Shares and Bonus Shares, shall upon being issued and allotted as fully paid-up, rank *pari passu* with the then existing and paid-up share capital of BDB save that they shall not be entitled to any dividends, rights, bonuses, issues or other allotments or distributions which relevant book closing date is on or before the date of allotment of the Rights Shares and Bonus Shares;

THAT the Board be and are hereby empowered and authorised to disregard and deal with any fractional entitlement and fraction of the BDB Shares that may arise from the Proposed Rights Issue in such manner at their absolute discretion deem fit or expedient and in the best interest of the Company;

COMPANY SECRETARY

Level 9 & 10, Menara BDB, No. 88, Lebuhraya Darulaman, 05100 Alor Setar, Kedah
Tel: 04-730 0303, Fax: 04-734 2714, E-mail: bina_darulaman@bdb.com.my, Website: www.bdb.com.my
(Listed on Bursa Malaysia)

CERTIFIED TRUE EXTRACT OF THE RESOLUTIONS IN RESPECT OF THE RIGHTS ISSUE PASSED AT OUR EGM HELD ON 23 NOVEMBER 2014 ***(Cont'd)***

CERTIFIED TRUE COPY OF AN EXTRACT MINUTES OF THE EXTRAORDINARY GENERAL MEETING OF THE COMPANY HELD ON 23 NOVEMBER 2014

THAT the Board be and are hereby empowered and authorised to deal and made available for excess applications, the Rights Shares not taken up by any shareholder or not validly taken up in such manner as the Board shall determine in a fair and equitable manner and on such basis as they may deem fit or expedient and in the best interest of the Company;

THAT approval be and is hereby given for the Company to utilise the proceeds of the Proposed Rights Issue for the purposes as set out in the Circular, and the Board be and are hereby authorised with full powers to vary the manner and/or purpose of the utilisation of such proceeds in such manner as the Board shall in their absolute discretion deem fit, necessary, expedient and/or appropriate in the best interest of the Company;

AND THAT the Board be and are hereby authorised to execute or enter into agreements or arrangements as the Board may deem necessary or expedient to take all such necessary steps to give effect to the aforesaid Proposed Rights Issue with full power to consent to and to adopt such conditions, modifications, variations and/or amendments in any manner as may be required or imposed by the relevant authorities in respect of the Proposed Rights Issue and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Rights Issue in the best interest of the Company."

Confirmed as correct,

KHAIRULMUNA BT ABD. GHANI	**ASRI BIN HAMIDON**
Company Secretary	Chairman of the Meeting
LS No.0008190	

Dated : 24 November 2014

1. HISTORY AND PRINCIPAL ACTIVITIES

Our Company was incorporated in Malaysia as a public limited company under the Act on 7 February 1995. On 2 February 1996, our Company was converted into a public limited company and was officially listed on the then Main Board of Kuala Lumpur Stock Exchange (now known as the Main Market of Bursa Securities).

The principal activities of our Company are investment holding, provision of management services, oil palm plantation and property development. Our Group are involved in the businesses of township development, construction, road works, quarry, golf and leisure.

2. SHARE CAPITAL AND MOVEMENT IN SHARE CAPITAL

2.1. Share capital

Our authorised and issued, and paid-up share capital as at LPD is as follows:

	No. of BDB Shares	Par value	Total
		(RM)	(RM)
Authorised	100,000,000	1.00	100,000,000
Issued and paid-up	72,815,856	1.00	72,815,856

2.2. Changes in share capital

There have not been any changes in our issued and fully paid-up share capital for the past three years prior to the LPD.

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3. DIRECTORS

3.1. Particulars of our directors

The particulars of our directors as at LPD are as follows:

Name *(Designation)*	Nationality	Age	Address	Profession
Datuk Mohd Nasir bin Ahmad *(Senior Independent Non-Executive Director)*	Malaysian	60	No. 39, Lorong Bunga Matahari 1A, Taman Maju Jaya 56100 Kuala Lumpur	Company Director
Dato' Izham bin Yusoff *(Group Managing Director, Executive Director)*	Malaysian	47	No. 48, Jalan SS 3/43 47301 Petaling Jaya Selangor Darul Ehsan	Company Director
Dato' Abdul Rahman bin Ibrahim *(Non-Independent Non-Executive Director)*	Malaysian	59	Lot 153, Jalan Indah 3 Taman Suasana Indah 06000 Jitra Kedah Darul Aman	Company Director
Encik Asri bin Hamidin @ Hamidon *(Independent Non-Executive Director)*	Malaysian	48	Kampung Kodiang Lama 06100 Kodiang Kedah Darul Aman	Company Director
Datuk Wan Azhar bin Wan Ahmad *(Independent Non-Executive Director)*	Malaysian	56	No. 43, Jalan PJU 3/15B Damansara Indah Resort Homes 47810 Petaling Jaya Selangor Darul Ehsan	Company Director

3.2. Directors' shareholdings

None of the directors of BDB have any shareholding in our Company as at the LPD.

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4. SUBSTANTIAL SHAREHOLDER'S SHAREHOLDING

The proforma effects of the Acquisition and the Rights Issue on the shareholdings of our substantial shareholder are set out below:

	As at the LPD				Proforma I - After Rights Issue^			
	Direct		Indirect		Direct		Indirect	
Substantial Shareholder	No. of BDB Shares	%	No. of BDB Shares	%	No. of BDB Shares	%	No. of BDB Shares	%
PKNK	39,678,993	54.5	-	-	119,036,979	54.5	-	-

	Proforma II - After Proforma I and Acquisition of Non-Malay Reserved Land				Proforma III - After Proforma II and Acquisition of Malay Reserved Land			
	Direct		Indirect		Direct		Indirect	
Substantial Shareholder	No. of BDB Shares	%	No. of BDB Shares	No. of %	No. of BDB Shares	%	No. of BDB Shares	%
PKNK	146,074,017	59.5	-	-	204,444,388	67.3	-	-

Note:

^ *Assuming all shareholders of our Company subscribe for their entitlements under the Rights Issue*

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5. SUBSIDIARIES AND JOINTLY CONTROLLED ENTITY

Our subsidiaries as at LPD are as follows:

Name of company	Date/ Country of incorporation	Issued and paid-up share capital (RM)	Effective equity interest held (%)	Principal activities
Darulaman Realty Sdn. Bhd.	07.04.1982/ Malaysia	11,000,002	100.0	Property development, investment holding and project management services
Kedah Sato Sdn. Bhd.	24.03.1982/ Malaysia	5,000,000	100.0	Building and general contractor
Bina & Kuari (K) Sdn. Bhd.	05.11.1973/ Malaysia	5,000,000	100.0	Granite quarry operator and civil engineering contractor
Darulaman Golf Resort Berhad	21.12.1992/ Malaysia	5,290,000	98.7	Golf resort owner and operator
Kedah Holdings Sdn. Bhd.	02.02.1982/ Malaysia	20,250,002	100.0	Property development and property investment
BDB Construction Sdn. Bhd.	13.01.1996/ Malaysia	750,000	100.0	General contractor
BDB Quarry Sdn. Bhd.	12.05.1996/ Malaysia	100,000	100.0	Sand and granite quarry operator and supply of construction materials
BDB Hotels Sdn. Bhd.	16.04.1996/ Malaysia	500,000	100.0	Hotel business
BDB Trading Sdn. Bhd.	10.09.1997/ Malaysia	500,000	100.0	General trading and supply of construction materials

Our jointly controlled entity as at LPD is as follows:

Name of company	Date/ Country of incorporation	Issued and paid-up share capital (RM)	Effective equity interest held (%)	Principal activities
TH Universal Builders – Bina Darulaman Berhad JV^	Unincorporated joint venture	-	30.0	Design, construction, equipping, commissioning and maintenance of a new Sungai Petani Hospital.

Note:

^ *The unincorporated jointly controlled entity is in a dissolution process.*

As at LPD, our company do not have any associated companies.

6. PROFIT AND DIVIDEND RECORD

The profit and dividend record of our Group based on our audited consolidated financial statements for the FYE 31 December 2011, 31 December 2012 and 31 December 2013 and the 9-month unaudited consolidated financial statements for the FPE 30 September 2014 are summarised as follows:

	Audited FYE 31 December			Unaudited 9-month FPE 30 September
	2011	**2012**	**2013**	**2014**
	(RM)	**(RM)**	**(RM)**	**(RM)**
Revenue	229,725,767	311,908,919	281,002,192	188,977,799
Gross profit	45,747,555	49,086,406	43,782,464	33,906,219
Other income	7,237,352	8,091,840	36,336,288	21,085,378
Marketing and distribution expenses	(1,232,495)	(3,589,661)	(1,245,787)	(3,405,095)
Administrative expenses	(17,134,813)	(19,243,554)	(21,944,213)	(13,959,008)
Finance cost	(5,336,828)	(3,315,181)	(15,469,065)	(14,698,811)
Profit before taxation	28,066,733	30,099,475	29,314,815	22,908,148
Taxation	(8,519,690)	(8,419,433)	(8,175,024)	(6,414,281)
Profit after taxation	19,547,043	21,680,042	21,139,791	16,493,867
Profit attributable to owners of the parent	19,551,436	21,686,669	21,143,267	16,500,341
Profit attributable to non-controlling interests	(4,393)	(6,627)	(3,476)	(6,474)
Share of profits of jointly controlled entities	306,568	77,832	(1,405)	-
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	33,909,472	35,382,868	21,164,398	21,302,200
Gross profit margin (%)	19.91	15.74	15.58	17.94
Net profit margin (%)	8.51	6.95	7.52	8.72
Weighted average number of BDB Shares in issue ('000)	72,815,856	72,815,856	72,815,856	72,815,856
Basic EPS (sen)	26.85	29.78	29.04	22.65
Diluted EPS (sen)	26.85	29.78	29.04	22.65
Gross dividend per BDB Share (sen)	7.00	7.00	7.00	-

Commentary on past performance

(i) FYE 31 December 2011

We reported approximately 26% growth in revenue to approximately RM229.7 million from approximately RM182.4 million posted in FYE 31 December 2010. Our profit before taxation rose to approximately RM28.1 million from approximately RM19.9 million in the preceding year, representing an increase of approximately 41%.

The higher revenue and profit before taxation for the financial year were mainly contributed by the increased contribution from our construction division due to the progress of the construction of the permanent campus of Kolej Universiti Insaniah in Kuala Ketil, Kedah ("**KUIN Project**").

(ii) FYE 31 December 2012

We reported approximately 36% growth in revenue to approximately RM311.9 million from approximately RM229.7 million posted in FYE 31 December 2011. Our profit before taxation rose to approximately RM30.1 million compared with approximately RM28.1 million in FYE 31 December 2011, representing an increase of approximately 7%.

The higher revenue and profit before taxation for the financial year were mainly contributed by the increased contribution from our construction division due to the progress of the construction of the KUIN Project. In addition, the growth in revenue and profit before taxation was also attributable to the increased contribution from our property division as a result of our successful new launches in Darulaman Utama township project, Kedah.

Share of profits of jointly controlled entities decreased by approximately 75% from RM306,568 to RM77,832 as the jointly controlled entity started to wind down its operations in the financial year, and hence led to lower profits contribution in the financial year.

(iii) FYE 31 December 2013

We reported approximately 10% decline in revenue to approximately RM281.0 million from approximately RM311.9 million posted in FYE 31 December 2012. Our profit before taxation declined to approximately RM29.3 million from approximately RM30.1 million in FYE 31 December 2012, representing a decrease of approximately 3%.

The decrease in revenue and profit before taxation were mainly due to the lower contribution from our construction division as the construction of the KUIN Project was completed during the financial year.

Other income increased by approximately 349% from approximately RM8.1 million in FYE 31 December 2012 to approximately RM36.3 million mainly due to the recognition of unwinding of discount on non-current receivables for KUIN Project amounting to RM25.4 million. The KUIN Project was undertaken under Private Finance Initiative (PFI) concept. The client, being the Kedah State government, is scheduled to repay the contract sum to our Group on quarterly basis for the work done by our Group (inclusive the interest) upon the completion of the project from March 2013 until December 2024. Since the settlement of the contract sum (inclusive interest) of the KUIN Project is to be made by the Kedah State government on a deferred payment basis, the total amount to be received has been present valued. The unwinding of discount on non-current receivables represents the accretion of the receivable balance and other income for the FYE 31 December 2013.

Finance cost increased by approximately 367% from approximately RM3.3 million in FYE 31 December 2012 to approximately RM15.5 million mainly due to the KUIN Project financing interest amounting to RM13.9 million. The KUIN Project financing interest was previously capitalised in construction contract now reclassified in financing cost upon completion of the project.

Share of profits of jointly controlled entities decreased by approximately 102% from a profit of RM77,832 to a loss of RM1,405 as the jointly controlled entity has wound down its operations in FYE 31 December 2012, and hence it did not generate income in the financial year and only incurred administrative expenses.

(iv) 9-month FPE 30 September 2014

We reported almost similar revenue of approximately RM189.0 million in this period compared with the same corresponding period of last year. However, our profit before taxation for this period was lower at RM22.9 million compared with RM24.7 million recorded in the same corresponding period of last year, representing a decrease of 7%. The decrease in revenue and profit before taxation was due to higher marketing and administrative expenses incurred for promotional and branding activities.

Other income increase by approximately 468% to approximately RM21.1 million in this period from approximately RM3.7 million during the same corresponding period of last year mainly due to the recognition of unwinding of discount on non-current receivables for KUIN Project. The unwinding of discount on non-current receivables represents the accretion of the receivable balance and other income for the 9-month FPE 30 September 2014.

Finance cost increased by approximately 1,030% to approximately RM14.7 million during this financial period from approximately RM1.3 million during the same corresponding period of last year mainly due to the KUIN Project financing interest.

7. HISTORICAL SHARE PRICE

The following table sets out the monthly highest and lowest prices of BDB Shares as traded on Bursa Securities for the past 12 months preceding the date of this AP:

Month	Highest	Lowest
	RM	RM
2013		
December	1.75	1.64
2014		
January	1.85	1.69
February	1.85	1.73
March	1.84	1.76
April	2.19	1.78
May	2.02	1.80
June	2.13	1.81
July	2.34	2.06
August	2.51	2.28
September	2.48	2.28
October	2.35	1.88
November	2.28	2.08
Last transacted market price on 3 September 2014 *(being the last Market Day prior to the announcement of the Corporate Exercises on 4 September 2014)*		2.40
Last transacted market price as at the LPD		2.10
Last transacted market price prior to the ex-date for the Rights Issue of 16 December 2014		1.35

(Source: Bloomberg)

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KPMG

KPMG (Firm No. AF 0758)
Chartered Accountants
Level 18, Hunza Tower
163E, Jalan Kelawei,
10250 Penang.

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Internet www.kpmg.com.my

The Board of Directors
Bina Darulaman Berhad
Level 9 & 10
Menara Bina Darulaman Berhad
88 Lebuhraya Darulaman
05100 Alor Setar
Kedah Darul Aman

Our ref BDB/TYF/TLL-1

4 December 2014

Dear Sirs,

Bina Darulaman Berhad ("BDB" or "Company")
Adequacy of reserves for the Rights Issue

We have performed the procedures agreed with you and enumerated below with respect to the renounceable rights issue of 72,815,856 new ordinary shares of RM1.00 each in BDB ("BDB Shares") ("Rights Shares") at an issue price of RM1.30 per Rights Share, together with a bonus issue of 72,815,856 new BDB Shares ("Bonus Shares") on the basis of one (1) Rights Share for every one (1) existing BDB Share held on the entitlement date and one (1) Bonus Share for every one (1) existing Rights Shares subscribed ("the Rights Issue").

Our engagement was undertaken in accordance with the Malaysian Standard on Related Services applicable to agreed-upon procedures engagements, ISRS 4400, *Engagements to Perform Agreed-Upon Procedures Regarding Financial Information*. The procedures were performed solely to assist you in evaluating the availability of reserves based on the unaudited pro forma movements of share capital and reserves (stamped for the purpose of identification with this letter, and set forth in the accompanying Attachment) in connection with the Rights Issue. The unaudited pro forma movements of share capital and reserves have been prepared by the management of the Company for illustrative purposes only, and the basis of preparation thereon for which the Directors of the Company are solely responsible.

The procedures carried out are summarised as follows:

a. Inquire of certain officials of the Company, who have responsibility for financial and accounting matters about:
    i) the basis for their determination of the pro forma adjustments; and
    ii) whether, within the context of the assumed date of the Rights Issue,
        - the unaudited interim financial statements of the Company for the 9-month period ended 30 September 2014 have been prepared based on the accounting policies of the Company as disclosed in the audited financial statements for the year ended 31 December 2013; and
        - the pro forma adjustments set out are appropriate for the purpose of the statement of adequacy of reserves.

KPMG

Bina Darulaman Berhad
Adequacy of reserves for the Rights Issue
4 December 2014

b. Agree the share capital, share premium and retained earnings as at 31 December 2013 and 30 September 2014 to the audited financial statements of the Company for the year ended 31 December 2013 and unaudited interim financial statements of the Company for the 9-month period ended 30 September 2014, respectively.

c. Compare the final dividend of RM5,097,110 of the Company for the year ended 31 December 2013 to the final dividends approved by the Company's shareholders at the Annual General Meeting held on 6 April 2014.

d. Compare the single tier interim dividends for the year ending 31 December 2014 from the Company's subsidiaries to dividend warrants paid/payable on 20 April 2014, 16 November 2014 and 5 December 2014 respectively and the Directors' Resolution dated 19 March 2014 and 9 November 2014 respectively and the Directors' Resolution as follows :

Subsidiary name	Dividend type	Directors' Resolution date	RM'000	Payment date
Bina & Kuari (K) Sdn Bhd	1st single tier interim dividend	19 March 2014	10,000	20 April 2014
Darulaman Realty Sdn Bhd	1st single tier interim dividend	19 March 2014	1,100	20 April 2014
Kedah Sato Sdn Bhd	1st single tier interim dividend	19 March 2014	1,000	20 April 2014
BDB Construction Sdn Bhd	single tier interim dividend	9 November 2014	900	16 November 2014
Bina & Kuari (K) Sdn Bhd	2nd single tier interim dividend	9 November 2014	4,000	5 December 2014
Darulaman Realty Sdn Bhd	2nd single tier interim dividend	9 November 2014	1,100	5 December 2014
Kedah Sato Sdn Bhd	2nd single tier interim dividend	9 November 2014	2,000	5 December 2014
			20,100	

e. Check the arithmetic accuracy of the application of the pro forma adjustments to the historical amounts in the unaudited pro forma movements of share capital and reserves.

f. Compare the unaudited pro forma reserves as at 31 December 2013 and 30 September 2014 after incorporating the effects of the final dividend paid to the Company's shareholders and single tier interim dividends from subsidiaries, against the Rights Issue to check that it is in excess of RM72.82 million.

KPMG

We report our findings below:

With respect to each of the procedures conducted above, the results are as follows:

a. In response to our inquiries, officials of the Company, who have responsibility for financial and accounting matters, stated that all significant assumptions regarding the Rights Issue have been reflected in the pro forma adjustments and the unaudited interim financial statements for the 9-month period ended 30 September 2014 are prepared on a basis substantially consistent with that of the audited financial statements of the Company for the year ended 31 December 2013.

b. We agreed the share capital, share premium and retained earnings as at 31 December 2013 and 30 September 2014, appearing in the unaudited pro forma movements of share capital and reserves, with the audited financial statements of the Company for the year ended 31 December 2013 and unaudited interim financial statements of the Company for the 9-month period ended 30 September 2014, respectively, and found them to be in agreement.

c. We compared the final dividend of RM5,097,110 of the Company for the year ended 31 December 2013, appearing in the unaudited pro forma movements of share capital and reserves, to the final dividends approved by the Company's shareholders at the Annual General Meeting held on 6 April 2014 and found the amount to be in agreement.

d. We compared the single tier interim dividends for the year ending 31 December 2014 from the company's subsidiaries to dividend warrants paid/payable on 20 April 2014, 16 November 2014 and 5 December 2014 respectively and the Directors' Resolution dated 19 March 2014 and 9 November 2014 respectively and found the amounts to be in agreement as follows :

Subsidiary name	Dividend type	Directors' Resolution date	RM'000	Payment date
Bina & Kuari (K) Sdn Bhd	1st single tier interim dividend	19 March 2014	10,000	20 April 2014
Darulaman Realty Sdn Bhd	1st single tier interim dividend	19 March 2014	1,100	20 April 2014
Kedah Sato Sdn Bhd	1st single tier interim dividend	19 March 2014	1,000	20 April 2014
BDB Construction Sdn Bhd	single tier interim dividend	9 November 2014	900	16 November 2014
Bina & Kuari (K) Sdn Bhd	2nd single tier interim dividend	9 November 2014	4,000	5 December 2014
Darulaman Realty Sdn Bhd	2nd single tier interim dividend	9 November 2014	1,100	5 December 2014
Kedah Sato Sdn Bhd	2nd single tier interim dividend	9 November 2014	2,000	5 December 2014
			20,100	

e. We checked the arithmetic accuracy of the application of the pro forma adjustments to the historical amounts in the unaudited pro forma movements of share capital and reserves and found them to be in agreement with that computed by management.

KPMG

f. We compared the unaudited pro forma reserves after incorporating the effects of the final dividend paid to the Company's shareholders and single tier interim dividends from subsidiaries, against the Rights Issue and found that the unaudited pro forma reserves as at 31 December 2013 and 30 September 2014 are in excess of the required amount of reserves to be capitalised for the Rights Issue, amounting up to approximately RM72.82 million.

Because the above procedures do not constitute either an audit or a review made in accordance with Malaysian Standards on Auditing, we do not express any assurance on the attached unaudited pro forma movements of share capital and reserves and notes therein. Our engagement cannot be relied upon to disclose errors, irregularities or illegal acts, including fraud or defalcations which may exist.

Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with Malaysian Standards on Auditing, other matters might have come to our attention that would have been reported to you. It should be understood that we make no representations as to questions of legal interpretation and the sufficiency of procedures enumerated above.

This letter has been prepared solely for submission to Bursa Malaysia Securities Berhad ("Bursa Securities") in compliance with Requirement 6.30(3) of the Listing Requirements of Bursa Securities and is exclusively for your use for inclusion in the Abridged Prospectus to Shareholders in relation to the Rights Issue and should not be relied on for any other purpose. We accept no duty or responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this letter in connection with any type of transaction, including the sale of securities, other than the Rights Issue.

Yours faithfully,

KPMG

KPMG
Firm Number: AF 0758
Chartered Accountants

Bina Darulaman Berhad ("BDB")
Unaudited pro forma movement of share capital and reserves
as at 31 December 2013 and 30 September 2014

The unaudited pro forma movements of share capital and reserves of Bina Darulaman Berhad ("BDB" or "Company") as at 31 December 2013 and 30 September 2014 as set out below are provided for illustrative purposes only and incorporate the transactions referred to in the notes as if they were effected on 31 December 2013 and 30 September 2014.

Unaudited pro forma movement of share capital and reserves as at 31 December 2013

The Company	**Note**	**Share capital RM'000**	**Share premium RM'000**	**Retained earnings RM'000**	**Total RM'000**
Audited as at 31 December 2013	4	72,816	17,062	38,698	128,576
Dividends to the Company's shareholders	6	-	-	(5,097)	(5,097)
Amount after dividends to the Company's shareholders		72,816	17,062	33,601	123,479
Dividends from subsidiaries	7	-	-	20,100	20,100
Amount available for capitalisation for the Rights Issue		72,816	17,062	53,701	143,579
Issue of Rights Shares	9	72,816	21,845	-	94,661
Issue of Bonus Shares	9	72,816	(38,907)	(33,909)	-
Estimated expenses	10	-	-	(5,000)	(5,000)
Pro forma balances after the Rights Issue		218,448	-	14,791	233,240

Unaudited pro forma movement of share capital and reserves as at 30 September 2014

The Company	**Note**	**Share capital RM'000**	**Share premium RM'000**	**Retained earnings RM'000**	**Total RM'000**
Unaudited as at 30 September 2014	4	72,816	17,062	39,615	129,493
Dividends from subsidiaries	8	-	-	8,000	8,000
Amount available for capitalisation for the Rights Issue		72,816	17,062	47,615	137,493
Issue of Rights Shares	9	72,816	21,845	-	94,661
Issue of Bonus Shares	9	72,816	(38,907)	(33,909)	-
Estimated expenses	10	-	-	(5,000)	(5,000)
Pro forma balances after the Rights Issue		218,448	-	8,706	227,154

KPMG
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PENANG

Bina Darulaman Berhad ("BDB")

Notes to the unaudited pro forma movements of share capital and reserves as at 31 December 2013 and 30 September 2014

1. The Company is proposing renounceable rights issue of 72,815,856 new ordinary shares of RM1.00 each in BDB ("BDB Shares") ("Rights Shares") at an issue price of RM1.30 per Rights Share, together with a bonus issue of 72,815,856 new ordinary shares of RM1.00 each ("Bonus Shares") to be credited as fully paid-up, on the basis of one (1) Rights Share for every one (1) existing BDB Share held and one (1) Bonus Share for every one (1) existing Rights Shares subscribed ("the Rights Issue").

2. The unaudited pro forma movements of share capital and reserves of the Company as at 31 December 2013 and 30 September 2014 have been prepared based on accounting policies which are consistent with those adopted in the preparation of the audited financial statements of BDB for the financial year ended 31 December 2013 and for illustrative purposes only, for which the Directors are solely responsible. The Directors are also responsible to ensure that the reserves required for capitalisation for the Bonus Shares in relation to the Rights Issue based on the Company's audited financial statements for the financial year ended 31 December 2013 as well as the unaudited interim financial statements for the 9-months period ended 30 September 2014 are sufficient and unimpaired by losses up to the completion date of the Rights Issue.

3. The Directors are of the opinion that there is no significant impact from the adoption of the new or revised applicable accounting standards issued by the Malaysian Accounting Standards Board which are effective for the financial year beginning on 1 January 2014 by the Company. Accordingly, the adoption of the new or revised applicable accounting standards will not result in the unaudited pro forma reserves of the Company to be less than approximately RM72.82 million as at 31 December 2013 and 30 September 2014.

4. The share premium and retained earnings of the Company as at 31 December 2013 amounting to approximately RM17.06 million and RM38.70 million respectively have been extracted from the audited financial statements for the year ended 31 December 2013, whilst the share premium and retained earnings of the Company as at 30 September 2014 amounting to approximately RM17.06 million and RM39.62 million respectively have been extracted from the unaudited interim financial statements for the 9 months period ended 30 September 2014.

5. The unaudited pro forma movements of share capital and reserves of the Company as at 31 December 2013 and 30 September 2014, respectively, have been prepared on the assumption that at the date of the capitalisation of the share premium and retained earnings for the Rights Issue, nothing has occurred or will occur which will cause the unaudited pro forma reserves to be less than approximately RM72.82 million as at 31 December 2013 and 30 September 2014.

6. The final dividend of RM5,097,110 of the Company for the year ended 31 December 2013 has been approved by the Company's shareholders at the Annual General Meeting held on 6 April 2014 and was paid on 20 May 2014. The unaudited pro forma movements of share capital and reserves of the Company as at 31 December 2013 have recognised the final dividend as part of BDB's retained earnings as at 31 December 2013 as if the dividend was declared as at 31 December 2013.

Bina Darulaman Berhad ("BDB")

Notes to the unaudited pro forma movements of share capital and reserves as at 31 December 2013 and 30 September 2014

7. The Company's subsidiaries declared single tier interim dividends for the financial year ending 31 December 2014 to BDB. The unaudited pro forma movements of share capital and reserves of the Company as at 31 December 2013 have recognised the dividends from the subsidiaries as part of BDB's retained earnings as at 31 December 2013 as if the dividends were declared as at 31 December 2013. Detail of the dividends are as follow :

Subsidiary name	Dividend type	Directors' Resolution date	RM'000	Payment date
Bina & Kuari (K) Sdn Bhd	1st single tier interim dividend	19 March 2014	10,000	20 April 2014
Darulaman Realty Sdn Bhd	1st single tier interim dividend	19 March 2014	1,100	20 April 2014
Kedah Sato Sdn Bhd	1st single tier interim dividend	19 March 2014	1,000	20 April 2014
BDB Construction Sdn Bhd	single tier interim dividend	9 November 2014	900	16 November 2014
Bina & Kuari (K) Sdn Bhd	2nd single tier interim dividend	9 November 2014	4,000	5 December 2014
Darulaman Realty Sdn Bhd	2nd single tier interim dividend	9 November 2014	1,100	5 December 2014
Kedah Sato Sdn Bhd	2nd single tier interim dividend	9 November 2014	2,000	5 December 2014
			20,100	

8. The Company's subsidiaries declared single tier interim dividends for the financial year ending 31 December 2014 to BDB. The unaudited pro forma movements of share capital and reserves of the Company as at 30 September 2014 have recognised the dividends from the subsidiaries as part of BDB's retained earnings as at 30 September 2014 as if the dividends were declared as at 30 September 2014. Detail of the dividends are as follow :

Subsidiary name	Dividend type	Directors' Resolution date	RM'000	Payment date
BDB Construction Sdn Bhd	single tier interim dividend	9 November 2014	900	16 November 2014
Bina & Kuari (K) Sdn Bhd	2nd single tier interim dividend	9 November 2014	4,000	5 December 2014
Darulaman Realty Sdn Bhd	2nd single tier interim dividend	9 November 2014	1,100	5 December 2014
Kedah Sato Sdn Bhd	2nd single tier interim dividend	9 November 2014	2,000	5 December 2014
			8,000	

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Bina Darulaman Berhad
Adequacy of reserves for the Rights Issue
4 December 2014

Bina Darulaman Berhad ("BDB")

Notes to the unaudited pro forma movements of share capital and reserves as at 31 December 2013 and 30 September 2014

9. The Bonus Shares shall be wholly capitalised from firstly the entire share premium account with the remainder to be capitalised from the retained earings of the Company. The amount of share premium and retained earnings required to be capitalised for the Rights Issue amounts to approximately RM38.91 million and RM33.91 million respectively on the assumption that 72,815,856 Bonus Shares were issued.

10. The Directors estimate that expenses to be incurred for the Rights Issue will be approximately RM5 million.

Approved and adopted by the Board of Directors of Bina Darulaman Berhad in accordance with a resolution dated 4 December 2014.

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KPMG

KPMG (Firm No. AF 0758)
Chartered Accountants
Level 18, Hunza Tower
163E, Jalan Kelawei,
10250 Penang.

Telephone +604-238 2288
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Internet www.kpmg.com.my

Assurance report on the compilation of pro forma consolidated statements of financial position included in the Abridged Prospectus

The Board of Directors
Bina Darulaman Berhad
Level 9 & 10
Menara Bina Darulaman Berhad
88 Lebuhraya Darulaman
05100 Alor Setar
Kedah Darul Aman

Bina Darulaman Berhad ("BDB" or "the Company")
Report on the compilation of pro forma consolidated statements of financial position as at 31 December 2013

We have completed our assurance engagement to report on the compilation of pro forma consolidated statements of financial position of the Company and its subsidiaries (the "Group") by the Board of Directors. The pro forma consolidated statements of financial position as at 31 December 2013, and related notes as attached to this report that have been stamped by us for identification purposes. The applicable criteria on the basis of which the Board of Directors of the Company has compiled the pro forma consolidated statements of financial position are described in notes to the pro forma consolidated statements of financial position.

The pro forma consolidated statements of financial position has been compiled by the Board of Directors of the Company to illustrate the impact of the following :

(i) Renounceable rights issue of 72,815,856 new ordinary shares of RM1.00 each in BDB ("BDB Shares") ("Rights Shares") at an issue price of RM1.30 per Rights Share, together with a bonus issue of 72,815,856 new BDB Shares ("Bonus Shares") on the basis of one (1) Rights Share for every one (1) existing BDB Share held on the entitlement date and one (1) Bonus Share for every one (1) existing Rights Share subscribed ("the Rights Issue"); and

(ii) Acquisition of approximately 1,154.8 acres (467.4 hectares) of land located in Kedah Darul Aman ("Landbank") for a collective total consideration of RM202 million. The acquisition is to be implemented in the following manner :

  (a) Acquisition of approximately 731.3 acres (296.0 hectares) of certain parcels of the Landbank, namely (i) Sungai Petani, Kuala Muda, (ii) Pokok Sena and (iii) Sungai Ular, Kulim (collectively, the "Non-Malay Reserved Land") for a total consideration of RM100,502,000 ("Acquisition of Non-Malay Reserved Land"); and

KPMG

(b) Acquisition of approximately 423.5 acres (171.4 hectares) of certain parcels of the Landbank, namely (i) Ulu Melaka, Langkawi and (ii) Hosba, Kubang Pasu (collectively, the "Malay Reserved Land") for a total consideration of RM101,498,000 ("Acquisition of Malay Reserved Land").

(collectively, the "Acquisition")

As part of this process, information about the Group' statement of financial position have been extracted by the Board of Directors from the Group's financial statements for the year ended 31 December 2013, on which an audit report has been published.

Board of Directors' Responsibilities for the Pro forma consolidated statements of financial position

The Board of Directors of the Company is responsible for the compilation of pro forma consolidated statements of financial position on the basis as set out in the notes.

Our Responsibilities

Our responsibility is to express an opinion about whether the pro forma consolidated statements of financial position has been compiled, in all material respects, by the Board of Directors on the basis as set out in the note.

We conducted our engagement in accordance with International Standard on Assurance Engagements ("ISAE") 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the Malaysian Institute of Accountants ("MIA"). This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Board of Directors of the Company has compiled, in all material respects, the pro forma consolidated statements of financial position on the basis as set out in the note.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions made by us or another firm of Chartered Accountants on any historical financial information used in compiling the pro forma consolidated statements of financial position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma consolidated statements of financial position.

The purpose of pro forma consolidated statements of financial position is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for the purpose of illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

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Our Responsibilities (continued)

A reasonable assurance engagement to report on whether the pro forma consolidated statements of financial position has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Board of Directors of the Company in the compilation of the pro forma consolidated statements of financial position provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether :

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma consolidated statements of financial position reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the event or transaction in respect of which the pro forma consolidated statements of financial position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluation the overall presentation of the pro forma consolidated statements of financial position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Opinion

In our opinion,

(a) the pro forma consolidated statements of financial position have been properly compiled, in all material respects, on the basis stated in the notes to the pro forma consolidated statements of financial position using the audited financial statements of the Group for the year ended 31 December 2013 prepared in accordance with the approved accounting standards as defined in the Financial Reporting Act 1997 and in a manner consistent with the format of the financial statements and the accounting policies adopted by the Group; and

(b) each material adjustment made to the information used in the preparation of the pro forma consolidated statements of financial position is appropriate for the purposes of preparing the pro forma consolidated statements of financial position.

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Other Matters

The letter is prepared at your request for the purpose of inclusion in the Abridged Prospectus in relation to the Rights Issue and Acquisition. It is not intended to be used for any other purposes. We do not assume responsibility to any other person for the content of this report.

KPMG

KPMG
Firm No. AF 0758
Chartered Accountants
Penang

Date : 4 December 2014

BINA DARULAMAN BERHAD ("BDB")
AND ITS SUBSIDIARIES ("BDB GROUP")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

The pro forma consolidated statements of financial position of BDB Group as at 31 December 2013 as set out below are provided for illustrative purposes only to show the effects had the Rights Issue (as hereinafter defined) and Acquisition (as hereinafter defined) referred to in the notes took place at 31 December 2013 and based on the assumption that it entails the following :

(i) A renounceable rights issue of 72,815,856 new ordinary shares of RM1.00 each in BDB ("BDB Shares") ("Rights Shares") at an issue price of RM1.30 per Rights Share, together with a bonus issue of 72,815,856 new BDB Shares ("Bonus Shares") on the basis of one (1) Rights Share for every one (1) existing BDB Share held on the entitlement date and one (1) Bonus Share for every one (1) existing Rights Share subscribed ("the Rights Issue"); and

(ii) Acquisition of approximately 1,154.8 acres (467.4 hectares) of land located in Kedah Darul Aman ("Landbank") for a collective total consideration of RM202 million. The acquisition is to be implemented in the following manner :

  (a) Acquisition of approximately 731.3 acres (296.0 hectares) of certain parcels of the Landbank, namely (i) Sungai Petani, Kuala Muda, (ii) Pokok Sena and (iii) Sungai Ular, Kulim (collectively, the "Non-Malay Reserved Land") for a total consideration of RM100.5 million ("Acquisition of Non-Malay Reserved Land"); and

  (b) Acquisition of approximately 423.5 acres (171.4 hectares) of certain parcels of Landbank, namely (i) Ulu Melaka, Langkawi and (ii) Hosba, Kubang Pasu (collectively, the "Malay Reserved Land") for a total consideration of RM101.5 million (" Acquisition of Malay Reserved Land").

  (collectively, the "Acquisition")

The Purchase Consideration is to be satisfied in the following manner :

(i) In respect of the Acquisition of Non-Malay Reserved Land, the purchase price of approximately RM100.5 million shall be satisfied in the following manner :

  (a) the issuance of 27,037,038 new BDB Shares at the issue price of RM1.35 per new BDB Share to the Perbadanan Kemajuan Negeri Kedah ("PKNK" or "Vendor") amounting to approximately RM36.5 million; and

  (b) the remaining balance of approximately RM64.0 will be satisfied via proceeds from the Rights Issue (including deposits of RM5.0 million paid by BDB in relation to the Acquisition).

(ii) In respect of the Acquisition of Malay Reserved Land, the purchase price of approximately RM101.5 million shall be satisfied in the following manner:

  (a) the issuance of 58,370,371 new BDB Shares at the issue price of RM1.35 per new BDB Share to the Vendor amounting to approximately RM78.8 million; and

  (b) the remaining balance of approximately RM22.7 million will be satisfied via proceeds from the Rights Issue (including deposits of RM5.1 million paid by BDB in relation to the Acquisition).

Appendix I
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BINA DARULAMAN BERHAD ("BDB")
AND ITS SUBSIDIARIES ("BDB GROUP")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

The pro forma consolidated statements of financial positions are presented as follows :-

	Note	Audited as at 31 December 2013 RM'000	Adjustments^ RM'000	Pro forma I After Adjustments and Rights Issue RM'000	Pro forma II After Proforma I and Acquisition on Non-Malay Reserved Land RM'000	Pro forma III After Proforma II and Acquisition on Malay Reserved Land RM'000
ASSETS						
Property, plant and equipment		62,924	62,924	62,924	62,924	62,924
Land held for property development	2a	98,249	98,249	98,249	198,751	300,249
Interest in unincorporated joint venture		450	450	450	450	450
Other investments		5,382	5,382	5,382	5,382	5,382
Trade and other receivables		253,967	253,967	253,967	253,967	253,967
Deferred tax assets		727	727	727	727	727
TOTAL NON-CURRENT ASSETS		421,699	421,699	421,699	522,201	623,699
Property development costs		76,411	76,411	76,411	76,411	76,411
Inventories		16,452	16,452	16,452	16,452	16,452
Trade and other receivables		188,615	188,615	188,615	188,615	188,615
Current tax assets		592	592	592	592	592
Cash and cash equivalents	2b	101,589	96,492	191,153	127,151	99,453
TOTAL CURRENT ASSETS		383,659	378,562	473,223	409,221	381,523
TOTAL ASSETS		805,358	800,261	894,922	931,422	1,005,222

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BINA DARULAMAN BERHAD ("BDB")
AND ITS SUBSIDIARIES ("BDB GROUP")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	Note	Audited as at 31 December 2013 RM'000	Adjustments^ RM'000	Pro forma I After Adjustments and Rights Issue RM'000	Pro forma II After Proforma I and Acquisition on Non-Malay Reserved Land RM'000	Pro forma III After Proforma II and Acquisition on Malay Reserved Land RM'000
EQUITY						
Share capital	2c	72,816	72,816	218,448	245,485	303,855
Share premium	2d	17,062	17,062	-	9,463	29,893
Exchange fluctuation reserve		10	10	10	10	10
Retained earnings	2e	175,341	170,244	136,335	136,335	131,335
SHAREHOLDERS' FUNDS		265,229	260,132	354,793	391,293	465,093
Non-controlling interests		8,068	8,068	8,068	8,068	8,068
TOTAL EQUITY		273,297	268,200	362,861	399,361	473,161
LIABILITIES						
Loans and borrowings		318,081	318,081	318,081	318,081	318,081
Deferred tax liabilities		1,790	1,790	1,790	1,790	1,790
TOTAL NON-CURRENT LIABILITIES		319,871	319,871	319,871	319,871	319,871
Current tax liabilities		1,934	1,934	1,934	1,934	1,934
Loans and borrowings		25,111	25,111	25,111	25,111	25,111
Trade and other payables		185,145	185,145	185,145	185,145	185,145
TOTAL CURRENT LIABILITIES		212,190	212,190	212,190	212,190	212,190
TOTAL LIABILITIES		532,061	532,061	532,061	532,061	532,061
TOTAL EQUITY AND LIABILITIES		805,358	800,261	894,922	931,422	1,005,222

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BINA DARULAMAN BERHAD ("BDB")
AND ITS SUBSIDIARIES ("BDB GROUP")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	Audited as at 31 December 2013	Adjustments^	Pro forma I After Adjustments and Rights Issue	Pro forma II After Proforma I and Acquisition on Non-Malay Reserved Land	Pro forma III After Proforma II and Acquisition on Malay Reserved Land
Number of BDB Shares in issue ('000)	72,816	72,816	218,448	245,458	303,855
Total borrowings (RM'000)	343,192	343,192	343,192	343,192	343,192
Net assets per BDB share (RM)	3.75	3.68	1.66	1.63	1.56
Gearing (times)	1.26	1.28	0.95	0.86	0.73

^ *The audited consolidated financial statements of financial position of BDB as at 31 December 2013 have been adjusted for the first and final single tier dividend of 7% per ordinary share for the financial year ended 31 December 2013 amounted to RM5,097,110 which was paid on 20 May 2014.*

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Appendix II

BINA DARULAMAN BERHAD ("BDB")
AND ITS SUBSIDIARIES ("BDB GROUP")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

Notes to the pro forma consolidated statements of financial position as at 31 December 2013

1. Basis of preparation

The pro forma consolidated statements of financial position have been properly prepared in accordance with the basis stated below using financial statements prepared in accordance with Financial Reporting Standards, and in a manner consistent with both the format of the financial statements and the accounting policies of BDB Group as disclosed in its audited financial statements for the financial year ended 31 December 2013.

The pro forma consolidated statements of financial position do not include the effects of the adoption of Financial Reporting Standards which are effective for the annual period beginning on or after 1 January 2014.

The pro forma consolidated statements of financial position have been prepared solely for illustrative purposes, to show the effects of the following:

Adjustment for the dividends paid

A first and final single tier dividend of 7% per ordinary share for the financial year ended 31 December 2013 amounted to RM5,097,110 as approved by the shareholders at the Annual General Meeting held on 6 April 2014 and paid on 20 May 2014.

Upon completion of the dividends payments, the retained earnings and the cash and cash equivalents of BDB Group are reduced by RM5,097,110 respectively.

Pro forma I – After Adjustments and Rights Issue

The pro forma consolidated statements of financial position are stated after Adjustments and incorporating the effects of the Rights Issue.

- The total gross proceeds to be raised under the Rights Issue which is to be utilised as follows:

	RM'000
Settlement of the consideration for Non-Malay Reserved Land (including deposits of RM5.0 million paid by BDB in relation to the Acquisition)	64,002
Settlement of the consideration for Malay Reserved Land (including deposits of RM5.1 million paid by BDB in relation to the Acquisition)	22,698
Working capital	2,961
Estimated expenses in relation to the Rights Issue and Acquisition	5,000
	94,661

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BINA DARULAMAN BERHAD ("BDB")
AND ITS SUBSIDIARIES ("BDB GROUP")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

Notes to the pro forma consolidated statements of financial position as at 31 December 2013

1. Basis of preparation (continued)

Pro forma I – After Adjustments and Rights Issue (continued)

Any shortfall in the actual gross proceeds raised from the Rights Issue and the intended gross proceeds will be adjusted accordingly to the amount allocated for working capital of BDB Group.

Pro forma II and III - After Pro forma I and Acquisition

The pro forma consolidated statements of financial position are stated after Proforma I and incorporating the Acquisition :

Pro forma II - After Pro forma I and Acquisition of Non-Malay Reserved Land

(i) the issuance of 27,037,038 new BDB Shares at the issue price of RM1.35 per new BDB Share to the Vendor amounting to approximately RM36.5 million; and

(ii) the remaining balance of RM64.0 million will be satisfied via proceeds from the Rights Issue (including deposits of RM5.0 million paid by BDB in relation to the Acquisition).

Pro forma III - After Pro forma II and Acquisition of Malay Reserved Land

(i) the issuance of 58,370,371 new BDB Shares at the issue price of RM1.35 per new BDB Share to the Vendor amounting to approximately RM78.8 million;

(ii) the remaining balance of RM22.7 million will be satisfied via proceeds from the Rights Issue (including deposits of RM5.1 million paid by BDB in relation to the Acquisition); and

(iii) the estimated expenses to be incurred for the Rights Issue and Acquisition will be approximately RM5.0 million and these expenses will be set off against the retained earnings.

Appendix II

BINA DARULAMAN BERHAD ("BDB")
AND ITS SUBSIDIARIES ("BDB GROUP")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

Notes to the pro forma consolidated statements of financial position as at 31 December 2013

2. Effects on the pro forma consolidated statements of financial position

a. Movements of land held for property development

		RM'000
Balance as at 31 December 2013		98,249
Effect of Pro forma II:-		
- Acquisition of Non-Malay Reserved Land via BDB Shares	36,500	
- Acquisition of Non-Malay Reserved Land via proceeds from the Rights Issue	64,002	
		100,502
Pro forma II		198,751
Effect of Pro forma III:-		
- Acquisition of Malay Reserve Land via BDB Shares	78,800	
- Acquisition of Malay Reserve Land via proceed from the Rights Issue	22,698	
		101,498
Pro forma III		300,249

b. Movements in cash and cash equivalents

	RM'000
Balance as at 31 December 2013	101,589
Effects of Adjustments:-	
- Payment of dividends	(5,097)
Adjustments	96,492
Effects of Pro forma I:-	
- Proceeds from the Rights Issue	94,661
Pro forma I	191,153
Effect of Pro forma II:-	
- Payment of Non-Malay Reserved Land	(64,002)
Pro forma II	127,151
Effect of Pro forma III:-	
- Payment of Malay Reserved Land	(22,698)
- Payment of expenses for corporate exercise	(5,000)
Pro forma III	99,453

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Appendix II

BINA DARULAMAN BERHAD ("BDB")
AND ITS SUBSIDIARIES ("BDB GROUP")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

Notes to the pro forma consolidated statements of financial position as at 31 December 2013

2. Effects on the pro forma consolidated statements of financial position (continued)

c. Movements in share capital

	RM'000
Balance as at 31 December 2013	72,816
Effect of Pro forma I:-	
- Issue of Rights Shares	72,816
- Issue of Bonus Shares	72,816
Pro forma I	218,448
Effect of Proforma II:-	
- Issue of shares for acquisition of Non-Malay Reserved Land	27,037
Pro forma II	245,485
Effect of Pro forma III:-	
- Issue of shares for acquisition ofMalay Reserved Land	58,370
Pro forma III	303,855

d. Movements in share premium

	RM'000
Balance as at 31 December 2013	17,062
Effect of Pro forma I:-	
- Issue of Rights Shares	21,845
- Issue of Bonus Shares	(38,907)
Pro forma I	-
Effect of Pro forma II:-	
- Issue of shares for acquisition of Non-Malay Reserved Land	9,463
Pro forma II	9,463
Effect of Proforma III:-	
- Issue of shares for acquisition ofMalay Reserved Land	20,430
Pro forma III	29,893

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Appendix II

BINA DARULAMAN BERHAD ("BDB")
AND ITS SUBSIDIARIES ("BDB GROUP")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

Notes to the pro forma consolidated statements of financial position as at 31 December 2013

2. Effects on the pro forma consolidated statements of financial position (continued)

e. Movements in retained earnings

	RM'000
Balance as at 31 December 2013	175,341
Effects of Adjustments:-	
- Payment of dividends	(5,097)
Adjustments	170,244
Effect of Pro forma I:-	
- Issue of Bonus Shares	(33,909)
Pro forma I and II	136,335
Effect of Pro forma III:-	
- Payment of expenses for corporate exercise	(5,000)
Pro forma III	131,335

Bina Darulaman Berhad
(Incorporated in Malaysia)

Building a better working world

BINA DARULAMAN BERHAD

(332945-X)

(Incorporated in Malaysia)

Directors' Report and Audited Financial Statements
31 December 2013

Certified True Copy

Khairulmuna Bt. Abd. Ghani
LS 0008189
Company Secretary

10/11/2014

Bina Darulaman Berhad
(Incorporated in Malaysia)

Contents

Bina Darulaman Berhad
(Incorporated in Malaysia)

Directors' report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2013.

Principal activities

The principal activities of the Company are investment holding, provision of management services, oil palm plantation and property development.

The principal activities of the subsidiaries are disclosed in Note 16 to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year.

Results

	Group RM	Company RM
Profit for the year	21,139,791	6,286,575
Profit attributable to:		
Owners of the parent	21,143,267	6,286,575
Non-controlling interests	(3,476)	-
	21,139,791	6,286,575

There were no material transfers to or from reserves or provisions during the financial year.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Bina Darulaman Berhad
(Incorporated in Malaysia)

Dividend

The amount of dividends paid by the Company since 31 December 2012 was as follows:

In respect of the financial year ended 31 December 2012 as reported in the directors' report of that year:

	RM
Final tax exempt (single-tier) dividend of 7 sen on 72,815,856 ordinary shares, declared on 23 May 2013 and paid on 11 July 2013.	5,097,110

At the forthcoming Annual General Meeting, a final tax exempt (single-tier) dividend in respect of the financial year ended 31 December 2013, of 7 sen on 72,815,856 ordinary shares, amounting to a dividend payable of RM5,097,110 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2014.

Directors

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Dato' Paduka Mohd Saad bin Endut	
Dato' Abdul Rahman bin Ibrahim	
Datuk Mohd. Nasir bin Ahmad	
Dato' Izham bin Yusoff	(appointed on 22 August 2013)
Asri bin Hamidin@Hamidon	(appointed on 30 December 2013)
Sr. Che Had bin Dhali	(resigned on 30 May 2013)
Dato' Dr. Abd. Wahab bin Ismail	(resigned on 30 May 2013)
Ir. Zamri bin Yusuf	(resigned on 2 June 2013)
Dato' Jahubar Sathik bin Abdul Razak	(ceased on 24 June 2013)

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Bina Darulaman Berhad
(Incorporated in Malaysia)

Directors' benefits (cont'd.)

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Notes 9 and 10 to the financial statements or the fixed salary of a full-time employee of the Company or its related corporations) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in Note 33 to the financial statements.

Directors' interests

None of the Directors holding office at 31 December 2013 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

Options granted

No options were granted to any person to take up unissued shares of the Company during the financial year.

Other statutory information

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

 (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

 (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

Bina Darulaman Berhad
(Incorporated in Malaysia)

Other statutory information (cont'd.)

(b) At the date of this report, the directors are not aware of any circumstances which would render:

  (i) the amount of bad debts written off or the amount of the provision for doubtful debts in respect of the financial statements of the Group and of the Company inadequate to any substantial extent; and

  (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) As at the date of this report, there does not exist:

  (i) any charge on the assets of the Group and the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

  (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

  (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or the Company to meet their obligations when they fall due; and

  (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Bina Darulaman Berhad
(Incorporated in Malaysia)

Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 28 February 2014.

Dato' Paduka Mohd Saad bin Endut

Dato' Abdul Rahman bin Ibrahim

Bina Darulaman Berhad
(Incorporated in Malaysia)

Statement by directors
Pursuant to Section 169(15) of the Companies Act, 1965

We, Dato' Paduka Mohd Saad bin Endut and Dato' Abdul Rahman bin Ibrahim, being two of the directors of Bina Darulaman Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 10 to 103 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2013 and of their financial perfomance and the cash flows for the year then ended.

The information set out in Note 38 on page 104 to the financial statements have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 28 February 2014.

Dato' Paduka Mohd Saad bin Endut

Dato' Abdul Rahman bin Ibrahim

Statutory declaration
Pursuant to Section 169(16) of the Companies Act, 1965

I, Fakhruzi bin Ahmad, being the officer primarily responsible for the financial management of Bina Darulaman Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 10 to 104 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Fakhruzi bin Ahmad at Alor Setar in the State of Kedah Darul Aman on 28 February 2014

Fakhruzi bin Ahmad

Before me,

PESURUHJAYA SUMPAH MALAYSIA
K 095
MOHAMAD ISMAIL SHEIKH MOHAMAD

~~NO. 1561, TINGKAT 2,~~ 6
BILIK B2, JALAN KOTA,
05100 ALOR STAR,
KEDAH DARUL AMAN.

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Chartered Accountants
21st Floor MWE Plaza
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Independent auditors' report to the members of Bina Darulaman Berhad (Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of Bina Darulaman Berhad, which comprise the statements of financial position as at 31 December 2013 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 10 to 103.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Independent auditors' report to the members of Bina Darulaman Berhad (cont'd.)
(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and the Company as at 31 December 2013 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' report of a subsidiary of which we have not acted as auditors, which is indicated in Note 16 to the financial statements, being financial statements that have been included in the consolidated financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

(d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

EY

Building a better working world

Independent auditors' report to the members of Bina Darulaman Berhad (cont'd.) (Incorporated in Malaysia)

Other reporting responsibilities

The supplementary information set out in Note 38 on page 104 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young	Lim Eng Huat
AF: 0039	No. 2403/04/15(J)
Chartered Accountants	Chartered Accountant

Penang, Malaysia
28 February 2014

Bina Darulaman Berhad
(Incorporated in Malaysia)

Consolidated statement of comprehensive income
For the financial year ended 31 December 2013

	Note	2013 RM	2012 RM
Revenue	4	281,002,192	311,908,919
Cost of sales	5	(237,219,728)	(262,822,513)
Gross profit		43,782,464	49,086,406
Other income	6	36,336,288	8,091,840
Marketing and distribution expenses		(1,245,787)	(3,589,661)
Administrative expenses		(21,944,213)	(19,243,554)
Finance costs	7	(15,469,065)	(3,315,181)
Other expenses		(12,143,467)	(1,008,207)
Share of (losses)/profit of jointly control entity		(1,405)	77,832
Profit before taxation	8	29,314,815	30,099,475
Income tax expense	11	(8,175,024)	(8,419,433)
Profit for the year representing total comprehensive income		21,139,791	21,680,042
Profit for the year representing total comprehensive income attributable to:			
Owners of the parent		21,143,267	21,686,669
Non-controlling interests		(3,476)	(6,627)
		21,139,791	21,680,042
Earnings per share attributable to owners of the parent (sen per share)			
Basic	12	29.04	29.78

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Bina Darulaman Berhad
(Incorporated in Malaysia)

Statement of comprehensive income
For the financial year ended 31 December 2013

	Note	2013 RM	2012 RM
Revenue	4	20,813,857	23,145,427
Cost of sales	5	(1,312,386)	(1,304,203)
Gross profit		19,501,471	21,841,224
Other income	6	3,862,538	5,019,141
Marketing and distribution expenses		(234,930)	(669,348)
Administrative expenses		(9,863,601)	(6,605,207)
Finance costs	7	(1,387,133)	(2,302,550)
Other expenses		(1,894,999)	(25,546)
Profit before taxation	8	9,983,346	17,257,714
Income tax expense	11	(3,696,771)	(4,605,986)
Profit for the year representing total comprehensive income		6,286,575	12,651,728

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Bina Darulaman Berhad
(Incorporated in Malaysia)

Consolidated statement of financial position
As at 31 December 2013

	Note	2013 RM	2012 RM
Assets			
Non-current assets			
Property, plant and equipment	13	62,924,220	62,873,557
Land held for property development	14 (a)	98,248,821	109,736,841
Investment properties	15	-	-
Interest in unincorporated joint venture	17	449,802	451,207
Other investment	18	5,381,811	5,901,868
Trade and other receivables	19	253,967,412	-
Deferred tax assets	26	727,263	183,001
		421,699,329	179,146,474
Current assets			
Property development costs	14 (b)	76,411,044	41,954,919
Inventories	20	16,452,303	9,228,912
Trade and other receivables	19	188,614,955	389,859,556
Tax recoverable		592,092	1,097,391
Cash and bank balances	21	101,588,643	109,947,158
		383,659,037	552,087,936
Total assets		805,358,366	731,234,410
Equity and liabilities			
Current liabilities			
Income tax payable		1,933,744	2,179,851
Loans and borrowings	22	25,111,453	40,275,577
Trade and other payables	24	185,128,606	133,902,689
Dividend payable		15,540	16,713
		212,189,343	176,374,830

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Bina Darulaman Berhad
(Incorporated in Malaysia)

Consolidated statement of financial position
As at 31 December 2013 (cont'd.)

	Note	2013 RM	2012 RM
Non-current liabilities			
Deferred tax liabilities	26	1,790,350	2,308,969
Loans and borrowings	22	318,080,971	295,295,590
		319,871,321	297,604,559
Total liabilities		532,060,664	473,979,389
Equity attributable to owners of the parent			
Share capital	27	72,815,856	72,815,856
Other reserves	28	17,072,415	17,072,415
Retained earnings	29	175,341,431	159,295,274
		265,229,702	249,183,545
Non-controlling interests		8,068,000	8,071,476
Total equity		273,297,702	257,255,021
Total equity and liabilities		805,358,366	731,234,410

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Bina Darulaman Berhad
(Incorporated in Malaysia)

Statement of financial position
As at 31 December 2013

	Note	2013 RM	2012 RM
Assets			
Non-current assets			
Property, plant and equipment	13	15,175,836	15,576,935
Land held for property development	14 (a)	14,114,745	13,693,628
Investment properties	15	8,275,787	8,447,964
Investments in subsidiaries	16	56,257,529	56,757,529
Other investments	18	5,177,168	5,005,982
Deferred tax assets	26	634,111	166,916
		99,635,176	99,648,954
Current assets			
Trade and other receivables	19	48,485,844	47,690,931
Tax recoverable		378,496	946,472
Cash and bank balances	21	10,533,488	19,206,729
		59,397,828	67,844,132
Total assets		159,033,004	167,493,086
Equity and liabilities			
Current liabilities			
Loans and borrowings	22	15,016,772	15,022,706
Trade and other payables	24	15,405,996	10,031,664
Dividend payable		15,540	16,713
		30,438,308	25,071,083
Non-current liabilities			
Loans and borrowings	22	19,140	15,035,912
Total liabilities		30,457,448	40,106,995
Equity and liabilities			
Share capital	27	72,815,856	72,815,856
Other reserves	28	17,062,137	17,062,137
Retained earnings	29	38,697,563	37,508,098
		128,575,556	127,386,091
Total equity and liabilities		159,033,004	167,493,086

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Bina Darulaman Berhad
(Incorporated in Malaysia)

Consolidated statement of changes in equity
For the financial year ended 31 December 2013

		Attributable to owners of the parent							
			Non-distributable			Distributable			
	Note	Share capital RM	Share premium RM 28	Foreign currency translation reserves RM 28	Total RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
At 1 January 2013		72,815,856	17,062,137	10,278	17,072,415	159,295,274	249,183,545	8,071,476	257,255,021
Total comprehensive income		-	-	-	-	21,143,267	21,143,267	(3,476)	21,139,791
Transactions with owners									
Dividends on ordinary shares	30	-	-	-	-	(5,097,110)	(5,097,110)	-	(5,097,110)
At 31 December 2013		**72,815,856**	**17,062,137**	**10,278**	**17,072,415**	**175,341,431**	**265,229,702**	**8,068,000**	**273,297,702**

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Bina Darulaman Berhad
(Incorporated in Malaysia)

Consolidated statement of changes in equity
For the financial year ended 31 December 2013

	Note	Attributable to owners of the parent: Non-distributable: Share capital RM	Share premium RM 28	Foreign currency translation reserves RM 28	Total RM	Distributable Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
At 1 January 2012		72,815,856	17,062,137	10,278	17,072,415	141,522,456	231,410,727	8,078,103	239,488,830
Total comprehensive income		-	-	-	-	21,686,669	21,686,669	(6,627)	21,680,042
Transactions with owners									
Dividends on ordinary shares	30	-	-	-	-	(3,913,851)	(3,913,851)	-	(3,913,851)
At 31 December 2012		**72,815,856**	**17,062,137**	**10,278**	**17,072,415**	**159,295,274**	**249,183,545**	**8,071,476**	**257,255,021**

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Bina Darulaman Berhad
(Incorporated in Malaysia)

Statement of changes in equity
For the financial year ended 31 December 2013

	Note	I---- Non-distributable---I		Distributable	
		Share capital RM	Share premium RM	Retained earnings RM	Total RM
At 1 January 2013		72,815,856	17,062,137	37,508,098	127,386,091
Total comprehensive income		-	-	6,286,575	6,286,575
Transactions with owners					
Dividends on ordinary shares	30	-	-	(5,097,110)	(5,097,110)
At 31 December 2013		72,815,856	17,062,137	38,697,563	128,575,556
At 1 January 2012		72,815,856	17,062,137	28,770,221	118,648,214
Total comprehensive income		-	-	12,651,728	12,651,728
Transactions with owners					
Dividends on ordinary shares	30	-	-	(3,913,851)	(3,913,851)
At 31 December 2012		72,815,856	17,062,137	37,508,098	127,386,091

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Bina Darulaman Berhad
(Incorporated in Malaysia)

Consolidated statement of cash flows
For the financial year ended 31 December 2013

	2013 RM	2012 RM
Cash flows from operating activities		
Profit before taxation	29,314,815	30,099,475
Adjustments for:		
Depreciation of:		
- property, plant and equipment	4,670,742	4,873,727
- investment properties	-	3,600
Property, plant and equipment written off	1,438	27,152
Gain on disposal of property, plant and equipment	(38,832)	(527,012)
Gain on disposal of investment property	-	(9,280)
Loss on disposal of investment securities	45,118	-
Share of loss/(profit) of unincorporated joint venture	1,405	(77,832)
Profit from Islamic deposits	(2,580,252)	(628,090)
Government grant	(1,164,732)	(1,282,372)
Allowance for impairment	239,524	974,524
Reversal of allowance for impairment	(2,245,224)	(355,821)
Bad debts written off	-	5,513
Changes in fair value of investment securities	(17,836)	(263,770)
Dividend income from quoted investment	(21,811)	(89,273)
Interest income-short term deposits	(495,344)	(1,379,191)
Loss on re-estimation of present value of future cash flows	11,800,587	-
Unwinding of discount on non-current receivables	(25,367,137)	(901,834)
Interest expense	15,469,065	3,315,181
Operating profit before working capital changes	29,611,526	33,784,697
Increase in land held for development and property development costs	(22,968,104)	(23,810,563)
Increase in receivables	(57,488,468)	(110,017,152)
(Increase)/decrease in inventories	(7,223,389)	3,359,590
Increase/(decrease) in payables	20,453,382	(8,167,633)
Cash used in operations	(37,615,053)	(104,851,061)
Interest paid	(15,469,065)	(13,513,993)
Taxes paid	(9,181,687)	(7,685,707)
Net cash used in operating activities	(62,265,805)	(126,050,761)

Bina Darulaman Berhad
(Incorporated in Malaysia)

Consolidated statement of cash flows
For the financial year ended 31 December 2013 (cont'd.)

	2013 RM	2012 RM
Cash flows from investing activities		
Capital advances of unincorporated joint ventures refunded	-	661,103
Profit from Islamic deposits	2,580,252	628,090
Proceeds from disposal of investment property	-	148,600
Purchase of property, plant and equipment	(3,277,959)	(4,998,452)
Proceeds from disposal of property, plant and equipment	41,239	933,241
Proceeds from disposal of shares	663,960	
Purchase of other investments	(171,186)	(5,005,982)
Dividend received	21,811	89,273
Interest received	495,344	1,379,191
Unwinding of discount on non current receivables	25,367,137	901,834
Net cash generated from/(used in) investing activities	25,720,598	(5,263,102)
Cash flows from financing activities		
Dividends paid to shareholders of the Company	(5,098,282)	(3,913,851)
Drawdown of term loan	37,918,125	177,652,010
Government grant received	232,800	2,231,000
Drawdown of borrowings	9,000,000	19,500,000
Repayment of borrowings	(18,419,575)	(36,349,334)
Net changes in finance lease creditors	(979,123)	(701,694)
(Withdrawal)/placement of pledged deposits	(7,836,165)	346,004
Net cash generated from financing activities	14,817,780	158,764,135
Net (decrease)/increase in cash and cash equivalents	(21,727,427)	27,450,272
Cash and cash equivalents at beginning of the year	105,615,760	78,165,488
Cash and cash equivalents at end of the year	83,888,333	105,615,760

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Bina Darulaman Berhad
(Incorporated in Malaysia)

Statement of cash flows
For the financial year ended 31 December 2013

	2013 RM	2012 RM
Cash flows from operating activities		
Profit before taxation	9,983,346	17,257,714
Adjustments for:		
Depreciation of:		
- property, plant and equipment	905,595	873,211
- investment properties	172,177	172,177
Gain on disposal of property, plant and equipment	(28,619)	-
Property, plant and equipment written off	722	1,510
Impairment loss on investments in a subsidiaries	500,000	-
Allowance for impairment	1,394,277	18,524
Dividend income	(17,500,000)	(19,250,000)
Profit from Islamic deposits	(1,248,547)	(1,666,418)
Interest income - short term deposits	(72,700)	(289,964)
Interest income from a subsidiary	(271,808)	-
Interest expense	1,387,133	2,302,550
Operating loss before working capital changes	(4,778,424)	(580,696)
Increase in land held for development	(421,118)	(594,948)
(Increase)/decrease in receivables	(2,189,190)	11,003,235
Increase/(decrease) in payables	5,373,161	(1,232,501)
Cash (used in)/generated from operations	(2,015,571)	8,595,090
Interest paid	(1,387,133)	(2,302,550)
Taxes refund	779,009	244,777
Net cash (used in)/generated from operating activities	(2,623,695)	6,537,317
Cash flows from investing activities		
Purchase of property, plant and equipment	(507,578)	(234,350)
Proceeds from disposal of property, plant and equipment	30,979	-
Purchase of other investment	(171,186)	(5,005,982)
Capital advances of unincorporated joint ventures refunded	-	661,103
Dividend received	13,125,000	14,437,500
Profit from Islamic deposits	1,248,547	1,666,418
Interest income - short term deposits	72,700	289,964
Interest received from a subsidiary	271,808	-
Net cash generated from investing activities	14,070,270	11,814,653

Bina Darulaman Berhad
(Incorporated in Malaysia)

Statement of cash flows
For the financial year ended 31 December 2013 (cont'd.)

	2013 RM	2012 RM
Cash flows from financing activities		
Dividends paid to shareholders of the Company	(5,097,110)	(3,914,826)
Repayment of borrowings	(15,022,706)	(15,055,318)
Net cash used in financing activities	(20,119,816)	(18,970,144)
Net decrease in cash and cash equivalents	(8,673,241)	(618,174)
Cash and cash equivalents at beginning of the year	19,206,729	19,824,903
Cash and cash equivalents at end of the year	10,533,488	19,206,729

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Bina Darulaman Berhad
(Incorporated in Malaysia)

Notes to the financial statements
For the financial year ended 31 December 2013

1. Corporate information

Bina Darulaman Berhad ("the Company") is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the Bursa Malaysia Securities Berhad. The registered office of the Company is located at 9th Floor, Menara Bina Darulaman Berhad, No 88, Lebuhraya Darulaman, 05100 Alor Setar, Kedah Darul Aman.

The ultimate holding corporation is Perbadanan Kemajuan Negeri Kedah, a statutory body formed in Malaysia.

The principal activities of the Company are investment holding, provision of management services, oil palm plantation and property development.

The principal activities of the subsidiaries are described on Note 16.

There have been no significant changes in the nature of the principal activities during the financial year.

The financial statements were approved by the Board of Directors on 28 February 2014.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRS") and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM").

2. Summary of significant accounting policies (cont'd.)

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2013, the Group and the Company adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2013.

Description	Effective for annual periods beginning on or after
Amendments to FRS 101: Presentation of Items of Other Comprehensive Income	1 July 2012
FRS 3 Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2004)	1 January 2013
FRS 127 Consolidated and Separate Financial Statements (IAS 27 revised by IASB in December 2003)	1 January 2013
FRS 10 Consolidated Financial Statements	1 January 2013
FRS 11 Joint Arrangements	1 January 2013
FRS 12 Disclosure of Interests in Other Entities	1 January 2013
FRS 13 Fair Value Measurement	1 January 2013
FRS 119 Employee Benefits (IAS 19 as amended by IASB in June 2011)	1 January 2013
FRS 127 Separate Financial Statements (IAS 27 as amended by IASB in May 2011)	1 January 2013
FRS 128 Investment in Associate and Joint Ventures (IAS 28 as amended by IASB in May 2011)	1 January 2013
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to FRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Annual Improvements 2009-2011 Cycle	1 January 2013
Amendments to FRS 1: Government Loans	1 January 2013
Amendments to FRS 10, FRS 11 and FRS 12: Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group and the Company except for those discussed below:

2. Summary of significant accounting policies (cont'd.)

2.2 Changes in accounting policies (cont'd.)

FRS 13 Fair Value Measurement

FRS 13 establishes a single source of guidance under FRS for all fair value measurements. FRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS. FRS 13 defines fair value as an exit price. As a result of the guidance in FRS 13, the Group re-assessed its policies for measuring fair values, in particular, its valuation inputs such as non-performance risk for fair value measurement of liabilities. FRS 13 also requires additional disclosures.

Application of FRS 13 has not materiality impacted the fair value measurement of the Group. Additional disclosures where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined.

Amendments to FRS 101: Presentation of Items of Other Comprehensive Income

The amendments to FRS 101 introduce a grouping of items presented in other comprehensive income. Items that will be reclassified ("recycled") to profit or loss at a future point in time have to be presented separately from items that will not be reclassified. The amendments have no significant impact to the Group's financial position or performance.

FRS 127 Separate Financial Statements

As a consequence of the new FRS 10 and FRS 12, FRS 127 is limited to accounting for subsidiaries, jointly controlled entities and associates in separate financial statements.

FRS 128 Investments in Associates and Joint Ventures

As a consequence of the new FRS 11 and FRS 12, FRS 128 is renamed as FRS 128 Investments in Associates and Joint Ventures. This new standard describes the application of the equity method to investments in joint ventures in addition to associates.

Bina Darulaman Berhad
(Incorporated in Malaysia)

2. Summary of significant accounting policies (cont'd.)

2.3 Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 10, FRS 12 and FRS 127: Investment Entities	1 January 2014
Amendments to FRS 136: Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to FRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21 Levies	1 January 2014
FRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009)	1 January 2015
FRS 9 Financial Instruments (IFRS 9 issued by IASB in October 2010)	1 January 2015
Amendments to FRS 119: Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to FRSs 2010-2012 Cycle	1 July 2014
Annual Improvements to FRSs 2011-2013 Cycle	1 July 2014
FRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009)	To be announced
FRS 9 Financial Instruments (IFRS 9 issued by IASB in October 2010)	To be announced
FRS 9 Financial Instruments : Hedge Accounting and amendments to FRS 9, FRS 7 and FRS 139	To be announced

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application except as discussed below:

2. Summary of significant accounting policies (cont'd.)

2.3 Standards issued but not yet effective (cont'd.)

FRS 9 Financial Instruments

FRS 9 reflects the first phase of work on the replacement of FRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to FRS 9: Mandatory Effective Date of FRS 9 and Transition Disclosures, issued in March 2012, moved the mandatory effective date to 1 January 2015. Subsequently, on 14 February 2014, it was announced that the new effective date will be decided when the project is closer to completion. The adoption of the first phase of FRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will not have an impact on classification and measurements of the Group's financial liabilities. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The Company controls an investee if and only if the Company has all the following:

(i) Power over the investee;

(ii) Exposure, or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

(i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

(ii) Potential voting rights held by the Company, other vote holders or other parties;

(iii) Rights arising from other contractual arrangements; and

2. Summary of significant accounting policies (cont'd.)

2.4 Basis of consolidation (cont'd.)

(iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

2. Summary of significant accounting policies (cont'd.)

2.4 Basis of consolidation (cont'd.)

Business combinations (cont'd.)

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of FRS 139, it is measured in accordance with the appropriate FRS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. The accounting policy for goodwill is set out in Note 2.7.

2.5 Subsidiaries

A subsidiary is an entity over which the Group has all the following:

(i) Power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less accumulated impairment losses if any. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2. Summary of significant accounting policies (cont'd.)

2.6 Investments in associates and joint ventures

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

On acquisition of an investment in associate or joint venture, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's or joint venture's profit or loss for the period in which the investment is acquired.

An associate or a joint venture is equity accounted for from the date on which the investee becomes an associate or a joint venture.

Under the equity method, on initial recognition the investment in an associate or a joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture after the date of acquisition. When the Group's share of losses in an associate or a joint venture equal or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate or joint venture are recognised in the Group's financial statements only to the extent of unrelated investors' interests in the associate or joint venture. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The financial statements of the associates and joint ventures are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

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2. Summary of significant accounting policies (cont'd.)

2.6 Investments in associates and joint ventures (cont'd.)

After application of the equity method, the Group applies FRS 139 Financial Instruments: Recognition and Measurement to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate or joint venture. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with FRS 136 Impairment of Assets as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

In the Company's separate financial statements, investments in associates and joint ventures are accounted for at cost less accumulated impairment losses if any. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.7 Goodwill

Goodwill acquired in a business combination is initially measured at cost, being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

2.8 Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working conditions for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets includes the cost of materials and direct labour and, for qualifying assets, borrowing costs are capitalised in accordance with the Group's accounting policy. Purchased software that is integral of the functionality of the related equipment is capitalised as part of that equipment.

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2. Summary of significant accounting policies (cont'd.)

2.8 Property, plant and equipment (cont'd.)

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within " other income" or "other expenses" respectively in profit or loss.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Freehold land has an unlimited useful life and therefore is not depreciated. Construction work-in-progress are also not depreciated as these assets are not available for use. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Leasehold land	1.25%
Office building	2%
Golf course, club house, chalets and buildings	2%
Estate development expenditure	10%
Instruments, plant and machinery and site equipment	10% - 20%
Furniture and fittings, electrical installations and office equipment	20% - 25%
Renovation	20%
Motor vehicles	20%

The residual values, useful lives and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

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2. Summary of significant accounting policies (cont'd.)

2.9 Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Freehold land is not depreciated. Depreciation is provided for on a straight-line basis to write off the cost of other investment properties to its residual value over the estimated useful life at an annual rate of 2%.

Investment properties are derecognised when either they have been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

2.10 Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less accumulated impairment losses, if any.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

Costs associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Property development costs comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities, including interest expense incurred during the period of active development.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to-date bear to the estimated total property development costs.

2. Summary of significant accounting policies (cont'd.)

2.11 Property development costs

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred. Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development cost not recognised as an expense is recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in profit or loss over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in profit or loss is classified as progress billings within trade payables.

2.12 Construction contracts

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date bear to the estimated total contract cost.

Where the outcome of a construction contract cannot reliably estimated, contract revenue is recognised up to contract cost incurred to the extent that its' recoverability is probable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the total of costs incurred on construction contracts plus recognised profit (less recognised losses) exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

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2. Summary of significant accounting policies (cont'd.)

2.13 Impairment of non-financial assets

The carrying amounts of assets, other than investment properties, construction contract assets, property development costs, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For goodwill, intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated usually at each reporting date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

An asset's recoverable amount is the higher of the asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in profit or loss in the period in which it arises.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd.)

2.14 Inventories

Inventories are stated at lower of cost and net realisable value.

The cost of building materials and consumables is determined using the weighted average method and comprises the cost of purchase of the inventories.

The cost of completed properties is determined on the specific identification basis and comprises cost associated with the acquisition of land, direct costs and appropriate proportions of common costs.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.15 Financial assets

Financial assets are recognised on the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in equity is recognised in profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place concerned.

(i) Financial assets at fair value through profit and loss ("FVTPL")

Financial assets held for trading are classified as financial assets at FVTPL. Financial assets held for trading are derivatives (including separate embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

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2. Summary of significant accounting policies (cont'd.)

2.15 Financial assets (cont'd.)

(i) Financial assets at fair value through profit and loss ("FVTPL") (cont'd.)

Subsequent to initial recognition, financial assets at FVTPL are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at FVTPL include exchange differences and interest income.

The Group's financial assets classified under FVTPL include investment securities.

(ii) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process. Loans and receivables are classified as current assets, except for those having maturity dates later than twelve months after the reporting date which are reclassified as non-current.

The Group's and the Company's financial assets under loans and receivables include trade and other receivables, cash and bank balances and certain portion of other investment.

(iii) Held-to-maturity investments

Financial assets with fixed and determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

The Group has not classified any financial assets as held-to-maturity.

2. Summary of significant accounting policies (cont'd.)

2.15 Financial assets (cont'd.)

(iv) Available-for-sale financial assets

Available-for-sale ("AFS") financial assets are financial assets that are not classified in any of the other categories. After initial recognition, AFS financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised directly in the fair value adjustment reserve in equity, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in equity is recognised in profit or loss when the financial asset is derecognised.

Investment in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment loss, if any.

The Group has not classified any financial assets as AFS.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in equity is recognised in profit or loss.

2.16 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(a) Financial liabilities at fair value through profit or loss ("FVTPL")

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

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2. Summary of significant accounting policies (cont'd.)

2.16 Financial liabilities (cont'd.)

(a) Financial liabilities at fair value through profit or loss ("FVTPL") (cont'd.)

The Group and the Company have not designated any financial liabilities as at FVTPL.

(b) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.17 Financial guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantees are recognised initially at fair value. Subsequent to initial recognition, financial guarantees are recognised as income in the statement of comprehensive income over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount and the difference is charged to profit or loss.

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2. Summary of significant accounting policies (cont'd.)

2.18 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for the asset or liability, or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

(i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

(ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

(iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2. Summary of significant accounting policies (cont'd.)

2.18 Fair value measurement (cont'd.)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.19 Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

2. Summary of significant accounting policies (cont'd.)

2.19 Impairment of financial assets (cont'd.)

(a) Trade and other receivables and other financial assets carried at amortised cost (cont'd.)

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(b) Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(c) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

2. Summary of significant accounting policies (cont'd.)

2.20 Cash and cash equivalents

Cash and cash equivalents include cash on hand and at bank (including the accounts maintained pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966), deposits at call and short term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts and pledged deposits.

2.21 Leases

(a) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.28(iv).

2. Summary of significant accounting policies (cont'd.)

2.22 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.23 Income tax

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that enacted or substantially enacted by the reporting date.

Current taxes are recognised in profit or loss, except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. Summary of significant accounting policies (cont'd.)

2.23 Income tax (cont'd.)

(ii) Deferred tax (cont'd.)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2. Summary of significant accounting policies (cont'd.)

2.24 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each financial statement date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements, and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

2.25 Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

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2. Summary of significant accounting policies (cont'd.)

2.26 Foreign currencies

(i) Financial and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

(ii) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at the financial statement date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies are translated at exchange rates at the dates of the transactions except for those that are measured at fair value, which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss.

(iii) Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency (RM) of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate prevailing at the reporting date;

- Income and expenses for each statement of comprehensive income presented are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and

- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

2. Summary of significant accounting policies (cont'd.)

2.26 Foreign currencies (cont'd.)

(iv) Net investment in foreign operations

Exchange differences arising from monetary items that in substance form part of the Company's net investment in foreign operations, are recognised in the Company's statement of comprehensive income. Such exchange differences are reclassified to equity in the consolidated financial statements. Deferred exchange differences are recognised in the consolidated statement of comprehensive income upon disposal of the investment.

2.27 Government grants

Government grants are in respect of advances and subsidies awarded by the Government for the upgrading of green and golf course. Grants that compensate expenses incurred are recognised as income to match the costs that it is intended to compensate.

An asset-related grant is recorded as a deduction against the carrying amount of the related asset which is subsequently recognised in income by way of reduced depreciation charges.

2.28 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of development properties

Revenue from sale of development properties is recognised based on the stage of completion measured by reference to the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a property development activity cannot be reliably estimated, property development revenue is recognised up to property development costs incurred to the extent that its' recoverability is probable, and property development costs on the development units sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defect liability period, is recognised immediately in profit or loss.

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2. Summary of significant accounting policies (cont'd.)

2.28 Revenue recognition (cont'd.)

(ii) Construction contracts and road paving works

Revenue from construction contracts and road paving works is accounted for using the stage of completion method as described in Note 2.12.

(iii) Sale of goods

Revenue is recognised net of discounts and upon transfer of significant risks and rewards of ownership to the buyer.

(iv) Rental income

Rental income is recognised on a straight-line basis over the term of the lease. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis.

(v) Revenue from hotel and golf resort operations

The income from rental of room, subscription and green fees, rental of golfing facilities and other related income are recognised on an accrual basis.

(vi) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

(vii) Management fees

Management fees are recognised when services are rendered.

(viii) Interest income and profit from Islamic deposit

Interest income is recognised as it accrues, using the effective interest method.

(ix) Project management fee

Project management fee is computed based on an agreed percentage of sales and recognised in proportion to the project progress.

(x) Government grant

Government grant are recognised on an accrual basis.

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2. Summary of significant accounting policies (cont'd.)

2.29 Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing profit for the year from continuing operations, net of tax, attributable to owners of the parent (after adjusting for interest expense on convertible redeemable preference shares) by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

2.30 Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

2.31 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3. Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and of the Company's accounting policies, reported amounts of the assets, liabilities, income and expenses and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations on future events that are believed to be reasonable under the circumstances.

3. Significant accounting estimates and judgements (cont'd.)

The significant judgements and estimates affects the Group's and Company's financial statements are as follows:

(i) Construction contracts and property development costs

The Group recognises construction and property development revenue and expenses in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that construction costs incurred for work performed to date bear to the estimated total construction costs.

Significant judgement is required in determining the stage of completion, the extent of the construction costs incurred, the estimated total construction revenue and costs, as well as the recoverability of the construction projects. In making the judgement, the Company evaluates based on past experience and by relying on the work of specialists.

(ii) Useful lives of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these property, plant and equipment to be within 4 to 99 years. These are common life expectancies applied in the industry. Changes in the expected level of usage, technological and other developments could impact the economic useful lives of these assets. Therefore future depreciation charges could be revised. An increase or decrease in the average useful lives of these assets by one year from management estimates could result in a material variance in depreciation charge for the year.

(iii) Impairment of receivables

The Group assesses at each reporting date whether there is any objective evidence that the financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience.

3. Significant accounting estimates and judgements (cont'd.)

(iv) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Total carrying value of unrecognised tax losses, unabsorbed capital allowances and other taxable temporary differences of the Group and the Company are disclosed in Note 26.

(v) Classification between investment property and inventories and land held for development

The Group has developed certain criteria based on FRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

During the financial year, the Group has temporarily sub-let plantation estates and vacant land but has decided not to treat these properties as investment properties because it is not the Group's intention to hold these properties in the long-term for capital appreciation or rental income. Accordingly, these properties are still classified as properties held for sale under inventories and land held for property development respectively.

(vi) Amount receivable in relation to construction contract

During the financial year, management has made its best estimate of the total contract amount to be received on deferred payment terms from a related party, upon completion of the contract as disclosed in Note 19. Any revision of the amount subsequent to the reporting date will be taken to statement of comprehensive income as an adjustment against future income receivable from the related party.

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4. Revenue

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Sales of development properties and land	104,371,240	77,454,845	-	-
Revenue from sand quarry, road paving and premix aggregate	51,001,672	49,492,978	-	-
Revenue from construction contracts	117,367,517	175,630,194	-	-
Revenue from golf resort and hotel operations	4,605,003	3,812,290	-	-
Sales of oil palm fresh fruit bunches	3,260,997	4,014,307	2,521,857	3,103,427
Management fees from subsidiaries	-	-	792,000	792,000
Dividend income from subsidiaries	-	-	17,500,000	19,250,000
Others	395,763	1,504,305	-	-
	281,002,192	311,908,919	20,813,857	23,145,427

5. Cost of sales

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Cost of development properties and land sold	86,130,524	63,078,900	-	-
Sand quarry, road paving and premix aggregate costs	40,829,880	45,131,732	-	-
Construction contract costs	104,194,667	147,868,941	-	-
Cost of golf resort and hotel operations	4,161,286	3,745,972	-	-
Cost of oil palm fresh fruit bunches sold	1,599,661	1,577,067	1,312,386	1,304,203
Others	303,710	1,419,901	-	-
	237,219,728	262,822,513	1,312,386	1,304,203

Included in sand quarry, road paving works and premix aggregate costs are costs incurred in prior year but recognised as expenses during the year amounting to RM909,208 (2012: RM Nil).

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6. Other income

Other income includes the following:

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Commission income	-	-	-	1,211,380
Government grant	1,164,732	1,282,372	-	-
Rental income from investment property	-	-	120,000	120,000
Rental income from other property	588,229	595,100	723,445	730,316
Rental income from machinery	39,395	11,729	-	-
Gain on disposal of property, plant and equipment	38,832	527,012	28,619	-
Gain on disposal of investment property	-	9,280	-	-
Interest income - short term deposits	495,344	1,379,191	72,700	289,964
Profit from Islamic deposits	2,580,252	628,090	1,248,547	1,666,418
Reversal of allowance for impairment	(2,245,224)	(355,821)	(26,510)	-
Interest income from a subsidiary	-	-	271,808	-
Unwinding of discount on non current receivables	25,367,137	901,834	-	-
Dividend income from quoted investments	21,811	89,273	-	-
Changes in fair value of investment securities	17,836	263,770	-	-
Project management fees	-	999,013	-	999,013
Bad debts recovered	1,582,211	643,350	-	-

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7. Finance costs

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Interest expense on:				
- Bank loans and bank overdrafts	36,526	66,883	-	-
- Obligations under finance lease	146,156	65,009	2,489	4,591
Profit payable on Islamic loans	17,350,933	13,364,488	1,384,644	2,297,959
	17,533,615	13,496,380	1,387,133	2,302,550
Less: Interest expense capitalised in construction contract costs (Note 25)	(2,064,550)	(10,181,199)	-	-
Total finance costs	15,469,065	3,315,181	1,387,133	2,302,550

8. Profit before taxation

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

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Auditors' remuneration:				
- statutory audits	174,500	167,500	45,000	45,000
- other services	35,500	32,500	10,000	10,000
Employee benefits expense (Note 9)	17,203,246	17,507,927	2,574,665	3,291,216
Non-executive directors' remuneration (Note 10)	421,800	911,000	313,250	376,750
Depreciation of:				
- property, plant and equipment (Note 13)	4,670,742	4,873,727	905,595	873,211
- investment properties (Note 15)	-	3,600	172,177	172,177
Property, plant and equipment written off	1,438	27,152	722	1,510
Impairment loss on investments in subsidiaries (Note 16)	-	-	500,000	-

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8. Profit before taxation (cont'd.)

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Loss on re-estimation of present value of future cash flows	11,800,587	-	-	-
Loss on disposal of investment securities	45,118	-	-	-
Operating lease - minimum lease payments for:				
- land and buildings	208,370	277,370	128,370	128,370
- plant and machinery	5,095	63,187	-	-
- office equipment	16,128	19,162	16,128	16,178
Office rental	10,350	8,100	3,000	3,000
Allowance for impairment	239,524	974,524	1,394,277	18,524
Bad debts written off	-	5,513	-	-
Share of loss/(profit) of unincorporated joint venture	1,405	(77,832)	-	-
Royalties and tributes	1,113,149	1,167,439	-	-

9. Employee benefits

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Wages and salaries	13,323,750	13,215,940	2,095,389	2,059,803
Social security contributions	145,655	369,242	15,257	14,807
Contributions to defined contribution plan	1,999,442	1,577,316	237,377	265,494
Other benefits	1,734,399	2,345,429	226,642	951,112
	17,203,246	17,507,927	2,574,665	3,291,216

Included in employee benefits expense of the Group and the Company are executive directors' remuneration amounting to RM609,917 (2012: RM691,796) and RM602,917 (2012: RM685,796) respectively.

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9. Employee benefits (cont'd.)

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of directors 2013	2012
RM650,001 - RM700,000	1	1
RM100,001 - RM150,000	1	1
RM50,001 - RM100,000	2	3
RM0 - RM50,000	4	2

10. Directors' remuneration

The details of remuneration receivable by directors of the Company during the year are as follows:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Executive directors:				
Fees				
- current year	-	36,000	-	36,000
Salaries and other emoluments	609,917	655,796	602,917	649,796
	609,917	691,796	602,917	685,796
Non-Executive directors:				
Fees				
- current year	185,000	716,000	123,000	216,000
Other emoluments	236,800	195,000	190,250	160,750
	421,800	911,000	313,250	376,750
Total directors' remuneration	1,031,717	1,602,796	916,167	1,062,546
Estimated monetary value of benefits-in-kind	9,750	8,300	9,750	8,300
Total directors' remuneration including benefits-in-kind	1,041,467	1,611,096	925,917	1,070,846

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11. Income tax expense

Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2013 and 2012 are:

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Current income tax				
- Malaysian income tax	9,386,088	8,257,969	4,236,503	4,864,844
- Over provision in respect of previous years	(148,183)	(391,355)	(72,537)	(109,092)
	9,237,905	7,866,614	4,163,966	4,755,752
Deferred tax (Note 26):				
- Origination and reversal of temporary differences	(528,417)	439,887	(465,838)	(132,803)
- (Over)/under provision in previous years	(534,464)	112,932	(1,357)	(16,963)
	(1,062,881)	552,819	(467,195)	(149,766)
Income tax expense recognised in profit or loss	8,175,024	8,419,433	3,696,771	4,605,986

Reconciliation between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2013 and 2012 are as follows:

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11. Income tax expense (cont'd.)

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Profit before taxation	29,314,815	30,099,475	9,983,346	17,257,714
Tax at Malaysian statutory tax rate of 25% (2012: 25%)	7,328,704	7,524,868	2,495,837	4,314,429
Adjustments:				
Non-deductible expenses	1,401,562	1,261,586	1,274,828	417,612
Income not subject to taxation	(257,086)	(300,665)	-	-
Utilisation of previously unrecognised tax losses and unabsorbed capital allowance	(27,260)	(5,086)	-	-
Share of profit of unincorporated joint venture	-	(19,548)	-	-
Deferred tax assets not recognised	411,751	236,701	-	-
(Over)/under provision of deferred tax in respect of previous years	(534,464)	112,932	(1,357)	(16,963)
Over provision of income tax in respect of previous years	(148,183)	(391,355)	(72,537)	(109,092)
Income tax expense recognised in profit or loss	8,175,024	8,419,433	3,696,771	4,605,986

Income tax is calculated at the Malaysian statutory tax rate of 25% (2012: 25%) of the estimated assessable profit for the year.

12. Earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to shareholders by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2013	2012
Profit attributable to ordinary equity holders of the Company (RM)	21,143,267	21,686,669
Number of ordinary shares issued at 1 January/31 December	72,815,856	72,815,856
Basic earnings per share (sen)	29.04	29.78

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13. Property, plant and equipment

Group	*Land, buildings and estate development expenditure RM	Instruments, plant and machinery and site equipment RM	*Others RM	Construction work-in-progress RM	Motor vehicles RM	Total RM
Cost						
At 1 January 2012	56,830,651	42,978,929	9,543,541	95,177	7,620,667	117,068,965
Additions	689,302	4,693,425	406,310	-	526,415	6,315,452
Disposals	(400,000)	(1,137,650)	(3,050)	-	(175,484)	(1,716,184)
Write off	(113,569)	-	(1,491,394)	-	(24,538)	(1,629,501)
At 31 December 2012	57,006,384	46,534,704	8,455,407	95,177	7,947,060	120,038,732
Additions	601,206	2,738,184	789,086	-	749,283	4,877,759
Disposals	-	-	(121,805)	-	(345,532)	(467,337)
Write off	-	-	(23,151)	-	-	(23,151)
At 31 December 2013	57,607,590	49,272,888	9,099,537	95,177	8,350,811	124,426,003

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13. Property, plant and equipment (cont'd.)

Group (cont'd.)	*Land, buildings and estate development expenditure RM	Instruments, plant and machinery and site equipment RM	*Others RM	Construction work-in-progress RM	Motor vehicles RM	Total RM
Accumulated depreciation						
At 1 January 2012	9,343,143	31,117,467	8,249,698	-	6,493,444	55,203,752
Depreciation charge for the year (Note 8)	761,673	2,860,540	536,573	-	542,764	4,701,550
Depreciation capitalised in construction contract costs (Note 25)	172,177	-	-	-	-	172,177
Disposals	-	(1,137,641)	(3,048)	-	(169,266)	(1,309,955)
Write off	(92,748)	-	(1,488,189)	-	(21,412)	(1,602,349)
At 31 December 2012	10,184,245	32,840,366	7,295,034	-	6,845,530	57,165,175
Depreciation charge for the year (Note 8)	716,730	3,080,060	522,221	-	351,731	4,670,742
Depreciation capitalised in construction contract costs (Note 25)	-	-	-	-	152,509	152,509
Disposals	-	-	(119,400)	-	(345,530)	(464,930)
Write off	-	-	(21,713)	-	-	(21,713)
At 31 December 2013	10,900,975	35,920,426	7,676,142	-	7,004,240	61,501,783
Net carrying amount:						
At 31 December 2013	46,706,615	13,352,462	1,423,395	95,177	1,346,571	62,924,220
At 31 December 2012	46,822,139	13,694,338	1,160,373	95,177	1,101,530	62,873,557

*Others comprise furniture and fittings, electrical installations and office equipment as well as renovation.

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13. Property, plant and equipment (cont'd.)

* Land, buildings and estate development expenditure for the Group:

Group	Freehold land RM	Long term leasehold land RM	Office building RM	Golf course RM	Club house, chalets and other buildings RM	Estate development expenditure RM	Total RM
Cost							
At 1 January 2012	3,913,402	8,578,151	11,161,953	9,605,754	22,710,712	860,679	56,830,651
Additions	-	-	-	-	689,302	-	689,302
Disposal	(400,000)	-	-	-	-	-	(400,000)
Write off	-	-	-	-	(113,569)	-	(113,569)
At 31 December 2012	3,513,402	8,578,151	11,161,953	9,605,754	23,286,445	860,679	57,006,384
Additions	-	-	-	-	601,206	-	601,206
Disposal	-	-	-	-	-	-	-
Write off	-	-	-	-	-	-	-
At 31 December 2013	3,513,402	8,578,151	11,161,953	9,605,754	23,887,651	860,679	57,607,590

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13. Property, plant and equipment (cont'd.)

* Land, buildings and estate development expenditure for the Group (cont'd.):

Group	Freehold land RM	Long term leasehold land RM	Office building RM	Golf course RM	Club house, chalets and other buildings RM	Estate development expenditure RM	Total RM
Accumulated depreciation							
At 1 January 2012	-	2,032,272	1,838,953	-	4,611,240	860,678	9,343,143
Depreciation charge for the year (Note 8)	-	75,000	56,977	-	801,873	-	933,850
Disposal	-	-	-	-	-	-	-
Write off	-	-	-	-	(92,748)	-	(92,748)
At 31 December 2012	-	2,107,272	1,895,930	-	5,320,365	860,678	10,184,245
Depreciation charge for the year (Note 8)	-	75,000	56,977	-	584,753	-	716,730
Disposal	-	-	-	-	-	-	-
Write off	-	-	-	-	-	-	-
At 31 December 2013	-	2,182,272	1,952,907	-	5,905,118	860,678	10,900,975
Net carrying amount:							
At 31 December 2013	3,513,402	6,395,879	9,209,046	9,605,754	17,982,533	1	46,706,615
At 31 December 2012	3,513,402	6,470,879	9,266,023	9,605,754	17,966,080	1	46,822,139

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13. Property, plant and equipment (cont'd.)

Company	Long term leasehold land RM	Office building RM	Estate development expenditure RM	Plant and machinery RM	*Others RM	Motor vehicle RM	Total RM
Cost:							
At 1 January 2012	6,000,000	11,457,680	860,679	3,343,160	2,890,862	854,871	25,407,252
Additions	-	-	-	-	62,462	171,888	234,350
Write off	-	-	-	-	(1,440,880)	-	(1,440,880)
At 31 December 2012	6,000,000	11,457,680	860,679	3,343,160	1,512,444	1,026,759	24,200,722
Additions	-	-	-	-	413,758	93,820	507,578
Write off	-	-	-	-	(2,890)	-	(2,890)
Disposal	-	-	-	-	(116,775)	(173,707)	(290,482)
At 31 December 2013	6,000,000	11,457,680	860,679	3,343,160	1,806,537	946,872	24,414,928
Accumulated depreciation:							
At 1 January 2012	712,500	1,833,226	860,679	2,674,528	2,487,928	621,085	9,189,946
Depreciation charge for the year (Note 8)	75,000	229,154	-	334,316	142,896	91,845	873,211
Write off	-	-	-	-	(1,439,370)	-	(1,439,370)
At 31 December 2012	787,500	2,062,380	860,679	3,008,844	1,191,454	712,930	8,623,787
Depreciation charge for the year (Note 8)	75,000	229,154	-	334,315	149,720	117,406	905,595
Write off	-	-	-	-	(2,168)	-	(2,168)
Disposal	-	-	-	-	(114,416)	(173,706)	(288,122)
At 31 December 2013	862,500	2,291,534	860,679	3,343,159	1,224,590	656,630	9,239,092
Net carrying amount:							
At 31 December 2013	5,137,500	9,166,146	-	1	581,947	290,242	15,175,836
At 31 December 2012	5,212,500	9,395,300	-	334,316	320,990	313,829	15,576,935

* Others comprise furniture and fittings, electrical installations and office equipment as well as renovation.

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13. Property, plant and equipment (cont'd.)

Assets held under finance leases

During the year, the Group and the Company acquired property, plant and equipment by the following means:

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM	**RM**	**RM**	**RM**
Finance lease	1,599,800	1,317,000	-	-
Cash	3,277,959	4,998,452	507,578	234,350
	4,877,759	6,315,452	507,578	234,350

Net carrying amounts of property, plant and equipment held under finance lease arrangements are as follows:

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM	**RM**	**RM**	**RM**
Plant and machinery	3,184,873	1,375,830	-	-
Motor vehicles	222,334	390,556	1	4
	3,407,207	1,766,386	1	4

Details of the terms and conditions of the finance lease arrangements are disclosed in Note 23.

Assets pledged as security

Property, plant and equipment of the Group and of the Company with an aggregate net carrying amount of RM9,166,143 (2012: RM9,395,300) and RM9,166,143 (2012: RM9,395,300) are pledged as security for borrowings (Note 22).

Fully depreciated assets

Included in property, plant and equipment of the Group and the Company are fully depreciated assets which are still in use costing RM30,190,664 (2012: RM29,453,377) and RM1,267,915 (2012: RM1,474,306) respectively.

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14. Land held for property development and property development costs

(a) Land held for property development

Group

	Freehold land RM	Leasehold land RM	Total RM
At 1 January 2013	83,403,257	26,333,584	109,736,841
Additions	1,773,792	421,117	2,194,909
Transfer to cost of sales	(13,334,449)	-	(13,334,449)
Transfer to property development costs (Note 14(b))	(348,480)	-	(348,480)
At 31 December 2013	71,494,120	26,754,701	98,248,821
At 1 January 2012	85,780,596	25,738,636	111,519,232
Additions	3,894,412	594,948	4,489,360
Transfer to cost of sales	(3,322,427)	-	(3,322,427)
Transfer to property development costs (Note 14(b))	(2,949,324)	-	(2,949,324)
At 31 December 2012	83,403,257	26,333,584	109,736,841

Company

	2013 RM	2012 RM
Leasehold land		
At 1 January	13,693,628	13,098,680
Additions	421,117	594,948
At 31 December	14,114,745	13,693,628

(b) Property development costs

Group	Freehold land RM	Development costs RM	Total RM
At 31 December 2013			
Cumulative property development costs			
At 1 January 2013	10,829,115	221,247,054	232,076,169
Costs incurred during the year	-	105,294,968	105,294,968
Transferred from land held for development (Note 14(a))	348,480	-	348,480
Reversal of completed projects	-	(104,792,289)	(104,792,289)
At 31 December 2013	11,177,595	221,749,733	232,927,328

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14. Land held for property development and property development costs (cont'd.)

(b) Property development costs (cont'd.)

Group (cont'd.)	Freehold land RM	Development costs RM	Total RM
At 31 December 2013 (cont'd.)			
Cumulative costs recognised in profit or loss			
At 1 January 2013	(5,549,249)	(184,572,001)	(190,121,250)
Recognised during the year	(918,007)	(70,269,316)	(71,187,323)
Reversal of completed projects	-	104,792,289	104,792,289
At 31 December 2013	(6,467,256)	(150,049,028)	(156,516,284)
Property development costs at 31 December 2013	4,710,339	71,700,705	76,411,044
At 31 December 2012			
Cumulative property development costs			
At 1 January 2012	6,669,791	128,400,613	135,070,404
Costs incurred during the year	1,210,000	92,846,441	94,056,441
Transferred from land held for development (Note 14(a))	2,949,324	-	2,949,324
At 31 December 2012	10,829,115	221,247,054	232,076,169
Cumulative costs recognised in profit or loss			
At 1 January 2012	(5,257,256)	(113,451,183)	(118,708,439)
Recognised during the year	(291,993)	(71,120,818)	(71,412,811)
At 31 December 2012	(5,549,249)	(184,572,001)	(190,121,250)
Property development costs at 31 December 2012	5,279,866	36,675,053	41,954,919

Assets pledged as security

Freehold land of the Group with carrying values of RM5,640,519 (2012: RM5,640,519) are pledged as security for borrowings (Note 22).

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14. Land held for property development and property development costs (cont'd.)

(b) Property development costs (cont'd.)

Joint venture

Included in land held for property development is an amount of RM38,930,127 (2012: RM38,930,127) representing freehold land and development expenditure incurred for a joint venture project.

	2013 RM	2012 RM
Cost per acre	35,391	35,391

The joint venture agreement is with the ultimate holding corporation whereby the Group acquired a piece of land from the ultimate holding corporation for mixed development purposes. The profits, if any, from the joint venture project are to be shared at the following proportion by the two parties and are payable on percentage of completion basis.

	2013	2012
The Group	80%	80%
Ultimate holding corporation	20%	20%

Losses, if any, from the joint venture project will be fully borne by the Group.

15. Investment properties

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Cost				
At 1 January	-	180,000	9,308,849	9,308,849
Disposal	-	(180,000)	-	-
At 31 December	-	-	9,308,849	9,308,849
Accumulated depreciation				
At 1 January	-	37,080	860,885	688,708
Disposal	-	(40,680)	-	-
Depreciation charge for the year (Note 8)	-	3,600	172,177	172,177
At 31 December	-	-	1,033,062	860,885
Net carrying amount				
At 31 December	-	-	8,275,787	8,447,964
Fair value	-	-	17,000,000	17,000,000

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16. Investments in subsidiaries

	Company 2013 RM	Company 2012 RM
Unquoted shares, at costs	57,257,531	57,257,531
Accumulated impairment losses	(1,000,002)	(500,002)
	56,257,529	56,757,529

Movement in impairment accounts:

	Company 2013 RM	Company 2012 RM
At 1 January	500,002	500,002
Charge for the year (Note 8)	500,000	-
At 31 December	1,000,002	500,002

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	Proportion (%) of ownership interest 2013	Proportion (%) of ownership interest 2012
Darulaman Realty Sdn. Bhd.	Malaysia	Property development, investment holding and project management services	100	100
Kedah Sato Sdn. Bhd.	Malaysia	Building and general contractor	100	100
Bina & Kuari (K) Sdn. Bhd. (formerly known as Syarikat Bina & Kuari (Kedah) Sdn.Bhd.)	Malaysia	Granite quarry operator and civil engineering contractor	100	100
Darulaman Golf Resort Berhad *	Malaysia	Golf resort owner and operator	99	99

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16. Investments in subsidiaries (cont'd.)

Name	Country of incorporation	Principal activities	Proportion (%) of ownership interest 2013	2012
Kedah Holdings Sdn. Bhd.	Malaysia	Property development and property investment	100	100
BDB Construction Sdn. Bhd.	Malaysia	General contractor	100	100
BDB Quarry Sdn. Bhd.	Malaysia	Sand and granite quarry operator and supply of construction materials	100	100
BDB Hotels Sdn. Bhd.	Malaysia	Hotel business	100	100
BDB Trading Sdn. Bhd.	Malaysia	General trading and supply of construction materials	100	100
Jitra Waterworld Sdn. Bhd. ***	Malaysia	Dormant	-	100
PT Darulaman **#	Indonesia	Dormant	100	100

* 1 ordinary shares of the total issued and fully paid up share capital of 100,000 ordinary shares of RM1 each is held by Darulaman Realty Sdn Bhd.

** Held through Bina & Kuari (K) Sdn. Bhd. and BDB Quarry Sdn. Bhd. with 80% and 20% equity interest respectively.

\# Not audited by Ernst & Young.

*** Struck-off on 15 February 2013

During the financial year Jitra Waterworld Sdn. Bhd. was struck off under Section 308 (2) of the Companies Act 1965.

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16. Investments in subsidiaries (cont'd.)

Impairment loss recognised

The management of the Company has carried out a review of the recoverable amount of its investments in subsidiaries. The review has led to the additional impairment loss of RM500,000 recognised in the current year's profit or loss. The recoverable amount was based on the value in use calculation using cash flow projections based on the financial budgets approved by management covering a five-year period.

The following describes each key assumption on which the management has based its cash flow projection to undertake impairment testing of investment:

(i) The basis used to determine the value assigned to budgeted gross margin in the average gross margin achieved in the year immediately before budgeted year.

(ii) The weighted average growth rate used is determined based on the historical achievement in the year immediately before budgeted year adjusted for expected efficiency improvements and the price increase due to inflation.

(iii) The 5.96% discount rate used is pre-tax and reflects the cost of capital and internal rate of return of the company.

17. Interest in unincorporated joint venture

	Group	
	2013	2012
	RM	RM
Share of profits	449,802	451,207

The Group's aggregate share of the income, expenses, assets and liabilities of the unincorporated joint venture are as follows:

	2013	2012
	RM	RM
Assets and liabilities		
Current assets	691,274	692,679
Current liabilities	(241,472)	(241,472)

17. Interest in unincorporated joint venture (cont'd.)

The interest of the Group in jointly controlled entity is listed below:

Unincorporated joint venture	Principal activities	Profit sharing rate (%) 2013	2012
TH Universal Builders - Bina Darulaman Berhad J.V. (held by the Company)	Design, construction, equipping, commissioning and maintenance of a new Sungai Petani Hospital.	30	30

The unincorporated joint venture has started the dissolution process. Further distribution will be made upon completion of the dissolution process.

18. Other investment

	Group		Company	
	2013 Carrying amount RM	2012 Carrying amount RM	2013 Carrying amount RM	2012 Carrying amount RM
Fair value through profit or loss				
Quoted				
Investment securities	5,381,811	5,901,868	5,177,168	5,005,982
Loans and receivables				
Unquoted shares at cost	202,500	202,500	202,500	202,500
Less: Impairment losses	(202,500)	(202,500)	(202,500)	(202,500)
	-	-	-	-

19. Trade and other receivables

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Non-current				
Trade receivables				
Amounts due from a related party	253,441,162	-	-	-

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19. Trade and other receivables (cont'd.)

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Non-current (cont'd.)				
Other receivable				
Third party	526,250	-	-	-
	253,967,412	-	-	-
Current				
Trade receivables				
Third parties	61,277,963	80,351,801	399,389	1,639,182
Amounts due from a related party and holding corporation	61,971,611	52,358	-	-
	123,249,574	80,404,159	399,389	1,639,182
Less: Allowance for impairment	(5,567,305)	(7,659,710)	-	-
	117,682,269	72,744,449	399,389	1,639,182
Construction contracts:				
Due from customers (Note 25)	43,203,289	309,085,225	-	-
Retention sums (Note 25)	5,050,874	2,890,037	-	-
	48,254,163	311,975,262	-	-
Trade receivables, net	419,377,594	384,719,711	399,389	1,639,182
Other receivables				
Third party	1,317,767	-	-	-
Holding corporation	3,797,451	114,913	-	-
Amounts due from subsidiaries	-	-	47,120,639	44,486,520
Prepayments	72,009	285,560	31,589	19,477
Refundable deposits	2,435,998	1,575,363	932,198	1,066,478
Sundry receivables	15,755,168	3,791,788	1,475,881	585,359
	23,378,393	5,767,624	49,560,307	46,157,834
Less: Allowance for impairment				
- third parties	(699,870)	(627,779)	(52,854)	(6,975)
- subsidiaries	-	-	(1,420,998)	(99,110)
	22,678,523	5,139,845	48,086,455	46,051,749
	188,614,955	389,859,556	48,485,844	47,690,931
Total trade and other receivables	442,056,117	389,859,556	48,485,844	47,690,931

19. Trade and other receivables (cont'd.)

Trade receivables

Included in the non-current/current trade receivables amounts due from a related party and holding corporation of the Group as at 31 December 2013 is an amount of RM311,715,359 due from the Kedah State Government for the Kolej Universiti Insaniah (KUIN) project completed during the year. The Company has granted deferred payment terms and the receivables are recognised based on their net present values discounted at a rate of 4.2% per annum:

	Group	
	2013	**2012**
	RM	**RM**
Current	58,274,197	-
Non current	253,441,162	-
	311,715,359	-

Trade receivables are non-interest bearing and are generally on 30 to 60 days (2012: 30 to 60 days) terms. They are recognised at their original invoiced amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables excluding due from customers on construction contracts is as follows:

	Group	
	2013	**2012**
	RM	**RM**
Non-current		
Neither past due nor impaired	253,441,162	-
Current		
Neither past due nor impaired	70,744,485	11,085,611
1 to 30 days past due not impaired	17,392,269	14,579,550
31 to 60 days past due not impaired	9,079,873	10,136,024
61 to 90 days past due not impaired	6,981,332	7,936,699
91 to 120 days past due not impaired	3,403,126	5,289,285
More than 121 days past due not impaired	10,081,184	23,717,280
	117,682,269	72,744,449
Impaired	5,567,305	7,659,710
Total current	123,249,574	80,404,159
Total current and non current	376,690,736	80,404,159

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19. Trade and other receivables (cont'd.)

(a) Trade receivables (cont'd.)

	Company 2013 RM	Company 2012 RM
1 to 30 days past due not impaired	253,005	251,036
31 to 60 days past due not impaired	103,091	299,620
61 to 90 days past due not impaired	27,000	302,666
91 to 120 days past due not impaired	-	400,127
More than 121 days past due not impaired	16,293	385,733
	399,389	1,639,182
	399,389	1,639,182

Receivables that are neither past due nor impaired

Receivables that are neither past due nor impaired relate to customers for whom there was no recent history of default.

Receivables that are past due but not impaired

Receivables that are past due but not impaired relate to customers that have a good track record with the Company. Based on past experience, the directors of the Company are of the opinion that no allowance for impairment is necessary in respect of these balances as there has not been any significant changes in credit quality and the balances are still considered fully recoverable.

The trade receivables that are past due but not impaired are unsecured.

Receivables that are impaired

	Individually impaired 2013 RM	Individually impaired 2012 RM
Group		
Trade receivables		
- nominal amounts	5,567,305	7,659,710
Less: Allowance for impairment	(5,567,305)	(7,659,710)
	-	-

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19. Trade and other receivables (cont'd.)

(b) Movement in allowance accounts:

(i) Trade receivables

	Group 2013 RM	Group 2012 RM
At 1 January	7,659,710	7,624,531
Charge for the year (Note 8)	167,433	762,867
Written off	(14,614)	(376,636)
Reversal of impairment losses (Note 6)	(2,245,224)	(351,052)
At 31 December	5,567,305	7,659,710

(ii) Other receivables

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
At 1 January	627,779	420,891	106,085	87,561
Charge for the year (Note 8)	72,091	211,657	1,394,277	18,524
Reversal of impairment losses (Note 6)	-	(4,769)	(26,510)	-
At 31 December	699,870	627,779	1,473,852	106,085

20. Inventories

	Group 2013 RM	Group 2012 RM
Cost		
Properties held for sale	12,295,713	4,575,500
Consumables and spares	1,288,848	1,159,227
Building materials	2,867,742	3,494,185
	16,452,303	9,228,912

During the year, the amount of inventories recognised as an expense in cost of sales of the Group was RM10,906,278 (2012: RM6,452,292).

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21. Cash and bank balances

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Cash at banks and on hand	53,737,438	30,621,669	889,193	2,137,998
Short term deposits with:				
licensed banks	47,851,205	79,325,489	9,644,295	17,068,731
Cash and bank balances	101,588,643	109,947,158	10,533,488	19,206,729

Included in cash and bank balances of the Group are amounts of RM20,817,531 (2012: RM18,129,410) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and are restricted from use in other operations.

The amount of deposits placed with the financial institutions which are government-related entities amounted to RM388,948 (2012: RM655,740).

Cash and cash equivalents comprise:

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Cash and bank balances	101,588,643	109,947,158	10,533,488	19,206,729
Bank overdrafts (Note 22)	-	(1,897,082)	-	-
	101,588,643	108,050,076	10,533,488	19,206,729
Less: Deposits pledged	(17,700,310)	(2,434,316)	-	-
	83,888,333	105,615,760	10,533,488	19,206,729

Short -term fixed deposit of the Group are pledge as security for loans and borrowings as disclosed in Note 22 and Note 23 to the financial statements.

22. Loans and borrowings

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Current				
Secured:				
Obligations under finance leases (Note 23)	1,111,453	614,043	16,772	22,706
Bank overdrafts	-	1,897,082	-	-
Term loans:				
Term loan 1	15,000,000	15,000,000	15,000,000	15,000,000
Term loan 2	-	3,264,452	-	-
Revolving credit	9,000,000	19,500,000	-	-
	25,111,453	40,275,577	15,016,772	15,022,706

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22. Loans and borrowings (cont'd.)

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Non-current				
Secured:				
Obligations under finance leases (Note 23)	990,946	991,272	19,140	35,912
Term loans:				
Term loan 1	-	15,000,000	-	15,000,000
Term loan 2	317,090,025	279,304,318	-	-
	318,080,971	295,295,590	19,140	15,035,912
Total loans and borrowings	343,192,424	335,571,167	15,035,912	30,058,618

The remaining maturities of the loans and borrowings excluding obligations under finance leases as at 31 December 2013 are as follows:

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
On demand or within one year	24,000,000	39,661,534	15,000,000	15,000,000
More than 1 year and less than 2 years	26,976,379	42,305,503	-	15,000,000
More than 2 years and less than 5 years	290,113,646	251,998,815	-	-
	341,090,025	333,965,852	15,000,000	30,000,000

Security

The secured bank overdrafts and bankers' acceptance of the Group are secured by certain assets of the Group as disclosed in Notes 13,14 and 21.

Term loan 1

The term loan agreement was entered into with Affin Islamic Bank on 13 July 2009 to refinance existing Murabahah Commercial Paper in relation to working capital purposes and secured by way of:

(a) Islamic facility agreement stamped for RM60,000,000;
(b) lease and insurance assignment over Menara Bina Darulaman Berhad.

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22. Loans and borrowings (cont'd.)

Term loan 2

Term loan 2 relates to Syndicated Islamic Financing Facility up to RM330 million, RM200 million by Bank Islam Malaysia Berhad and RM130 million by Affin Islamic Bank for the Kolej Universiti Insaniah (KUIN) project and is secured by way of:

(a) first legal charge over the properties of the Group as disclosed in Notes 13 and 14;
(b) deposits pledged with licensed banks as disclosed in Note 21;
(c) letter of comfort from Kedah State Government;
(d) letter of support from the holding corporation;
(e) assignment of project site rights; and
(f) a first fixed charge over the Designated Accounts.

Revolving credit

Revolving credit relates to facility from Affin ~~Islamic~~ Bank for working capital purpose. Revolving credit is secured by a fixed and floating charge over the assets of a subsidiary.

The range of interest rates per annum as at the financial year end for the borrowings, were as follows:

	Group		Company	
	2013	2012	2013	2012
	%	%	%	%
Floating rate				
Bank overdrafts	-	5.55	-	-
Term loan 2	5.05	5.05	-	-
Revolving credit	5.40	5.40	-	-
Fixed rate				
Term loan 1	6.00	6.00	6.00	6.00

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23. Finance lease liabilities

The Group has finance leases for certain items of plant and equipment and motor vehicles. These leases do not have terms of renewal.

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Future minimum lease payments:				
Not later than 1 year	1,204,611	693,820	18,192	25,196
Later than 1 year and not later than 2 years	928,518	658,106	18,192	18,192
Later than 2 years and not later than 5 years	92,572	383,514	1,500	19,691
Total minimum lease payments	2,225,701	1,735,440	37,884	63,079
Less: Future finance charges	(123,302)	(130,125)	(1,972)	(4,461)
Present value of finance lease liabilities	2,102,399	1,605,315	35,912	58,618
Analysis of present value of finance lease liabilities:				
Not later than 1 year	1,111,453	614,043	16,772	22,706
Later than 1 year and not later than 2 years	899,008	615,910	17,646	16,772
Later than 2 years and not later than 5 years	91,938	375,362	1,494	19,140
	2,102,399	1,605,315	35,912	58,618
Less: Amount due within 12 months (Note 22)	(1,111,453)	(614,043)	(16,772)	(22,706)
Amount due after 12 months (Note 22)	990,946	991,272	19,140	35,912

Finance lease liabilities of the Group is secured by certain short term fixed deposit of the Group as disclosed in Note 21 to the financial statements.

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24. Trade and other payables

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Current				
Trade payables				
Third parties	132,742,192	101,418,149	76,094	309,720
Due to customers (Note 25)	2,629,282	1,010,632	-	-
	135,371,474	102,428,781	76,094	309,720
Other payables				
Sundry payables and accruals	48,418,030	14,947,451	10,366,682	4,583,188
Refundable deposits	1,309,339	1,496,694	974,139	1,167,097
Amounts due to:				
- related companies	29,763	15,029,763	3,989,081	3,971,659
	49,757,132	31,473,908	15,329,902	9,721,944
Total trade and other payables	185,128,606	133,902,689	15,405,996	10,031,664

(a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled within 14 - 90 days (2012: 14 - 90 days).

(b) Other payables

Included in other payables of the Group is a deposit of RM Nil (2012: RM15,000,000) received in relation to the disposal of a piece of land from Kedah State Government.

These amounts are non-interest bearing. Other payables are normally settled within 30-90 days (2012: 30 - 90 days).

(c) Amounts due to other related companies and holding corporation

These amounts are unsecured, non-interest bearing and repayable on demand.

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25. Due from/(to) customers on contracts

	Group 2013 RM	Group 2012 RM
Construction contract costs incurred to date	609,292,190	692,147,617
Attributable profits	50,565,188	68,585,095
	659,857,378	760,732,712
Less: Progress billings	(619,283,371)	(452,658,119)
	40,574,007	308,074,593
Due from customers on contracts (Note 19)	43,203,289	309,085,225
Due to customers on contracts (Note 24)	(2,629,282)	(1,010,632)
	40,574,007	308,074,593
Retention sums on construction contract included in trade receivables (Note 19)	5,050,874	2,890,037

The costs incurred to date on construction contracts include the following charges made during the financial year:

	Group 2013 RM	Group 2012 RM
Depreciation (Note 13)	152,509	172,177
Hire of plant and machinery	244,346	370,171
Rental of premises	55,118	44,400
Interest expense (Note 7)	2,064,550	10,181,199
Employee benefit expenses	592,412	1,051,140

26. Deferred tax

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
At 1 January	2,125,968	1,573,149	(166,916)	(17,150)
Recognised in profit or loss (Note 11)	(1,062,881)	552,819	(467,195)	(149,766)
At 31 December	1,063,087	2,125,968	(634,111)	(166,916)
Presented after appropriate offsetting as follows:				
Deferred tax assets	(727,263)	(183,001)	(634,111)	(166,916)
Deferred tax liabilities	1,790,350	2,308,969	-	-
	1,063,087	2,125,968	(634,111)	(166,916)

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26. Deferred tax (cont'd.)

The components and movements in deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax assets of the Group:

	Unutilised losses and unabsorbed capital allowances RM	Others RM	Total RM
At 1 January 2012	2,042	(387,843)	(385,801)
Recognised in profit or loss	-	234,261	234,261
At 31 December 2012	2,042	(153,582)	(151,540)
Recognised in profit or loss	-	(912,969)	(912,969)
At 31 December 2013	2,042	(1,066,551)	(1,064,509)

Deferred tax liabilities of the Group:

	Accelerated capital allowances RM
At 1 January 2012	1,958,950
Recognised in profit or loss	318,558
At 31 December 2012	2,277,508
Recognised in profit or loss	(149,912)
At 31 December 2013	2,127,596

Deferred tax assets of the Company:

	Property, plant and equipment RM
At 1 January 2012	(17,150)
Recognised in profit or loss	(149,766)
At 31 December 2012	(166,916)
Recognised in profit or loss	(467,195)
At 31 December 2013	(634,111)

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26. Deferred tax (cont'd.)

Deferred tax assets have not been recognised in respect of the following items:

	Group 2013 RM	Group 2012 RM
Unutilised tax losses	5,379,444	4,252,787
Unabsorbed capital allowances	15,001,676	14,932,474
Other deductible temporary difference	539,675	88,530
	20,920,795	19,273,791

The unutilised tax losses, unabsorbed capital allowances and other deductible temporary differences are available indefinitely for offsetting against future taxable profits of the respective entities within the Group.

Deferred tax assets have not been recognised in respect of these items due to the recent history of losses in certain subsidiaries, as it is uncertain whether future taxable income will be sufficient to allow the benefit to be realised.

27. Share capital

	Number of ordinary shares of RM1 each 2013	Number of ordinary shares of RM1 each 2012	Amount 2013 RM	Amount 2012 RM
Authorised share capital:				
At 1 January and at 31 December	100,000,000	100,000,000	100,000,000	100,000,000
Issued and fully paid:				
At 1 January and at 31 December	72,815,856	72,815,856	72,815,856	72,815,856

Share capital

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

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28. Other reserves

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Non-distributable				
Share premium	17,062,137	17,062,137	17,062,137	17,062,137
Exchange fluctuation reserve	10,278	10,278	-	-
	17,072,415	17,072,415	17,062,137	17,062,137

29. Retained earnings

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividends paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

The Company did not elect for the irrevocable option to disregard the 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the 108 balance to distribute cash dividend payments to ordinary shareholders as defined under the Finance Act 2007. As at 31 December 2012, the Company has sufficient credit in the 108 balance to pay franked dividends amounting to RM2,270,092 out of its retained earnings. The balance of the retained earnings as at 31 December 2012 and the entire retained earnings as at 31 December 2013 may be distributed as dividends under the single tier system.

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30. Dividends

	2013 RM	2012 RM
Recognised during the financial year:		
Dividends on ordinary shares:		
- Final dividend for 2012: 7% tax exempt (single-tier) dividend on 72,815,856 ordinary shares or 7.00 sen	5,097,110	-
- Final dividend for 2011: 6.5% less 25% taxation on 72,815,856 ordinary shares or 4.88 sen	-	3,549,773
- Final dividend for 2011: 0.5% tax-exempt on 72,815,856 ordinary shares or 0.50 sen	-	364,078

At the forthcoming Annual General Meeting, a final tax exempt (single-tier) dividend in respect of the financial year ended 31 December 2013, of 7 sen on 72,815,856 ordinary shares, amounting to a dividend payable of RM5,097,110 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2014.

31. Commitments

	Group 2013 RM	Group 2012 RM
Approved and contracted for:		
Property, plant and equipment	1,631,904	3,496,643
Approved but not contracted for:		
Property, plant and equipment	1,806,655	4,268,333

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32. Material litigation

(a) Heng Ghee Timber

Before the case came up for continued hearing, the Board of Directors decided that, having regard to all the surrounding circumstances, an out of court settlement was in the best interest of the Company. An out of Court settlement was thus arrived at between Heg Ghee and the Company with the Company paying Heng Ghee an amount of RM2,500,000 and Heng Ghee withdrawing its claim for RM4,956,945. With Heng Ghee withdrawing all its claim against the Company, the Company then, consequently, withdrew its claim against the Third Party.

(b) Bongsu Jaya (K) Sdn. Bhd.

On 1 February 2012, the wholly owned subsidiary of the Company, Bina & Kuari (K) Sdn Bhd (formerly known as Syarikat Bina Dan Kuari Kedah Sdn Bhd) ("Bina Kuari") was served with a Writ of Summons by Bongsu Jaya (K) Sdn Bhd. The claimant has claimed loss, damages and other relief arising allegedly from the cancellation of offer to develop a piece of land for purpose as Quarry Site in Mukim Terap, Daerah Kulim, Kedah. In addition to Bina Kuari as the Second Defendent in the suit, the claimant has also sued six other defendants.

The Plaintiff's appeal was dismissed by the Court of Appeal with costs to be paid to each Defendant.

Subsequent to the above, the Plaintiff had on 26 June 2013 withdrawn its claim against all the Defendants including Bina Kuari (K) Sdn Bhd, a wholly owned subsidiary of Bina Darulaman Berhad. The Court also ordered costs to be paid to each Defendant.

Both of the cases are now closed.

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33. Related party disclosures

For the purpose of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel includes all the Directors of the Group, and certain members of senior management of the Group.

(a) In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Tributes charged by the holding corporation	199,227	208,944	-	-
Estate agency fee charged by a related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.	204,128	243,686	204,128	243,686
Rental expenses charged by subsidiaries	-	-	131,370	131,370
Subsidiaries:				
Rental income	-	-	255,216	255,216
Dividend income	-	-	17,500,000	19,250,000
Management fees	-	-	792,000	792,000
Commission income	-	-	-	1,211,380
Rendering of services	-	-	126,000	126,000
Interest charged	-	-	832,562	1,377,000
Ultimate holding corporation:				
Progress billings charged	8,923,176	894,700	-	-
Rental of quarry land	50,000	50,000	-	-
Sales	-	291,756	-	-

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33. Related party disclosures (cont'd.)

(a) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year: (cont'd.)

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Fellow subsidiaries of ultimate holding corporation:				
Insurance paid	1,215,629	434,720	543,247	434,720
Property management fee	92,011	94,704	92,011	94,704
Government-related financial institutions:				
Interest income	351,691	211,259	-	192,361
State Government-related entities:				
Quit rent and assessment	1,124,241	234,087	59,836	-
Water	67,264	197,080	6,453	11,880
Federal Government-related entities:				
Sewerage	12,765	41,525	10,291	7,365
Electricity	971,279	1,916,502	117,704	125,730

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33. Related party disclosures (cont'd.)

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Short-term employee benefits	1,061,374	1,883,320	442,607	1,359,900
Defined contribution plan	242,445	229,245	112,555	124,977
	1,303,819	2,112,565	555,162	1,484,877
Included in the total compensation of key management personnel are:				
Director's remuneration (Note 10)	1,031,717	1,602,796	916,167	1,062,546

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34. Financial instruments

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Notes 2.15 to 2.16 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities in the statement of financial position by the class of financial instrument to which they are assigned, and therefore by the measurement basis:

Group 2013	Loans and receivables RM	FVTPL RM	Financial liabilities at amortised cost RM	Total RM
Assets				
Investment securities	-	5,381,811	-	5,381,811
Financial assets included in receivables	398,780,819	-	-	398,780,819
Cash and bank balances	101,588,643	-	-	101,588,643
Total financial assets	500,369,462	5,381,811	-	505,751,273
Total non-financial assets				299,607,093
Total assets				805,358,366
Liabilities				
Borrowings	-	-	343,192,424	343,192,424
Trade payables	-	-	132,843,377	132,843,377
Financial liabilities included in payables	-	-	26,358,133	26,358,133
Total financial liabilities	-	-	502,393,934	502,393,934
Total non-financial liabilities				29,666,730
Total liabilities				532,060,664

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34. Financial instruments (cont'd.)

(a) Classification of financial instruments (cont'd.)

Group

2012	Loans and receivables RM	FVTPL RM	Financial liabilities at amortised cost RM	Total RM
Assets				
Other investment	-	5,901,868	-	5,901,868
Financial assets included in receivables	80,488,771	-	-	80,488,771
Cash and bank balances	109,947,158	-	-	109,947,158
Total financial assets	190,435,929	5,901,868	-	196,337,797
Total non-financial assets				534,896,613
Total assets				731,234,410
Liabilities				
Borrowings	-	-	335,571,167	335,571,167
Trade payables	-	-	101,418,147	101,418,147
Financial liabilities included in payables	-	-	22,910,148	22,910,148
Total financial liabilities	-	-	459,899,462	459,899,462
Total non-financial liabilities				14,079,927
Total liabilities				473,979,389

Company

2013	Loans and receivables RM	FVTPL RM	Financial liabilities at amortised cost RM	Total RM
Assets				
Investment securities	-	5,177,168	-	5,177,168
Financial assets included in receivables	48,454,255	-	-	48,454,255
Cash and bank balances	10,533,488	-	-	10,533,488
Total financial assets	58,987,743	5,177,168	-	64,164,911
Total non-financial assets				94,868,093
Total assets				159,033,004

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34. Financial instruments (cont'd.)

(a) Classification of financial instruments (cont'd.)

Company (cont'd.)

2013	Loans and receivables RM	FVTPL RM	Financial liabilities at amortised cost RM	Total RM
Liabilities				
Borrowings	-	-	15,035,912	15,035,912
Trade payables	-	-	76,094	76,094
Financial liabilities included in payables	-	-	14,465,312	14,465,312
Total financial liabilities	-	-	29,577,318	29,577,318
Total non-financial liabilities				880,130
Total liabilities				30,457,448
2012				
Assets				
Investment securities	-	5,005,982	-	5,005,982
Financial assets included in receivables	47,671,454	-	-	47,671,454
Cash and bank balances	19,206,729	-	-	19,206,729
Total financial assets	66,878,183	5,005,982	-	71,884,165
Total non-financial assets				95,608,921
Total assets				167,493,086
Liabilities				
Borrowings	-	-	30,058,618	30,058,618
Trade payables	-	-	309,720	309,720
Financial liabilities included in payables	-	-	8,562,956	8,562,956
Total financial liabilities	-	-	38,931,294	38,931,294
Total non-financial liabilities				1,175,701
Total liabilities				40,106,995

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34. Financial instruments (cont'd.)

(b) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value.

	Group	
	Carrying amount RM	**Fair value RM**
2013		
Financial liabilities:		
- Term loans	332,090,025	302,347,097
2012		
Financial liabilities:		
- Term loans	312,568,770	235,366,526

(c) **Determination of fair value**

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Current:	
Amounts due from subsidiaries	19
Amounts due to related companies	24
Trade and other receivables	19
Trade and other payables	24
Loans and borrowings	22

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34. Financial instruments (cont'd.)

(c) Determination of fair value (cont'd.)

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the current portion of loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

The fair values of current loans and borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Finance lease obligations

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Quoted equity instruments

Fair value is determined directly by reference to their published market bid price at the reporting date.

Fair value hierarchy

Presented below is the Group's and the Company's classified financial instruments carried at fair value by level of the following fair value measurement hierarchy:

(i) Level 1 - Unadjusted quoted prices in active market for identical financial instrument
(ii) Level 2 - Inputs other than quoted prices that are observable either directly or indirectly
(iii) Level 3 - Inputs that are not based on observable market data

Level 1	Group		Company	
	2013	2012	2013	2012
	RM	RM	RM	RM
Other investment	5,381,811	5,901,868	5,177,168	5,005,982

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35. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk and interest rate risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Executive Officer and Head of Credit Control. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities and cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with counterparties of high credit rating and good business track record.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position.
- A nominal amount of RM433,375,000 (2012: RM433,375,000) relating to a corporate guarantee provided by the Company to banks as securities for its subsidiaries' banking facilities.
- A nominal amount of RM3,375,000 (2012: RM3,375,000) relating to a proportionate corporate guarantee provided by the Company to banks as securities for its jointly controlled entity's banking facilities.

35. Financial risk management objectives and policies (cont'd.)

(a) Credit risk (cont'd.)

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring individual receivables balances on an ongoing basis.

At the reporting date, approximately 13% (2012: 77%) of the Group's trade receivables were due from a group of customers which are past due but not impaired. The directors of the Company are of the opinion that no allowance for impairment is necessary as the balances are still considered fully recoverable.

Other than the above and the amounts due from related companies as disclosed in Note 19, the Group and Company have no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. Cash and cash equivalents and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 19.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash, cash convertible investments and committed credit lines to meet its working capital requirements.

35. Financial risk management objectives and policies (cont'd.)

(b) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and financial liabilities at the reporting date based on contractual undiscounted payments.

	2013		
	On demand or within one year RM	More than one year RM	Total RM
Group			
Financial assets:			
Trade and other receivables	145,339,657	253,967,412	399,307,069
Cash and bank balances	101,588,643	-	101,588,643
Investment securities	-	5,381,811	5,381,811
Total undiscounted financial assets	246,928,300	259,349,223	506,277,523

	2012		
	On demand or within one year RM	More than one year RM	Total RM
Financial assets:			
Trade and other receivables	80,488,771	-	80,488,771
Cash and bank balances	109,947,158	-	109,947,158
Investment securities	-	5,901,868	5,901,868
Total undiscounted financial assets	190,435,929	5,901,868	196,337,797

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35. Financial risk management objectives and policies (cont'd.)

(b) Liquidity risk (cont'd.)

	2013		
	On demand or within one year RM	More than one year RM	Total RM
Group			
Financial liabilities:			
Trade and other payables	185,128,606	-	185,128,606
Loans and borrowings	68,597,278	392,182,447	460,779,725
Total undiscounted financial liabilities	253,725,884	392,182,447	645,908,331

	2012		
	On demand or within one year RM	One to five years RM	Total RM
Financial liabilities:			
Trade and other payables	133,902,689	-	133,902,689
Loans and borrowings	43,752,603	311,351,208	355,103,811
Total undiscounted financial liabilities	177,655,292	311,351,208	489,006,500

	2013		
	On demand or within one year RM	More than one year RM	Total RM
Company			
Financial assets:			
Trade and other receivables	48,454,255	-	48,454,255
Cash and bank balances	10,533,488	-	10,533,488
Investment securities	-	5,177,168	5,177,168
Total undiscounted financial assets	58,987,743	5,177,168	64,164,911

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35. Financial risk management objectives and policies (cont'd.)

(b) Liquidity risk (cont'd.)

	2012		
	On demand or within one year RM	More than one year RM	Total RM
Financial assets:			
Trade and other receivables	47,671,454	-	47,671,454
Cash and bank balances	19,206,729	-	19,206,729
Investment securities	-	5,005,982	5,005,982
Total undiscounted financial assets	66,878,183	5,005,982	71,884,165

	2013		
	On demand or within one year RM	One to five years RM	Total RM
Company			
Financial liabilities:			
Trade and other payables	15,405,996	-	15,405,996
Loans and borrowings	15,016,772	19,692	15,036,464
Total undiscounted financial liabilities	30,422,768	19,692	30,442,460

	2012		
	On demand or within one year RM	One to five years RM	Total RM
Financial liabilities:			
Trade and other payables	10,031,664	-	10,031,664
Loans and borrowings	15,923,387	15,900,000	31,823,387
Total undiscounted financial liabilities	25,955,051	15,900,000	41,855,051

35. Financial risk management objectives and policies (cont'd.)

(b) Liquidity risk (cont'd.)

* At the reporting date, the counterparty to the financial guarantees as set out in Note 35(a) does not have a right to demand cash as the default has not occurred. Accordingly, financial guarantees under the scope of FRS 139 are not included in the above maturity profile analysis.

(c) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's interest rate risk arises primarily from interest-earning financial assets and interest-bearing financial liabilities. Borrowings and deposits at floating rates expose the Group to cash flow interest rate risk. Borrowings and receivables at fixed rates expose the Group to fair value interest rate risk. The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 50 basis points lower/higher, with all other variables held constant, the Group's profit before taxation would have been RM1,630,450 (2012: RM1,503,507) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

36. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2013 and 2012.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio below 1.0. The Group includes within net debt, loans and borrowings, trade and other payables, less cash and bank balances. Capital includes equity attributable to the owners of the parent.

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36. Capital management (cont'd.)

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM	**RM**	**RM**	**RM**
Loans and borrowings	343,192,424	335,571,167	15,035,912	30,058,618
Trade and other payables	185,128,606	133,902,689	15,405,996	10,031,664
Net debt	528,321,030	469,473,856	30,441,908	40,090,282
Equity attributable to the owners of the parent	265,229,702	249,183,545	128,575,556	127,386,091
Total capital	265,229,702	249,183,545	128,575,556	127,386,091
Capital and net debt	793,550,732	718,657,401	159,017,464	167,476,373
Gearing ratio	0.67	0.65	0.19	0.24

37. Segment information

(a) Business Segments

The Group is organised into five major business segments:

(i) Property development – development of residential and commercial properties
(ii) Quarry and road paving – granite quarry operator and civil engineering contractor
(iii) Construction – building and general contractor
(iv) Operation of golf resort and hotel – golf resort owner and operator and hotel operation
(v) Trading consumables

The Directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

(b) Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to segment as well those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Transfer price between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segment. These transfers are eliminated on consolidation.

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37. Segment information

	Property development RM'000	Quarrying and road paving RM'000	Construction RM'000	Operation of golf resort and hotel RM'000	Trading RM'000	Elimination RM'000	Consolidated RM'000
2013							
Revenue							
External sales	105,239	100,673	67,798	4,770	2,522	-	281,002
Inter-segment sales	131	11,629	58,647	1,702	18,292	(90,401)	-
Total revenue	105,370	112,302	126,445	6,472	20,814	(90,401)	281,002
Results							
Segment results	18,158	10,254	13,039	769	19,501	(17,939)	43,782
Unallocated corporate expenses							(35,333)
Unallocated corporate income							36,336
Share of result of an incorporated joint venture							(1)
Finance costs							(15,469)
Income tax expense							(8,175)
Profit for the year							21,140
Assets							
Segment assets	407,981	77,540	458,926	16,697	13	(155,799)	805,358
Liabilities							
Segment liabilities	181,154	26,612	408,495	8,980	88	(93,268)	532,061
Other information							
Capital expenditure	726	3,583	443	126	-	-	4,878
Depreciation of property, plant and equipment	1,066	3,000	314	443	-	-	4,823
Depreciation of investment property	-	-	-	-	-	-	-
Non-cash expenses other than depreciation and amortisation	3	285	11,800	-	-	-	12,088

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37. Segment information (cont'd.)

	Property development RM'000	Quarrying and road paving RM'000	Construction RM'000	Operation of golf resort and hotel RM'000	Trading RM'000	Elimination RM'000	Consolidated RM'000
2012							
Revenue							
External sales	78,608	73,918	151,165	5,115	3,103	-	311,909
Inter-segment sales	3	12,290	62,623	485	20,042	(95,443)	-
Total revenue	78,611	86,208	213,788	5,600	23,145	(95,443)	311,909
Results							
Segment results	14,685	12,549	18,591	328	21,841	(18,908)	49,086
Unallocated corporate expenses							(23,840)
Unallocated corporate income							8,092
Share of result of an incorporated joint venture							77
Finance costs							(3,315)
Income tax expense							(8,419)
Profit for the year							21,681
Assets							
Segment assets	232,075	78,873	396,739	17,542	159,460	(153,455)	731,234
Liabilities							
Segment liabilities	143,427	25,209	351,703	9,821	32,139	(88,320)	473,979
Other information							
Capital expenditure	421	4,955	181	525	233	-	6,315
Depreciation of property, plant and equipment	142	2,897	250	444	797	343	4,873
Depreciation of investment property	-	-	4	-	-	-	4
Non-cash expenses other than depreciation and amortisation	297	1,083	-	-	4	-	1,384

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38. Supplementary information- breakdown of retained profits into realised and unrealised

The breakdown of the retained earnings of the Group and of the Company into realised and unrealised earnings, pursuant to Paragraph 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements are as follows:

	Group 2013 RM	Group 2012 RM
Total retained earnings		
- Realised	185,718,363	173,927,287
- Unrealised	(2,197,215)	(3,285,996)
Less: Consolidation adjustments	(8,179,717)	(11,346,017)
Retained earnings as per financial statements	175,341,431	159,295,274

	Company 2013 RM	Company 2012 RM
Total retained earnings		
- Realised	38,063,452	37,332,607
- Unrealised	634,111	175,491
Retained earnings as per financial statements	38,697,563	37,508,098

The determination of realised and unrealised earnings is compiled based on Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised earnings above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

Certified True Copy

Khairulmuna Bt. Abd. Ghani
LS 0008190
Company Secretary

18-11-2014

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INTERIM FINANCIAL STATEMENTS

- For The Quarter and Period of Nine Months Ended 30th September 2014

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2014
(The figures have not been audited)

		3 months ended 30 September		9 months ended 30 September	
	Note	**2014 RM**	**2013 RM**	**2014 RM**	**2013 RM**
Continuing Operations					
Revenue	9	61,340,518	62,275,774	188,977,799	189,148,961
Cost of sales		(49,679,091)	(49,050,897)	(155,071,580)	(154,807,008)
Gross profit		11,661,427	13,224,877	33,906,219	34,341,953
Other income	10	6,922,593	1,352,176	21,085,378	3,713,816
Marketing and distribution expenses		(2,281,229)	(244,387)	(3,405,095)	(874,276)
Administrative expenses		(4,731,824)	(3,500,258)	(13,959,008)	(11,171,688)
Other expenses		(7,325)	(723)	(20,535)	(724)
Result from operating activities	9	11,563,642	10,831,685	37,606,959	26,009,081
Finance costs	10	(4,378,996)	(365,082)	(14,698,811)	(1,263,466)
Profit before taxation	10	7,184,646	10,466,603	22,908,148	24,745,615
Income tax expense	21	(1,704,628)	(2,708,368)	(6,414,281)	(6,300,300)
Total comprehensive income for the period		5,480,018	7,758,235	16,493,867	18,445,315
Attributable to:					
Owners of the parent		5,483,667	7,759,470	16,500,341	18,447,818
Minority interests		(3,649)	(1,235)	(6,474)	(2,503)
Total comprehensive income attributable to equity holders of the parent		5,480,018	7,758,235	16,493,867	18,445,315
Earnings per share attributable to equity holders of the parent:					
Basic (sen)	26	7.53	10.65	22.65	25.33

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2014
(The figures have not been audited)

	Note	30.09.2014 RM	31.12.2013 RM
Assets			
Non-current assets			
Property, plant and equipment	12	62,726,373	62,924,220
Land held for property development		100,244,209	98,248,821
Interest in unincorporated joint venture		2,502	449,802
Investment securities		5,529,971	5,381,811
Deferred tax assets		739,536	727,263
Trade and other receivables		249,837,455	253,967,412
		419,080,046	421,699,329
Current assets			
Property development costs		68,835,343	76,411,044
Inventories		19,506,423	16,452,303
Trade and other receivables		201,750,557	188,614,955
Tax recoverable		2,004,965	592,092
Cash and bank balances		84,709,958	101,588,643
		376,807,246	383,659,037
Total assets		795,887,292	805,358,366
Equity and Liabilities			
Current liabilities			
Loans and borrowings	23	40,825,018	25,111,453
Trade and other payables		189,356,084	185,128,606
Income tax payable		2,584,441	1,933,744
Dividend payable		31,578	15,540
		232,797,121	212,189,343
Non-current liabilities			
Loans and borrowings	23	276,390,057	318,080,971
Deferred tax liabilities		2,002,465	1,790,350
		278,392,522	319,871,321
Total liabilities		511,189,643	532,060,664
Equity attributable to owners of the parent			
Share capital		72,815,856	72,815,856
Other reserves		17,072,415	17,072,415
Retained earnings		186,744,662	175,341,431
		276,632,933	265,229,702
Non-controlling interests		8,064,716	8,068,000
Total equity		284,697,649	273,297,702
Total equity and liabilities		795,887,292	805,358,366

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2014
(The figures have not been audited)

	<--------------Attributable to owners of the parent--------------->						
	<----Non-distributable------->			Distributable			
	Share capital RM	Share premium RM	Foreign currency translation reserve RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
As at 1 January 2013	72,815,856	17,062,137	10,278	159,295,274	249,183,545	8,071,476	257,255,021
Dividend paid	-	-	-	(5,097,110)	(5,097,110)	-	(5,097,110)
Total comprehensive income	-	-	-	18,447,818	18,447,818	8,517	18,456,335
As at 30 September 2013	72,815,856	17,062,137	10,278	172,645,982	262,534,253	8,079,993	270,614,246
As at 1 January 2014	72,815,856	17,062,137	10,278	175,341,431	265,229,702	8,068,000	273,297,702
Dividend paid	-	-	-	(5,097,110)	(5,097,110)	-	(5,097,110)
Total comprehensive income	-	-	-	16,500,341	16,500,341	(3,284)	16,497,057
As at 30 September 2014	72,815,856	17,062,137	10,278	186,744,662	276,632,933	8,064,716	284,697,649

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2014
(The figures have not been audited)

	Cumulative Quarter	
	Current Year Ended 30-Sep-14 RM	**Preceding Year Ended 30-Sep-13 RM**
Cash flows from operating activities		
Profit before taxation	22,908,148	24,745,615
Adjustments for :		
Non-cash items	3,503,472	3,687,445
Non operating items	(5,216,920)	9,532,296
Operating profit before working capital changes	21,194,700	37,965,356
Decrease / (increase) in land held for development and property development costs	5,580,313	(546,159)
Decrease / (increase) in Trade and other receivables	(20,006,234)	(36,792,439)
Decrease / (increase) in inventories	(3,054,120)	(8,315,540)
Increase / (decrease) in Trade and other payables	15,960,706	1,235,137
Cash generated from/ (used in) operations	19,675,365	(6,453,645)
Interest paid	(14,307,555)	(11,055,334)
Taxes paid	(7,540,632)	(7,981,797)
Net cash generated from / (used in) operating activities	(2,172,822)	(25,490,776)
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,123,349)	(4,352,518)
Proceeds from disposal of property, plant and equipment	75,638	41,794
Proceeds from disposal of investment	30,671	663,960
Interest received	276,798	618,998
Dividend received	6,392	21,811
Unwinding of discount on non-current receivables	18,043,720	-
Profits from Islamic deposits	1,198,231	751,209
Net cash generated from / (used in) investing activities	16,508,101	(2,254,746)
Cash flows from financing activities		
Dividends paid to shareholders of the Company	(5,081,072)	(5,080,395)
Drawdown of term loan	5,855,800	25,281,800
Drawdown of revolving credit	-	500,000
Repayment of borrowings	(31,353,860)	(14,664,882)
Net changes in finance lease creditors	(634,832)	791,480
Placement / (withdrawal) of pledged deposits	(3,243,567)	(7,259,564)
Net cash generated from / (used in) financing activities	(34,457,531)	(431,561)
Net increase / (decrease) in cash and cash equivalents	(20,122,252)	(28,177,083)
Cash and cash equivalents at beginning of the period	83,888,333	105,615,760
Cash and cash equivalents at end of the period	63,766,081	77,438,677
Cash and cash equivalents comprise of the followings:		
Cash and bank balances	46,603,691	51,494,465
Short term deposit with licensed bank	38,106,267	43,247,598
Bank overdraft	-	(149,531)
	84,709,958	94,592,532
Less: Deposits pledged	(20,943,877)	(17,153,855)
	63,766,081	77,438,677

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

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EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER AND YEAR TO DATE ENDED 30 SEPTEMBER 2014

Part A – Explanatory Notes Pursuant to FRS 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 FRS 139 Financial Instruments: Recognition and Measurement.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134; Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa").

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2013. 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 2013.

The financial statements of the Economic Entity have been prepared in accordance with Financial Reporting Standards (FRS), generally accepted accounting principles and the Companies Act, 1965 in Malaysia.

2. Significant Accounting Policies

a) Financial Reporting Standards (FRS)

The significant accounting policies adopted for this interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2013 except for the adoption of the relevant new Financial Reporting Standards (FRS), amendments to FRS and IC Interpretations that are effective for annual periods beginning on or after 1 January 2014.

The adoption of the new FRS, amendments to FRS and IC Interpretations does not have any material impact on the financial position and results of the Group.

b) Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is effective for annual periods beginning on or after 1 January 2012 for all entities except for entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities'). Transitioning Entities continue to have the option to either apply the MFRS Framework or the FRS Framework until the adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual period beginning on or after 1 January 2015.

The Group which falls under the scope definition of Transitioning Entities has opted to defer the adoption of MFRS as allowed. When the Group presents its first MFRS financial statements in 1 January 2015, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2013 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

There were no changes in estimates of amounts previously reported that have had a material effect in the current quarter and financial year to-date.

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 debt and equity securities in the current quarter.

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9. Segmental Information

	Property Development RM	Road and Quarry RM	Construction RM	Golf and Hotel RM	Investment Holding RM	Adjustment/ Elimination RM	Consolidated RM
9 months ended -30 September 2014							
Revenue							
External sales	77,452,150	60,391,524	45,728,746	3,722,211	1,683,168	-	188,977,799
Inter-segment sales	98,528	6,027,618	27,873,759	895,326	12,694,000	(47,589,231)	-
Total revenue	77,550,677	66,419,142	73,602,505	4,617,537	14,377,168	(47,589,231)	188,977,799
Results							
Segment result	13,277,989	11,780,261	6,422,487	1,382,838	13,560,735	(12,518,090)	33,906,219
Unallocated corporate expenses							(17,384,638)
Unallocated corporate income							21,085,378
Finance costs							(14,698,811)
Income tax expense							(6,414,281)
Profit for the period							16,493,867
3 months ended -30 September 2014							
Revenue							
External sales	20,324,254	23,635,805	15,791,427	1,185,411	403,621	-	61,340,518
Inter-segment sales	32,843	2,626,504	9,642,499	236,031	198,000	(12,735,877)	-
Total revenue	20,357,096	26,262,309	25,433,926	1,421,442	601,621	(12,735,877)	61,340,518
Results							
Segment result	2,706,756	6,429,961	2,019,022	313,271	355,792	(163,374)	11,661,427
Unallocated corporate expenses							(7,020,378)
Unallocated corporate income							6,922,593
Finance cost							(4,378,996)
Income tax expense							(1,704,628)
Profit for the period							5,480,018

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10. Profit before tax from continuing operations

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

	3 months ended 30 Sept		9 months ended 30 Sept	
	2014	2013	2014	2013
	RM	RM	RM	RM
Interest income	(6,473,281)	(394,267)	(19,543,974)	(1,611,188)
Other income including investment income	(449,314)	(957,909)	(1,541,405)	(2,102,628)
Depreciation and amortization:				
-property, plant and equipment	948,627	1,235,506	3,239,215	3,551,144
Property, plant and equipment written off	51,537	-	52,104	1
Gain on disposal of:				
-property, plant and equipment	(636)	(18)	(73,126)	(38,667)
(Reversal of) / allowance of impairment:				
-trade receivables	(81,011)	(169,211)	(204,000)	(569,114)
Interest expense	4,378,996	365,082	14,698,811	1,263,466

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 subsidiary and long-term investment, restructuring and discontinuing operation.

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12. Property, Plant and Equipment

The Group acquired property, plant and equipment worth RM3,202,508 during the period under review.

Assets with carrying amount of RM2,510 were disposed of by the Group during the nine months ended 30 September 2014 (30 September 2013: NIL), resulting in a gain on disposal of RM73,126 (30 September 2013 : NIL), recognized and included in Other Income in the Statement of Comprehensive Income.

There were no impairment nor reversal of such impairment during the current nine months financial period.

The valuations of property, plant and equipment were brought forward without amendment from the previous audited financial statements.

13. Capital Commitments

The amount of commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 30 September 2014 are as follows:

	RM
Approved and contracted for	3,199,207
Approved but not contracted for	7,718,969

14. Changes in Contingent Liabilities

As at 30 September 2014, the Group does not have any contingent liabilities.

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15. Material Subsequent Events to the Reporting Period

On 31 October 2014, the Company issued a circular to shareholders and Notice of Extraordinary General Meeting in relation to the following corporate proposals:

i. Proposed acquisition of approximately 1,154.8 acres (467.4 hectares) of land located in Kedah Darulaman, for a total consideration of RM202 million ("Proposed Acquisition");

ii. Proposed renounceable rights issue of new ordinary shares of RM1.00 each in BDB ("BDB shares") to raise gross proceeds of up to RM95 million, together with a bonus issue of new BDB shares;

iii. Proposed increase in authorised share capital from RM100,000,000 comprising 100,000,000 BDB shares to RM400,000,000 comprising 400,000,000 BDB shares ("Proposed IASC"); and

iv. Proposed amendment to Memorandum and Articles of Association ("Proposed M&A amendment").

The above agendas are subject to shareholders approval at the Company's Extraordinary General Meeting (EGM) scheduled on 23 November 2014 at Centre of Learning, Level 4 Menara BDB, 88, Lebuhraya Darulaman, 05100 Alor Setar, Kedah Darulaman.

There were no other material events subsequent to the end of the current quarter 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 30.09.2014 RM
Progress billings charged to the ultimate holding corporation	341,677
Rental of quarry land to the ultimate holding corporation	50,000
Tributes charged by the holding corporation	113,442
Estate agency fee charged by a related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.	187,066
Revenue from oil palm from a related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.	2,101,076
Progress billings charged to a related company, KTPC Construction Sdn. Bhd.	643,285
Insurance paid to a related company, KSDC Insurance Brokers Sdn. Bhd.	1,387,369
Property Management paid to a related company, Darulaman Aset Sdn. Bhd.	70,829
	4,894,744

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Part B – Explanatory Notes Pursuant to Chapter 9, Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

17. Performance Review

a) Current quarter against the previous year corresponding quarter

For the third quarter ended 30 September 2014, the Group recorded revenue of RM61.3 million. The revenue declined by 2% as compared to RM62.3 million posted in the same corresponding quarter of last year. The Group profit before tax of RM7.2 million is lower by 31% compared to RM10.5 million achieved in the same corresponding period of last year.

Lower profit for the quarter ended 30 September 2014 was mainly due to higher marketing and administrative expenses as well as lower contributions from Property and Construction Divisions.

Performance of the operating business segments for the quarter ended 30 September 2014 as compared to the previous year corresponding quarter are as follows:

i) Road and Quarry Division
This Division contributed RM23.6 million to Group revenue compared to RM25.2 million previously, a decrease of 6% due to lower demand for quarry products. Despite lower revenue, contribution to profit rose by 94% to RM6.4 million due to better margins from the on-going road pavement projects.

ii) Construction Division
The Construction Division recorded higher revenue of RM15.8 million compared to RM12.0 million previously. Contribution to Group profit however declined from RM5.1 million to RM2.0 million for the quarter due to lower margins from on-going projects.

iii) Property Division
The Property Division contributed RM20.3 million to Group revenue compared to RM23.1 million previously, a decrease of 12%. Similarly, profit for the quarter declined from RM3.5 million to RM2.7 million mainly due to the cancellation of sales by Purchasers who are unable to secure end-financing as a result of mortgage loan tightening policies.

iv) Golf and Hotel Division
Golf and Hotel Division, our non-core business, recorded slightly lower revenue for the period. The Division posted a loss compared to profit last year mainly due to higher operational costs.

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b) Current financial year to date against the previous year corresponding period

For the current financial year to date, the Group recorded revenue of RM189.0 million compared to RM189.1 million recorded in the same corresponding period of last year representing a slight decrease of 0.1%. The Group profit before tax declined 7% from RM24.7 million to RM22.9 million this year mainly due to higher marketing and administrative expenses.

Road and Quarry Division recorded higher revenue and profit contributed by the progress of on-going road pavement projects.

The Construction Division contributed lower revenue and profit for the period due to lower progress billings for external projects.

The Property Division was the biggest contributor to Group revenue and profit due to the higher contribution of property projects in Bandar Darulaman, Jitra and Darulaman Utama, Kuala Ketil.

Golf and Hotel Division recorded lower revenue and posted higher losses for the period mainly due to higher operational costs.

18. Variation of Results Against Preceding Quarter

	Current quarter ended 30 September 2014 RM	Preceding quarter ended 30 June 2014 RM
Revenue	61,340,518	60,025,940
Profit Before Taxation	7,184,646	8,638,283

In comparison with the preceding quarter, revenue rose 2% mainly due to higher contribution from Road and Quarry Division.

The Group profit before tax declined by 17% mainly due to higher marketing and administrative expenses incurred during the quarter.

19. Current year prospects

The Group's core businesses are expected to record respectable performance for the current financial year since the Group has sufficient land bank and projects in hand to provide sustainable revenue.

Profit contribution from Road and Quarry Division is expected to remain stable based on the current demand for quarry products and the progress of on-going road pavement projects.

The Construction Division will be focusing on completing and delivering all on-going projects within scheduled time, budget and quality. The Division will continue to benefit from construction works generated by the Group's Property Division. Prospective projects are constantly identified and the Division is awaiting Letter of Awards to commence a few construction projects.

The Property market in the north is resilient and demand in Kedah remains strong for first time buyers and buyers seeking upgrade. Our Property Division should be able to maintain its contribution given the encouraging responses for its products launches in Bandar Darulaman, Jitra and Darulaman Utama, Kuala Ketil. The Division is on track to launch new property schemes in its existing townships development including Darulaman Perdana in Sungai Petani, Kedah with new concepts and re-branding.

The Golf and Hotel Division is expected to register reasonable performance in the current year. The Division will continue to focus on the promotions for Food and Beverage outlets, hotel room occupancy, golf activities as well as quality of service which is the trademark of service industry.

Barring unforeseen circumstances such as sharp increase in oil and commodities prices, skilled labour shortage, a further hike in interest rate, further tightening of access to mortgage loans and other negative economic and political situations, the Group expects to turn in a respectable performance in 2014.

20. Variance from Profit Forecast or Profit Guarantee

Not applicable for the financial period ended 30 September 2014.

21. Income Tax Expense

	9 months ended 30 September 2014 RM	9 months ended 30 September 2013 RM
Malaysian income tax	**6,414,281**	6,300,300

The Group's effective tax rate for the current period is approximately 28%. The higher rate was due to certain expenses not being deductible for tax purposes and losses by certain subsidiaries not available to set-off with the profit during the period.

22. Status of Corporate Proposals

(i) Proposed acquisition of approximately 1,154.8 acres (467.4 hectares) of land located in Kedah Darulaman ("landbank"), for a total consideration of RM202 million ("Proposed Acquisition");

(ii) Proposed renounceable rights issue of new ordinary shares of RM1.00 each in BDB ("BDB shares") ("rights shares") to raise gross proceeds of up to RM95 million, together with a bonus issue of new BDB shares ("bonus shares") ("Proposed Rights Issue");

(iii) Proposed increase in authorised share capital of BDB from RM100,000,000 to RM400,000,000 comprising 400,000,000 BDB shares ("Proposed IASC"); and

(iv) Proposed amendment to the Memorandum and Articles of Association of BDB ("Proposed M&A amendment")

On 14 July 2014, the Company entered into a Heads of Agreement with Perbadanan Kemajuan Negeri Kedah ("**PKNK**" or Vendor) in relation to the proposed acquisition of land owned by PKNK measuring approximately 1,200 acres (485 hectares) in aggregate for a total purchase consideration of approximately RM204 million ("HOA").

On 4 September 2014, the Company, entered into a sale and purchase agreement with PKNK for the Proposed Acquisition for a total purchase consideration of RM202 million ("**Purchase Consideration**"). The revision in the Purchase Consideration from RM204 million to RM202 million is a result of the decision of the Vendor and BDB to exclude a plot of land located in Mukim of Jabi, District of Pokok Sena from the transaction subsequent to the signing of the HOA.

In conjunction with the Proposed Acquisition, the Company proposed to implement the Proposed Rights Issue, the Proposed IASC and the Proposed M&A Amendment.

On 8 October 2014, an additional listing application in respect of the Proposed Acquisition and Proposed Right Issue has been submitted to Bursa Securities.

On 27 October 2014, Bursa Securities approved the following application subject to a few conditions to be fulfilled:-

a) listing and quotation of up to 93,739,838 new BDB shares;
b) listing and quotation of up to 91,019,820 new Rights shares;
c) listing and quotation of up to 91,019,820 new Bonus shares.

On 31 October 2014, the Company issued a circular to shareholders and Notice of Extraordinary General Meeting scheduled on 23 November 2014 at Centre of Learning, Level 4 Menara BDB, No. 88, Lebuhraya Darulaman, 05100 Alor Setar, Kedah Darulaman to approve the Corporate Proposals.

23. Group borrowings and Debt Securities

Total loans and borrowings as at 30 September 2014 were as follows:

	Short-term RM	Long-term RM
Term loans	30,726,379	275,902,136
Revolving credit	9,000,000	-
Hire purchase	1,098,639	487,921
TOTAL	**40,825,018**	**276,390,057**

24. Material Litigation

There is no pending material litigation since the last annual balance sheet date of 31st December 2013.

25. Dividends Payable

No interim dividend has been declared during the quarter ended 30 September 2014.

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26. Earnings Per Share

a. Basic earnings per share

	3 months ended 30.09.2014 RM	9 months ended 30.09.2014 RM
Profit attributable to owners of the Parent	5,483,667	16,500,341
Weighted average number of ordinary shares in issue	72,815,856	72,815,856
Basic earnings per share (sen)	7.53	22.65

b. Diluted earnings per share

Not applicable.

27. Disclosure of Realised and Unrealised Retained Earnings

	As at 30 September 2014 RM'000	As at 31 December 2013 RM'000
Total retained earnings of the Company and subsidiaries:		
-Realised	186,048	173,144
-Unrealised	697	2,197
Total retained earnings	186,745	175,341

28. 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 16th November 2014.

Rahim&Co
international property consultants

An International Associate of savills

Our Ref: 44V140238

20th August 2014

The Board of Directors
Bina Darulaman Berhad
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Dear Sir,

CERTIFICATE OF VALUATION OF:

(i) PT 2516 Held Under Title HSD 2979, Town Of Pokok Sena, District Of Pokok Sena, State Of Kedah Darul Aman

(ii) Lot No. 1659, Held Under Title No. GRN 11523, Mukim Of Hosba, District Of Kubang Pasu, State Of Kedah Darul Aman

(iii) Lot Nos.PT 2042, PT 2043& PT 2044 Held Under Title Nos. HSD 1149, 1150& 1151, Mukim Of Ulu Melaka, District Of Langkawi,State Of Kedah Darul Aman

(iv) Lot Nos. PT 2416, PT 2418, PT 2423, PT 65003 , Town Of Amanjaya And PT 48856, Town Of Sungai Petani, District Of Kuala Muda, State Of Kedah Darul Aman And Held Under Title Nos. HSD 126043, HSD 126045, HSD 126050, HSD 34392 And HSD 90453

(v) Lot Nos. PT 2333 To PT 2342, Mukim Of Sungai Ular, District Of Kulim, State Of Kedah Darul Aman And Held Under Title Nos. HSD 69188 To HSD 69197

We were instructed by Bina Darulaman Berhad ("BDB") to ascertain the Market Value of the legal interest in the abovementioned properties as at 1st August 2014, 2nd August 2014 and 3rd August 2014.

This Certificate is prepared for inclusion in the Abridged Prospectus to the Shareholders of BDB to be dated 18 Dec 2014.....in relation to the rights issue of BDB".

The valuation was prepared in conformity with the Asset Valuation Guidelines issued by the Securities Commission Malaysia and the Malaysia Valuation Standards published by the Board of Valuers, Appraisers and Estate Agents, Malaysia. This Valuation Certificate should be read in conjunction with the full valuation reports which detailed the basis under which the valuations had been carried out.

The basis of Valuation adopted is the Market Value which is defined as "the estimated amount for which a property should exchange on the date of Valuation between a willing seller and a willing buyer in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

In arriving at the market value of the abovementioned properties, the Comparison Method has been adopted.

As the abovementioned properties are vacant land with development potential but without any approved plans we have only adopted one method of valuation as other methods of valuation are not suitable.

The **Comparison Method** entails critical analysis of recent evidence of values of comparable properties in the neighbourhood and making adjustments for differences. In valuing the Subject Property, we have taken into consideration all relevant factors.

For the purpose as mentioned above, we have prepared this Certificate which summarises our valuation reports dated 20th August 2014 and bear references as per table below and outlines key factors which have been considered in arriving at our opinion of the Market Value. This Certificate contains all the necessary data and supporting information included in our reports. For further information in relation to those contained herein, reference should be made to the said valuation reports.

Report Reference	Properties	Market Value
44V140238	PT 2516 Held Under Title HSD 2979, Town Of Pokok Sena, District Of Pokok Sena, State Of Kedah Darul Aman A plot of agriculture land zoned for residential use located close of Pokok Sena	RM16,050,000/-
44V140239	Lot No. 1659, Held Under Title No. GRN 11523, Mukim Of Hosba, District Of Kubang Pasu, State Of Kedah Darul Aman A plot of agriculture land zoned for residential use located near Pekan Napoh, Changloon	RM55,000,000/-
44V140240	Lot Nos.PT 2042, PT 2043& PT 2044, Held Under Title Nos. HSD 1149, 1150& 1151, Mukim Of Ulu Melaka, District Of Langkawi,State Of Kedah Darul Aman Lot No PT 2042 & PT 2043 are two (2) plots of agriculture land suitable for eco-tourism development while Lot No PT 2044 is a plot of building (commercial) land. All the lots are located in Pulau Langkawi.	RM44,630,000/-
45V140322	Lot Nos. PT 2416, PT 2418, PT 2423, PT 65003, Town Of Amanjaya And PT 48856, Town Of Sungai Petani, District Of Kuala Muda, State Of Kedah Darul Aman And Held Under Title Nos. HSD 126043, HSD 126045, HSD 126050, HSD 34392 And HSD 90453 Five (5) plots of vacant development land in Sungai Petani zoned for residential/commercial use	RM45,100,000/-
45V140323	Lot Nos. PT 2333 To PT 2342, Mukim Of Sungai Ular, District Of Kulim, State Of Kedah Darul Aman And Held Under Title Nos. HSD 69188 To HSD 69197 Ten (10) plots of vacant agriculture land south-east of Kulim town zoned for residential use	RM37,500,000/-

Brief identification of each of the property, its general description and market value are stated as follows:-

(i) PT 2516 Held Under Title HSD 2979, Town Of Pokok Sena, District Of Pokok Sena, State Of Kedah Darul Aman

IDENTIFICATION OF PROPERTY

Subject Property	A plot of agriculture land with potential for residential development
Tenure	Freehold
Locality	Machang Kudong, adjacent to the western and southern side of the existing Bandar Sejahtera Phase 1 Zone 1 and Bandar Sejahtera Phase 1 Zone 2.
Surveyed Land Area	51.4509 hectares (5,538,123sq. feet)
Express Condition	"Tanah yang terkandung dalam hakmilik ini hendaklah digunakan sebagai tapak pertanian sahaja"
Category of Land Use	"PERTANIAN'
Registered Owner	Perbadanan Kemajuan Negeri Kedah
Restriction-in-Interest	'Ditegah tuan tanah membuat sebarang perkiraan (dealings) di atas tanah yang hendak dimajukan sebagai tapak perumahan itu melainkan tuan tanah bina dan pelihara simpanan jalan itu dan taruh batu dan tar menurut taraf Jabatan Kerja Raya serta perbuat parit-parit dengan sepuas hati Penguasa Tempatan serta mendapat sokongan daripada Jabatan Kerja Raya atau jaminan daripada Penguasa Tempatan dan Jabatan Kerja Raya bahawa jalan-jalan dan parit-parit itu dapat disempurnakan.'
Location of Property	The Subject Property is sited adjacent to the western and southern side of the existing Bandar Sejahtera Phase 1 Zone 1 and Bandar Sejahtera Phase 1 Zone 2 which is still under construction. It is approximately 4.0 kilometres south-west of Pokok Sena town and about 20.0 kilometres to the east of Alor Setar city centre.

GENERAL DESCRIPTION

Brief Description of The Subject Property	The Subject Property comprises a plot of agriculture land with potential for residential development and is held under freehold tenure. The Subject Property is irregular in shape and encompasses a surveyed land area of approximately 51.4509 hectares or about 5,538,123 sq. ft. The Subject Property is still under rubber and banana trees, wild vegetation and bushes. At the time of inspection, the boundaries of the subject site are not demarcated by any forms of fencing.
Planning Provision	The Subject Property is designated for agricultural use as noted in the title deed. However, based on enquiries made at the Planning Department of Majlis Bandaraya Alor Setar (MBAS) on the date of inspection revealed that the Subject Property is zoned for residential use.

Date of Valuation 1st August 2014

Valuation We have identified and analysed the following transactions of vacant development/agricultural lands in Pokok Sena and Kubang Pasu in arriving at the Market Value of the Subject Property. We have taken the transactions of land in Kubang Pasu area because of the scarcity of transactions of similar property in the Pokok Sena area.

Description	Comparable 1	Comparable 2	Comparable 3
Property Type	A plot of development land	A plot of agriculture land	A plot of agriculture land
Title No.	HSD 2811	HSD 2680	Geran 2369
Lot No.	PT 165, Town & District of Pokok Sena, State of Kedah	PT 2779, Mukim of Jabi, District of Pokok Sena, State of Kedah	948, Mukim of Malau, District of Kubang Pasu, State of Kedah
Location	Jalan Kampung Panchor, 06400 Pokok Sena	Off Jalan Nawa – Kebun 500, 06400 Pokok Sena	Off Jalan Jitra – Wang Tepus, Jitra
Tenure	Freehold	Freehold	Freehold
Land Area	81.6452 hectares (about 8,788,186 sq. feet)	11.4390 hectares (about 1,231,283 sq. feet)	13.1680 hectares (about 1,417,390 sq. feet)
Consideration	RM12,500,000/-	RM2,339,520/-	RM2,791,295/-
Date of Transaction	11th June 2011	7th September 2011	29th July 2012
Source	Valuation & Property Services Department	Valuation & Property Services Department	Valuation & Property Services Department
Analysis	RM1.42 per sq. foot	RM1.90 per sq. foot	RM1.97 per sq. foot
Adjusted Value	RM2.13 per sq. foot	RM2.84 per sq. foot	RM3.03 per sq. foot

Valuation Rationale Based on the adjustments in relation to time, general location, accessibility, terrain, land size and zoning, we noted that the adjusted values of comparables ranges from RM2.13 to RM3.03 per sq. foot.

We have adopted the adjusted value of Comparable 2 as the market value as it is the best comparable among the three comparables. We have not adopted Comparable 1 even though it is nearest to the Subject Property and has similar size and zoning because the price paid in 2011 at RM1.42 psf does not reflect the market value when compared to the price paid for Comparables 2 and 3 and prices of smaller plots of development lands in the locality which are between RM3.50 psf to RM5.30 psf. We had provided a positive adjustment to Comparable 2 to reflect time as the sale took place in 2011 and property prices had been on the rise since then and zoning to reflect the risk of not obtaining the change in zoning, the time and effort of the applicant as Comparable 2 is zoned agriculture while the Subject Property is zoned residential.

This Subject Property is located about twenty (20) kilometers from Alor Setar city and is ideal for a mixed development scheme comprising residential, commercial and leisure components targeted for the people who are working in Alor Setar, Jitra and Kuala Nerang as the new dual carriageway has reduced the travelling time between Alor Setar and Pokok Sena.

Another factor is the shortage of development land in Alor Setar as the State Government does not encourage the development of padi growing lands as it will upset the irrigation network and the supply of padi to the nation, thus making the land prices in Alor Setar plummet and so the housing prices.

Currently there is an on-going housing project i.e. Bandar Sejahtera located adjacent to the Subject Property and there are a few more housing developments located within Pokok Sena town indicating that residential development is active in Pokok Sena.

Therefore, we are of the opinion that the adopted value of RM2.90 psf for a plot of Non Malay Reserved land zoned for residential use and adjacent to Bandar Sejahtera Phase 1 and 2 and about 20.0 kilometres east of Alor Star city is a fair value.

We are of the opinion that the Market Value of the Subject Property on "as is" basis, as at 1st August 2014, subject to the limiting conditions as stated in APPENDIX J in the valuation report, in its existing condition, free from all encumbrances and with the title held under freehold tenure and being good, marketable and registrable as well as with vacant possession is at **RM16,050,000.00 (Ringgit Malaysia: Sixteen Million and Fifty Thousand Only)**

(ii) Lot No. 1659, Held Under Title No. GRN 11523, Mukim Of Hosba, District Of Kubang Pasu, State Of Kedah Darul Aman

<u>IDENTIFICATION OF PROPERTY</u>

Subject Property	A plot of agriculture land with development potential
Tenure	Freehold
Category of Land Use	Agriculture
Reservation Area	Malay Reservation Area
Net Land Area	79.84851 hectares [about 8,594,714 square feet ("sq. feet")] after deducting the land affected by three land acquisitions on the Subject Property on 2/6/1984, 16/11/1985 and 9/10/1995.
Express Condition	"Getah"
Registered Owner	PERBADANAN KEMAJUAN NEGERI KEDAH – 1/1 share
Location of Property	Located along the western side of the North-South Expressway (Jitra – Bukit Kayu Hitam section), approximately 1.6 km to the south of Pekan Napoh, 8.0 km to the north of Pekan Jitra and 9.5 km to the south of Pekan Changloon.

GENERAL DESCRIPTION

Brief Description of the Subject Property

The Subject Property is a plot of freehold agriculture land with potential for residential development.

It is rectangular in shape and generally flat in terrain. Its eastern boundary fronts onto the North – South Expressway (Jitra – Bukit Kayu Hitam section) for about 1.1 km whilst its northern boundary fronts onto a metalled access for about 720 metres. It lies above the level of the North – South Expressway (Jitra – Bukit Kayu Hitam section) and about the same level with the surrounding lands.

At the time of inspection, the Subject Property is planted with old rubber trees. The rubber trees are no longer tapped and the land is not maintained and is overgrown with shrubs, bushes and wild trees. The boundaries of the Subject Property are not demarcated with any forms of fencing.

Planning Provision

The Subject Property is zoned for residential use

Date of Valuation

1st August 2014

Valuation

We have identified and analysed the following transactions of vacant agriculture lands with development potential in the District of Kubang Pasu in arriving at the Market Value of the Subject Property.

Description	Comparable 1	Comparable 2	Comparable 3
Property Type	A plot of vacant agriculture land with development potential *(non-Malay Reservation land)*	A plot of vacant agriculture land with development potential *(non-Malay Reservation land)*	A plot of vacant agriculture land with development potential *(non-Malay Reservation land)*
Title/Lot No.	Lot 1693, GM 473, Mukim Gelong, District of Kubang Pasu, State of Kedah Darul Aman	Lot 2888, GM 757, Mukim of Temin, District of Kubang Pasu, State of Kedah Darul Aman	Lot 2900, GM 323, Town of Changloon, District of Kubang Pasu, State of Kedah Darul Aman
Location	Asun, Jalan Jitra – Changloon	Durian Burung, Jitra – Changloon	Padang Perang, Changloon – Bukit Kayu Hitam
Tenure	Freehold	Freehold	Freehold
Land Area	14.11 hectares (1,518,786 sq feet)	10.12 hectares (1,089,307 sq feet)	12.49 hectares (1,344,411 sq feet)
Consideration	RM8,400,000/-	RM6,000,000/-	RM11,158,624/-
Date of Transaction	24th October 2011	1st February 2011	11th February 2012

Source	Valuation & Property Services Department	Valuation & Property Services Department	Valuation & Property Services Department
Analysis	RM5.53 per sq. foot	RM5.51 per sq. foot	RM8.30 per sq. foot
Adjusted Value	RM6.22 per sq. foot	RM4.82 per sq. foot	RM6.47 per sq. foot

Valuation Rationale

Based on the adjustments with regards to time, location, shape of land, land size and Malay Reservation status, we noted that the adjusted values of the comparables range from RM4.82 to RM6.47 per sq. foot.

Comparable 1 is the best comparable as it is nearest to the Subject Property and its land area is the biggest among the three comparables. Comparable 3 is also quite similar to the Subject Property as both have wide frontage onto the open section of the North-South Highway.

This Subject Property is strategically located between the towns of Jitra and Changloon and is easily accessible. With a total population of 214,479 (based on the 2010 census) in the district of Kubang Pasu, any development on this Subject Property has the potential to capture the growing demand for housing.The potential market catchment for the development might come from educational institutionssuch as Universiti Utara Malaysia, Kolej Matrikulasi Kubang Pasu and Institut Perguruan Darulaman, and industrial areas such as Bandar Darulaman Industrial Area and Bukit Kayu Hitam Industrial Area. Some housing developments in the area are Taman Keruing (on-going), Taman Penaga (on-going), Taman Kempas (newly completed) and Taman Casuarina (newly completed). Most of the development types consist of single storey semi-detached, double storey terraced and semi-detached houses. We are of the view that the Subject Property is suitable for the development of an integrated mixed-development scheme.

With the above development potential, we have adopted the average of adjusted value of Comparables 1 and 3 i.e. RM6.35 per sq foot and round it up to RM6.40 per sq. foot as the market value of the Subject Property. We are of the opinion that the rate of RM6.40 psf adopted is fair.

We are of the opinion that the Market Value of the Subject Property as at 1st August 2014, subject to the limiting conditions as stated in APPENDIX J in the valuation report, in its existing condition, free from all encumbrances, with the title held under freehold tenure and in a Malay Reservation Area and being good, marketable and registrable as well as with vacant possession is at **RM55,000,000.00 (Ringgit Malaysia: Fifty Five Million Only)**

(iii) Two Parcels of Agriculture Land identified as Lot Nos.PT 2042 & PT 2043 Held Under Title Nos. HSD 1149 & 1150 and A Parcel of Commercial Land identified as Lot No. PT 2044 Held Under Title No. HSD 1151, All in the Mukim Of Ulu Melaka, District Of Langkawi, State Of Kedah Darul Aman

IDENTIFICATION OF PROPERTY

Subject Property	Two plots of vacant agriculture land and a parcel of commercial land as noted in the titles
Tenure	99 year leasehold interest expiring on 16th October, 2111. The lease has an unexpired term of about 97 years.
Category of Land Use	PT 2042 & PT 2043 : Agriculture PT 2044 : Building (commercial)
Reservation Area	Malay Reservation Area
Surveyed Land Area	PT 2042 : 45.724 hectares or 4,921,686 sq. feet PT 2043 : 33.58 hectares or 3,614,518 sq. feet PT 2044 : 12.262 hectares or 1,319,869 sq. feet Total91.566 hectares or 9,856,073 sq. feet
Express Conditions	PT 2042 and PT 2043 LAIN-LAIN JENIS TANAMAN. PT 2044 Tanah yang terkandung dalam hakmilik ini hendaklah digunakan bagi maksud yang dibenarkan semata-mata iaitu Tapak Bangunan Perniagaan sahaja.
Registered Owner	PERBADANAN KEMAJUAN NEGERI KEDAH – 1/1 share
Restriction-in-Interest	Ditegah membuat sebarang perkiraan kecuali pajakan atau gadaian melainkan dengan kebenaran Majlis Mesyuarat Kerajaan.
Location of Property	The Subject Property is located within a locality known as Lubuk Semilang, adjoining to Kampung Buku / Kawasan Rekreasi Lubuk Semilang, Mukim of Ulu Melaka, District of Langkawi, Kedah Darul Aman. It is located about 9.0 km. to the north-west of Kuah Town and 9.0 km to the east of Padang Matsirat town.

GENERAL DESCRIPTION

Brief Description of the Subject Property	The Subject Property consists of two (2) plots of agriculture land identified as Lot Nos. PT 2042 and PT 2043 and a parcel of commercial land identified as Lot No. PT 2044. The aforesaid lots are irregular in shape and are held under 99-year leasehold tenure with an unexpired term of about 97-years. The Subject Property has a combined land area of approximately 91.566 hectares (9,856,073 sq. ft.). The Subject Property is sited to the rear of Kampong Buku, Jalan Padang Gaong. At the time of inspection, the site is still a secondary jungle and is overgrown with wild trees and bushes. We also noted that it is hilly in terrain.

Planning Provision Our verbal enquiries made at the Planning Department in Majlis Perbandaran Langkawi Bandaraya Pelancungan revealed that the subject lot is zoned for green area use (kawasan lapang & rekreasi).

The activities permitted under this provision are as follows:-

i) Green area.
ii) Play lot
iii) Play ground
iv) Neighbourhood field
v) Local park
vi) Town park
vii) Regional/state park
viii) National park
ix) Others (related to the above activities).

We have also been informed by the Local Authority that the whole of Langkawi Island is being promoted for tourism and is one of the 94 UNESCO-recognised Geoparks in the world. Therefore we are of the opinion that the Subject Property could be developed for leisure / exploration park tourism use.

Date of Valuation 2nd August 2014

Valuation We have identified and analysed the following transactions of vacant agriculture lands with development potential as well as vacant commercial lands in Langkawi.

Vacant agriculture land with development potential			
Description	Comparable A.1	Comparable A.2	Comparable A.3
Property Type	10 plots of agriculture land *(Malay Reservation land)*	3 plots of vacant development land *(Outside Malay Reservation land)*	Two plots of vacant development land *(Malay Reservation land)*
Title/Lot Nos.	2488 – 2492, 2536, 2539, 2824, 2846 & 2847, GM 1351 - 1355, GM 1364, GM 1365, GM 1439 – GM 1441, Town of Padang Mat Sirat, District of Langkawi, State of Kedah Darul Aman	PT 1556, 1558 & 1560, HSM 6195, 6197 & 6199, Town of Kuah, District of Langkawi, State of Kedah Darul Aman	PT 1530 & PT 1531, HSM 260 & HSM 66, Mukim of Ulu Melaka, District of Langkawi, State of Kedah Darul Aman
Location	Telok Chengai off Jalan Teluk Baru	Sg Tarom, Lebuhraya Langkawi	Tanjung Limbung off Jalan Bukit Malut
Tenure	Freehold	Freehold	Freehold
Land Area	Approximately 15.2998 hectares (1,646,855 sq feet)	Approximately 7.7927 hectares (838,788 sq feet)	Approximately 9.5607 hectares (1,029,104 sq feet)
Consideration	RM6,587,375/-	RM8,345,107/-	RM8,000,000/-
Date of Transaction	06th December, 2012	15th October, 2012	17th November, 2009

Source	Valuation & Property Services Department	Valuation & Property Services Department	Valuation & Property Services Department
Analysis	RM4.00 per sq. foot	RM9.95 per sq. foot	RM7.77 per sq. foot
Adjusted Value	RM3.45 per sq. foot	RM3.43 per sq. foot	RM6.30 per sq. foot

Vacant commercial land			
Description	Comparable B.1	Comparable B.2	Comparable B.3
Property Type	Two plots of vacant development land *(Malay Reservation land)*	A parcel of vacant development land zoned for tourism related use *(Outside Malay Reservation land)*	A parcel of vacant development land zoned for mixed development use *(Malay Reservation land)*
Title/Lot No.	PT 1530 & PT 1531, HSM 260 & HSM 66, Mukim of Ulu Melaka, District of Langkawi, State of Kedah Darul Aman	PT 374, HSD 103, Mukim of Padang Mat Sirat, District of Langkawi, State of Kedah Darul Aman	Lot 409, GM 2901, Town of Kuah, District of Langkawi, State of Kedah Darul Aman
Location	Tanjung Limbung off Jalan Bukit Malut	Jalan Teluk Burau	Sg. Menghulu, off Jalan Padang Gaong
Tenure	Freehold	Freehold	Freehold
Land Area	Approximately 9.5607 hectares (1,029,104 sq feet)	Approximately 18.2101 hectares (1,960,106 sq feet)	Approximately 2.2767 hectares (245,062 sq feet)
Consideration	RM8,000,000/-	RM56,628,000/-	RM3,400,000/-
Date of Transaction	17th November, 2009	29th September, 2011	30th November, 2011
Source	Valuation & Property Services Department	Valuation & Property Services Department	Valuation & Property Services Department
Analysis	RM7.77 per sq. foot	RM28.89 per sq. foot	RM13.87 per sq. foot
Adjusted Value	RM11.54 per sq. foot	RM18.06 per sq. foot	RM10.41 per sq. foot

Valuation Rationale

For PT 2042 & PT 2043 (agriculture land)

Based on the adjustments made with regards to time, general location, main road frontage/accessibility, size, zoning, Malay Reservation status and tenure to arrive at the Market Value, we noted that the adjusted values of comparables range from RM3.43 to RM6.30 per sq. foot. The best comparable is Comparable A.1 as it is near the Subject Property, a recent transaction and also a Malay Reservation Land. We had provided a positive adjustment to Comparable 1 to reflect time as the sale took place in 2012.

Tourist arrivals had been increasing and arrivals in 2010, 2011 2012 and 2013 are 2.34 million, 2.82 milion, 3.06 million and 3.04 million respectively.

Since the Subject Property is suitable for eco-tourism and leisure park activities such as jungle trekking, canopy walk and bird watching and possibly it can also be developed into "Skytrex" arena similar to Taman Botani Negara in Shah Alam.

The increase in tourists to Langkawi has created a demand for land for eco-tourism and we are of the opinion that the adopted land value of RM3.45 per sq foot is justifiable for the market value of the Subject Property.

For PT 2044 (commercial land)

Based on the adjustments made with regards to time, general location, main road frontage/accessibility, terrain, size, category of land use, zoning, Malay Reservation status and tenure to arrive at the Market Value, we noted that the adjusted values of the comparables range from RM10.41 to RM18.06 per sq. foot. We are of the view that Comparable B.1 is the best comparable as it is a Malay Reservation Land, nearer to the Subject Property as compared to Comparable B.2 and is bigger than Comparable B.3. We had provided a positive net adjustment to Comparable B.2 to reflect time as the sale took place in 2009 and the increase in tourists in Langkawi over the years has created an increasing demand for land for tourism related use for cater to the needs of the increasing tourist arrivals.

The Subject Property has huge potential for tourism development, particularly in medical tourism as it might offer patients the unique opportunity to recuperate in a relaxing and serene tropical paradise.

We had also adopted a positive adjustment for the difference in category of land use to reflect the risk of not obtaining the change of land use, the time and effort of the applicant.

With the factors above, we are of the opinion that the value adopted i.e. RM11.50 per sq foot is justifiable as the market value of the Subject Property.

Even though the Subject Property consists of adjoining parcels and has been planned to be developed as an eco-tourism and medical tourism establishment, we had valued the Subject Property separately as it consists of three plots of land which has different land uses, i.e. agriculture and commercial. They could be developed separately though they are adjoining to each other. As mentioned in 13.0 (Planning Provision) of the valuation report, the agriculture land is planned to be developed into eco-tourism and leisure park while the commercial land might be developed into medical tourism centre for post-operation healing. As they could be developed independently and sold separately, we had valued the lot separately.

Based on the two rates adopted for the agricultural and commercial portion, the market value arrived at is RM44,630,000.00 and this reflects an overall rate of RM4.53 per sq foot. This is fair considering the fact that Langkawi is being promoted for tourism development and has good potential for eco-tourism and medical tourism for post-operation healing, spa and wellness centre as currently there is an absence of medical tourism hospital in Langkawi.

We are of the opinion that the Market Value of the Subject Property as at 2nd August 2014, subject to the limiting conditions as stated in APPENDIX J in the valuation report, in its existing condition, free from all encumbrances, with the titles held under 99-year leasehold interest in a Malay Reservation Area and being good, marketable and registrable as well as with vacant possession is at **RM44,630,000.00(Ringgit Malaysia: Forty Four Million Six Hundred and Thirty Thousand Only)**

(iv) Lot Nos. PT 2416, PT 2418, PT 2423, PT 65003 , Town Of Amanjaya And PT 48856, Town Of Sungai Petani, District Of Kuala Muda, State Of Kedah Darul Aman And Held Under Title Nos. HSD 126043, HSD 126045, HSD 126050, HSD 34392 And HSD 90453

IDENTIFICATION OF PROPERTY

Subject Property	Five (5) adjoining plotsof vacant commercial and residential lands as noted in the titles
Tenure	Freehold
Category of Land Use	Building
Total Surveyed Land Area	93.07154 hectares (about 10,018,128 sq. feet).
Express Condition	PT 2416 and PT 2423 - TAPAK KEDIAMAN PT 2418 and PT 65003 - TAPAK PERNIAGAAN PT 48856 - TAPAK PERNIAGAAN/KEDIAMAN
Registered Owner	PERBADANAN KEMAJUAN NEGERI KEDAH
Restriction-in-Interest	PT 2416, PT 2423 and PT 48856 Ditegah tuan tanah membuat sebarang perkiraan (dealings) kecuali gadaian di atas tanah yang hendak dimajukan sebagai Bandar Aman Jaya melainkan tuan tanah menyediakan simpanan jalan dan parit dan serta bina dan pelihara simpanan jalan itu dan taruh batu dan tar menurut taraf Jabatan Kerja Raya serta perbuat parit-parit dengan sepuas hati Penguasa Tempatan serta mendapat sokongan daripada Jabatan Kerja Raya atau ada jaminan daripada Penguasa Tempatan dan Jabatan Kerja Raya bahawa jalan-jalan dan parit-parit itu dapat disempurnakan.

PT 2418 and PT 65003
Ditegah tuan tanah membuat sebarang perkiraan (dealings) di atas tanah yang hendak dimajukan sebagai tapak perumahan itu melainkan tuan tanah bina dan peliharakan simpanan jalan itu dan taruh batu dan tar menurut taraf Jabatan Kerja Raya serta perbuat parit-parit dengan sepuas hati Penguasa Tempatan serta mendapat sokongan daripada Jabatan Kerja Raya atau ada jaminan daripada Penguasa Tempatan dan Jabatan Kerja Raya bahawa jalan-jalan dan parit-parit itu dapat disempurnakan.

PT 2418 and PT 65003
SEKATAN KEPENTINGAN TAMBAHAN
Ditegah tuan tanah membuat sebarang perkiraan (dealings) dan tidak boleh didirikan apa-apa bangunan diatas tanah ini, sehingga tanah ini dicantum dengan Lot yang bersempadan menurut tataletak yang diluluskan Oleh Majlis Perbandaran Sungai Petani dan dipersetujui oleh Perancang Bandar dan Desa Negeri Kedah

Location of Property

Adjacent to Bandar Amanjaya Zon Mawar, alongside of the North-South Highway, approximately 10km due north-east of Sungai Petani town centre, Kedah Darul Aman.

GENERAL DESCRIPTION

Brief Description of the Subject Property

Lot PT 2416
The land is triangular in shape, generally flat in terrain and lies at level with the surrounding lands. The eastern boundary abuts onto aTNB high-tension transmission line reserve. It encompasses a surveyed land area of 4.04689 hectares (about 435,603 sq. feet). At the date of inspection, we noted that the land is overgrown with old oil palm trees and the holding is fairly well maintained.

Lot PT 2418

The land is regular in shape, generally flat in terrain and lies at level with the surrounding lands. The western boundary of the land abuts onto the North-South Expressway. It encompasses a surveyed land area of 5.05047 hectares (about 543,628 sq. feet). At the date of inspection, we noted that the land was vacant and is overgrown with shrubs and bushes.

Lot PT 2423

The land is regular in shape, generally flat in terrain and lies at level with the surrounding lands. The eastern boundary of the lot abuts onto a TNB high-tension transmission line reserve. It encompasses a surveyed land area of 39.81237 hectares (about 4,285,364 sq. feet). At the date of inspection, we noted that some portion of the land is cultivated with tapioca trees and the rest is overgrown with shrubs and bushes.

Lot PT 65003

The land is almost triangular in shape, generally flat in terrain and lies at level with the surrounding lands. The eastern boundary of the lot abuts onto a TNB high-tension transmission line reserve. It encompasses a surveyed land area of 11.11572 hectares (about 1,196,485 sq. feet). At the date of inspection, we noted that the land was vacant and is overgrown with shrubs and bushes

Lot PT 48856
The land is regular in shape, generally flat in terrain and lies at level with the surrounding lands. The western boundary of the lot abuts onto the North-South Expressway reserve road. It encompasses a surveyed land area of 33.04609 hectares (about 3,557,048 sq. feet). At the date of inspection, we noted that some parts of the land is cultivated with old oil palm trees and the rest is vacant and is overgrown with shrubs and bushes. We also noted that there is an Indian cemetery situated at the middle portion of the site. However, this cemetery has a separate land title.

Planning Provision

Lot Nos PT 2416 and PT 2423 are designated for residential use while Lot Nos 2418 and PT 65003 are designated for commercial use and Lot No PT 48856 is designated for commercial and residential use as noted in the title deeds. Our verbal enquiries made at the Planning Department of Majlis Perbandaran Sungai Petani revealed that the Subject Property is zoned for commercial and residential uses. These are big plots of land and we are of the opinion that they will be developed into a mixed development irrespective of whether the lands are zoned residential or commercial and the land use in their titles.

MARKET VALUE

Date of Valuation

3rd August 2014

Valuation

We have identified and analysed the following transactions of vacant commercial and residential lands in Sungai Petani area in arriving at the Market Value of the Subject Property.

Description	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Property Type	A plot of vacant residential land	A plot of vacant commercial land	A plot of vacant commercial land	A plot of vacant commercial land
Title/Lot No.	PT 2415, HSD 126042, Town of Amanjaya, District of Kuala Muda, State of Kedah Darul Aman.	PT 48863, HSD 90459, Town of Sungai Petani, District of Kuala Muda, State of Kedah Darul Aman	PT 48857, HSD 90454, Town of Sungai Petani, District of Kuala Muda, State of Kedah Darul Aman	PT 2268, HSD 120607, Town of Amanjaya, District of Kuala Muda, State of Kedah Darul Aman
Location	Jalan SP Saujana, Bandar Amanjaya (Zon Mawar)	Jalan Lencongan Timur, Bandar Amanjaya (Zon Melor)	Jalan Hospital – SP Saujana, Bandar Amanjaya (Zon Mawar)	Persiaran Amanjaya 5, Bandar Amanjaya (Zon Pusat)
Tenure	Freehold	Freehold	Freehold	Freehold

Description	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Land Area	Approximately 56.2031 hectares (6,049,646 sq feet)	Approximately 34.6105 hectares (3,725,440 sq feet)	Approximately 37.5656hectares (4,043,520 sq feet)	Approximately 50.5739hectares (5,443,723 sq feet)
Consideration	RM22,383,729/-	RM13,038,989/-	RM11,642,717/-	RM36,472,944/-
Date of Transaction	15th June 2013	3rd April 2013	3rd April 2013	15th June 2013
Source	Valuation & Property Services Department	Valuation & Property Services Department	Valuation & Property Services Department	Valuation & Property Services Department
Analysis	RM3.70 per sq. foot	RM3.50 per sq. foot	RM2.88 per sq. foot	RM6.70 per sq. foot
Adjusted Value	RM4.48 per sq. foot	RM4.62 per sq. foot	RM4.43 per sq. foot	RM4.79per sq. foot

Valuation Rationale

Based on the adjustments made with regards to time, general location, highway frontage (good exposure) and main road frontage/accessibility, , we noted that the adjusted values of the comparables range from RM4.43 to RM4.79 per sq. foot.

Comparables 2 and 3 are the best comparables as they are nearest to the Subject Property. Their adjusted rates are RM4.62 psf and RM4.43 psf. As the difference between the adjusted rates are small, we adopted the average value of their adjusted rates, i.e. RM4.50 psf as the market value.

We had adopted a single rate for the valuation of the Subject Property which consists of plots under different land use i.e. residential, commercial and mixed residential and commercial uses for the the reasons that the land use of two of the plots with a total land area of 380,965.6 sq metres or 94.14 acres are for commercial use, two of the plots with a total land area 438,592.3 sq metres or 108.38 acres are for residential use while one of the lots measuring 111,157.2 sq metres or 27.47 acres is for a mixed of residential and commercial use.

As mentioned in 17.0 (g) of the valuation report, Sg Petani is a small town and the population cannot support a site as big as 94.14 acres solely for commercial development. Hence we are of the view that eventually the sites will be developed into a mixed of residential and commercial use. We are of the opinion that there is not much difference in value between commercial and residential and this is evident by the prices paid. Comparable 1 is residential land and the price paid is similar to Comparables 2, 3 and 4 which are commercial land. Hence we had adopted a single rate in the valuation of the five plots of land.

The Market Value of the Subject Property based on RM4.50 psf is RM45,100,000.00. The Subject Property has good potential for a mixed development as it is strategically located within the immediate Amanjaya township and is easily accessible from the Sungai Lalang – Bukit Selambau road. It is also close to the exit of the North-South Highway and has wide frontage onto the said Highway.

We are of the opinion that the Market Value of the Subject Property as at 3rd August 2014, subject to the limiting conditions as stated in APPENDIX J in the valuation report, in its existing condition, free from all encumbrances, with the titles held under freehold tenure and being good, marketable and registrable as well as with vacant possession is at **RM45,100,000.00 (Ringgit Malaysia: Forty Five Million One Hundred Thousand Only)**

(v) Lot Nos. PT 2333 To PT 2342, Mukim Of Sungai Ular, District Of Kulim, State Of Kedah Darul Aman And Held Under Title Nos. HSD 69188 To HSD 69197

IDENTIFICATION OF PROPERTY

Subject Property	Ten (10) adjoining plots of agriculture land with residential development potential
Tenure	Freehold
Locality	Off Jalan Serdang, approximately 10.6km south-east of Kulim town centre, Kulim, Kedah Darul Aman
Category of Land Use	"Pertanian"
Total Surveyed Land Area	151.407 hectares (approximately 374.1349 acres or 16,297,298 sq. feet)
Express Condition	Getah i) Tanah yang terkandung dalam hakmilik ini hendaklah ditanam dengan pokok-pokok getah. Walaubagaimanapun tanaman-tanaman lain boleh juga di tanam di atas tanah ini dengan syarat pemilik tanah hendaklah memberitahu Pentadbir Tanah terlebih dahulu akan pertukaran jenis tanaman itu serta keluasan tanamannya; ii) Tidak lebih dari 1/5 bahagian daripada kesemua tanah atau 2 hektar atau mana-mana yang kurang, boleh digunakan untuk bangunan yang dibenarkan oleh Seksyen 115(4) Kanun Tanah Negara (Pindaan Tahun 1992)
Registered Owner	Perbadanan Kemajuan Negeri Kedah
Restriction-in-Interest	Nil
Location of the Subject Property	Off the north-eastern side of Jalan Serdang, approximately 10.6km. due south-east of Kulim town centre, Kedah Darul Aman

GENERAL DESCRIPTION

Brief Description of The Subject Property	The Subject Property comprises ten (10) adjoining plots of agriculture land with residential development potential and is held under freehold tenure. It is irregular in shape and encompasses a total surveyed land area of 151.407 hectares (approximately 374.1349 acres or 16,297,298 sq. feet).

At the time of inspection, we noted that the Subject Property was partly vacant and partly cultivated with oil palm trees. The boundaries of the Subject Property are not demarcated by any forms of fencing.

Planning Provision The Subject Property is designated for agricultural use as noted in the title deeds. However, based on our enquiries made at the Planning Department of Majlis Perbandaran Kulim (MPK) on the date of inspection revealed that the Subject Property is zoned for residential use.

Date of Valuation 3rd August 2014

Valuation We have identified and analysed the following transactions of similar lands in the Kulim area close to the Subject Property in arriving at the Market Value of the Subject Property.

Description	Comparable 1	Comparable 2	Comparable 3
Property Type	A plot of agriculture land (Outside Malay Reserved Area)	A plot of agriculture land (Outside Malay Reserved Area)	A plot of agriculture land (Outside Malay Reserved Area)
Title No.	GM 914	GM 1155	GM 36243
Lot No.	Lot 5, Mukim of Terap, District of Kulim, State of Kedah	Lot 370, Mukim of Terap, District of Kulim, State of Kedah	Lain-lain 982, Mukim of Terap, District of Kulim, State of Kedah
Location	Fronts onto Jalan Terap – Serdang, 09000 Kulim	Fronts onto Jalan Terap – Serdang, 09000 Kulim	Second layer off Jalan Terap – Serdang, 09000 Kulim
Tenure	Freehold	Freehold	Freehold
Surveyed Land Area	10.734 hectares (about 1,155,394sq. feet)	9.838 hectares (about 1,058,952sq. feet)	19.071 hectares (about 2,052,783sq. feet)
Consideration	RM2,950,000.00	RM2,223,916.00	RM3,313,430.00
Date of Transaction	8th March 2012	10th June 2011	27thDecember 2011
Source	Valuation & Property Services Department	Valuation & Property Services Department	Valuation & Property Services Department
Analysis	RM2.55 per sq. foot	RM2.10 per sq. foot	RM1.61 per sq. foot
Adjusted Value	RM2.35 per sq. foot	RM2.02 per sq. foot	RM2.48 per sq. foot

Valuation Rationale

Based on the adjustments in relation to time, general location, main road frontage/accessibility, terrain, land size and zoning, we noted that the adjusted values of the comparables range from RM2.02 to RM2.48 per sq. foot.

Comparables 1 and 2 are the best comparables while Comparable 3 is quite similar to the Subject Property i.e. located at the second layer lot. We have taken the average adjusted values of all comparables, which is RM2.28 and round it up to RM2.30 per sq. foot as the market value for the Subject Property.

We are of the opinion that the market value adopted, i.e. RM2.30 per sq. foot is justifiable for the Subject Property which is zoned for residential use. The said market value is fair when compared with the prices paid for the comparables, ranging from RM1.61 to RM2.55 per sq. foot which are still zoned for agriculture use.

Considering the huge land area and low land cost, the Subject Property might be developed into affordable residential schemes by teaming up with relevant Government bodies like PR1MA and Syarikat Perumahan Negara Berhad (SPNB) to cater for the low and medium income earners.

In addition, if the airport at Kulim as proposed by the Kedah State government becomes a reality, it will boost the overall economic development to the entire State of Kedah, particularly the Kulim area.

We are of the opinion that the Market Value of the Subject Property on "as is" basis, as at 3rd August 2014, subject to the limiting conditions as stated in APPENDIX J in the valuation report, in its existing condition, free from all encumbrances, with the titles held under freehold tenure and being good, marketable and registrable as well as with vacant possession is **RM37,500,000.00**
(Ringgit Malaysia: Thirty Seven Million Five Hundred Thousand Only)

Yours faithfully,
RAHIM & CO CHARTERED SURVEYORS SDN BHD

CHEE KOK THIM *FRISM MRICS MPEPS MIPPM*
Chartered Valuation Surveyor
Registered Valuer (V-325)

DIRECTORS' REPORT

BINA
DARULAMAN
BERHAD (332945-X)

(A Subsidiary of Kedah State Development Corporation)

"K E D A H   A M A N   M A K M U R"
BERSAMA MEMACU TRANSFORMASI

Date: 8 December 2014

To: The Entitled Shareholders of Bina Darulaman Berhad ("**BDB**")

Dear Sir/Madam,

On behalf of the Board of Directors of BDB ("**Board**"), I wish to report, after due enquiries in relation to the period from 31 December 2013 (being the date to which the last audited financial statements of BDB and its subsidiaries ("**Group**") have been made up) to the date hereof (being a date not earlier than 14 days before the issue date of this Abridged Prospectus ("**AP**") that:

(i) the business of the Group has, in the opinion of the Board, been satisfactorily maintained;

(ii) in the opinion of the Board, since the last audited financial statements of the Group, no circumstances have arisen which have adversely affected the trading or the value of the assets of the Group;

(iii) the current assets of the Group appear in the books at values which are believed to be realisable in the ordinary course of business;

(iv) there are no contingent liabilities which have arisen by reason of any guarantee or indemnity given by the Group;

(v) since the last audited financial statements of the Group, there are no default or any known event that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowings by the Group; and

(vi) save as disclosed in the proforma consolidated statements of financial position of the Company as at 31 December 2013, and the last audited financial statements of the Group as set out in Appendix IV and V of this AP respectively, there have been no material changes in the published reserves or any unusual factors affecting the profits of the Group.

Yours faithfully,
For and on behalf of the Board of Directors of
BINA DARULAMAN BERHAD

DATUK MOHD NASIR BIN AHMAD
Senior Independent Non-Executive Director

Level 9 & 10, Menara BDB, No. 88, Lebuhraya Darulaman, 05100 Alor Setar, Kedah
Tel: 04-730 0303, Fax: 04-734 2714, E-mail: bina_darulaman@bdb.com.my, Website: www.bdb.com.my
(Listed on Bursa Malaysia)

ADDITIONAL INFORMATION

1. SHARE CAPITAL

No Rights Shares or Bonus Shares will be allotted or issued on the basis of this AP later than 12 months after the date of issue of this AP.

2. ARTICLES OF ASSOCIATION

The provision in our Articles of Association in relation to the remuneration of our directors is as follows:

Article 75 – Director's fee

The fees of the Directors shall from time to time be determined by the Company in General Meeting and the fees payable to directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increased has been given in the notice convening the meeting. The Directors shall also be paid such travelling, hotel and other expenses as may reasonably be incurred by them in the execution of their duties, including any such expenses incurred in connection with the attendance at Meetings of Directors. If by arrangement with the other Directors, any Director shall perform or render any special duties or services outside his ordinary duties as a director, the Directors may pay him special fee, and any special fee may not be by way of a commission or percentage of profits or turnover.

3. MATERIAL CONTRACT

Save for the Underwriting Agreement (details are as set out in Section 10.2 of this AP), our Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within two years immediately preceding the date of this AP.

4. MATERIAL LITIGATION

Darulaman Realty Sdn. Bhd ("**Darulaman Realty**"), our wholly owned subsidiary, has on 11 November 2014 issued a notice of demand ("**Notice**") to Tulangis Maju Sdn. Bhd (Company No. 52911-K) ("**Tulangis**") in respect of a sale and purchase agreement entered into between Darulaman Realty and Tulangis dated 13 April 2014 in relation to a sale of property held under H.S.(D) 21869, PT5706, Bandar Alor Setar, Daerah Kota Setar, Kedah Darul Aman. The total consideration in respect of the sale is RM3,800,000. In accordance with the terms of the sale and purchase agreement, the balance consideration is to be settled within three months from the date of the agreement. As at 11 November 2014, the sum of RM2,600,000 being part of the consideration has been paid by Tulangis to Darulaman Realty. The remaining balance consideration of RM1,200,000 is being demanded by Darulaman Realty. Tulangis was given 14 days from the date of the receipt of the Notice to settle the sum demanded and had failed to do so. Darulaman Realty is currently taking necessary steps to undertake further legal action against Tulangis.

5. GENERAL

(i) As at the LPD, there are no existing or proposed service contracts entered into between our directors and our Company, save for the standard employment contracts containing the normal terms of employment.

(ii) Save as disclosed in this AP, our Board, after having made all reasonable enquiries, is not aware of any material information, including all special trade factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect our Group's results.

(iii) Save as disclosed in this AP (where relevant) and to the best knowledge of our Board, the financial conditions and operations of our Group are not affected by any of the following:

(a) known trends, demands, commitments, events or uncertainties that will or are likely to materially increase or decrease the liquidity of our Group;

(b) material commitments for capital expenditure of our Group;

(c) unusual, infrequent events or transactions or any significant economic changes that materially affected the amount of reported income from our Group's operations; and

(d) known trends or uncertainties that have had, or will have, a material favourable or unfavourable impact on revenues or operating income of our Group.

6. CONSENTS

(i) Our Principal Adviser and Sole Underwriter, Company Secretary, Share Registrar, Solicitors, Principal Banker and Bloomberg Finance L.P. have given their written consents to the inclusion in this AP of their names and all references thereto in the form and context in which such names appear before the issuance of this AP and their consents have not been subsequently withdrawn.

(ii) Rahim & Co Chartered Surveyors Sdn. Bhd., our Valuer, have given their written consent to the inclusion in this AP of their Valuation Certificate, and name and all references thereto in the form and context in which they appear before the issuance of this AP and such consent have not been subsequently withdrawn.

(iii) Messrs KPMG, our Auditors and Reporting Accountants, have given their written consent to the inclusion in this AP of their letter relating to the adequacy of reserves as well as the proforma consolidated statements of financial position of our Company as at FYE 31 December 2013 together with the Reporting Accountants' letter thereon, and name and all references thereto in the form and context in which they appear before the issuance of this AP and such consent have not been subsequently withdrawn.

(iv) Messrs Ernst & Young, our Auditors for the FYE 31 December 2013, have given their written consent to the inclusion in this AP of their Auditors' Report relating to the audited consolidated financial statements of our Company for the FYE 31 December 2013, name and all references thereto in the form and context in which they appear before the issuance of this AP and such consent have not been subsequently withdrawn.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our Registered Office at Level 9, Menara BDB, 88, Lebuhraya Darulaman, 05100 Alor Setar, Kedah Darul Aman during business hours from Sundays to Thursdays (except public holidays) for a period of 12 months from the date of this AP:

(i) our Memorandum and Articles of Association;

(ii) the certified true extract of the resolutions in respect of the Corporate Exercises passed at our EGM held on 23 November 2014 as set out in Appendix I of this AP;

(iii) letter from the Reporting Accountants on adequacy of reserves as set out in Appendix III of this AP;

(iv) proforma consolidated statements of financial position of our Company as at 31 December 2013 together with the Reporting Accountants' letter thereon as set out in Appendix IV of this AP;

(v) our audited consolidated financial statements for the FYE 31 December 2012 and FYE 31 December 2013;

(vi) our unaudited consolidated financial statements for the 9-month FPE 30 September 2014 as set out in Appendix VI of this AP;

(vii) the Valuation Certificate as set out in Appendix VII of this AP;

(viii) our Directors' Report as set out in Appendix VIII of this AP;

(ix) the letters of consent referred to in Section 6 of this Appendix;

(x) the letter of undertaking from PKNK as referred to in Section 10 of this AP; and

(xi) the Underwriting Agreement as referred to in Section 10 of this AP and Section 3 of this Appendix.

8. RESPONSIBILITY STATEMENTS

Our Board has seen and approved this AP together with the NPA and RSF and they collectively and individually accept full responsibility for the accuracy of the information given and confirmed that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make any statement in these documents false or misleading.

RHB Investment Bank, being the Principal Adviser and Sole Underwriter for the Rights Issue, acknowledges that, based on all available information and to the best of our their knowledge and belief, this AP constitutes a full true disclosure of all material facts concerning the Rights Issue.

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