



INTERIM FINANCIAL STATEMENTS

*- For The Fourth Quarter and Year Ended
31 December 2011 -*

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011
(The figures have not been audited)**

	Note	3 months ended 31 December		12 months ended 31 December	
		2011 RM	2010 RM	2011 RM	2010 RM
Continuing Operations					
Revenue	9	96,513,117	62,666,344	239,026,351	182,408,181
Cost of sales		<u>(79,392,035)</u>	<u>(46,457,813)</u>	<u>(193,270,950)</u>	<u>(148,291,554)</u>
Gross profit		17,121,082	16,208,531	45,755,401	34,116,627
Other income	10	2,268,386	1,965,053	9,296,768	10,978,852
Marketing and distribution		(371,452)	(730,329)	(1,296,085)	(1,275,911)
Administrative expenses		(6,470,720)	(6,065,203)	(17,140,107)	(15,984,259)
Other expenses		<u>(193,389)</u>	<u>(173,697)</u>	<u>(1,186,089)</u>	<u>(205,626)</u>
Result from operating activities	9	12,353,907	11,204,355	35,429,888	27,629,683
Finance costs	10	<u>(1,114,465)</u>	<u>(1,431,789)</u>	<u>(7,489,265)</u>	<u>(7,718,345)</u>
Profit before taxation	10	11,239,442	9,772,566	27,940,623	19,911,338
Income tax expense	21	<u>(3,336,986)</u>	<u>(3,347,882)</u>	<u>(7,833,940)</u>	<u>(6,258,439)</u>
Total comprehensive income for the period		<u><u>7,902,456</u></u>	<u><u>6,424,684</u></u>	<u><u>20,106,683</u></u>	<u><u>13,652,899</u></u>
Attributable to:					
Owners of the parent		7,906,055	6,429,586	20,111,362	13,662,834
Minority interests		(3,599)	(4,902)	(4,679)	(9,935)
Total comprehensive income attributable to equity holders of the parent		<u><u>7,902,456</u></u>	<u><u>6,424,684</u></u>	<u><u>20,106,683</u></u>	<u><u>13,652,899</u></u>
Earnings per share attributable to equity holders of the parent:					
Basic (sen)		10.85	7.83	27.61	19.66

Notes:

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011
(The figures have not been audited)**

	Note	31.12.2011 RM	31.12.2010 RM
Assets			
Non-current assets			
Property, plant and equipment	12	61,596,515	64,890,786
Land held for development		99,862,894	95,291,910
Investment properties		142,920	146,520
Investment in unincorporated joint venture		727,910	727,910
Investment securities		619,201	619,200
Trade receivables		145,488,000	70,793,167
Deferred tax assets		85,978	49,424
		<u>308,523,418</u>	<u>232,518,917</u>
Current assets			
Property development costs		22,970,291	22,201,173
Inventories		12,588,502	13,362,257
Trade and other receivables		136,988,194	113,590,267
Tax recoverable		1,379,544	3,647,979
Cash & bank balances		80,945,809	85,805,874
		<u>254,872,340</u>	<u>238,607,550</u>
Total assets		<u><u>563,395,758</u></u>	<u><u>471,126,467</u></u>
Equity and Liabilities			
Share capital		72,815,856	72,815,856
Other reserves		17,062,137	17,072,415
Retained earnings		142,042,673	125,754,139
		<u>231,920,666</u>	<u>215,642,410</u>
Minority interest		<u>8,077,817</u>	<u>8,082,210</u>
Total equity		<u>239,998,483</u>	<u>223,724,620</u>
Non-current liabilities			
Loans and borrowings	23	152,582,918	121,816,038
Deferred tax liabilities		2,135,360	3,561,947
		<u>154,718,278</u>	<u>125,377,985</u>
Current liabilities			
Loans and borrowings	23	19,657,503	22,658,986
Trade and other payables		145,817,624	98,998,960
Income tax payable		3,186,182	344,873
Dividend payable		17,688	21,043
		<u>168,678,997</u>	<u>122,023,862</u>
Total liabilities		<u>323,397,275</u>	<u>247,401,847</u>
Total equity and liabilities		<u><u>563,395,758</u></u>	<u><u>471,126,467</u></u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2011
(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	Minority interests RM	Total equity RM
At 1 January 2010	66,196,256	15,891,629	10,278	115,338,048	197,436,211	8,092,145	205,528,356
Effect of adopting FRS 139	-	-	-	228,560	228,560	-	228,560
At 1 January 2010, restated	66,196,256	15,891,629	10,278	115,566,608	197,664,771	8,092,145	205,756,916
Total comprehensive income	-	-	-	13,662,834	13,662,834	(9,935)	13,652,899
Issuance of shares	6,619,600	1,323,920	-	-	7,943,520	-	7,943,520
Share issuance expenses	-	(153,412)	-	-	(153,412)	-	(153,412)
Dividends on ordinary shares	-	-	-	(3,475,303)	(3,475,303)	-	(3,475,303)
	6,619,600	1,170,508	-	(3,475,303)	4,314,805	-	4,314,805
At 31 December 2010	72,815,856	17,062,137	10,278	125,754,139	215,642,410	8,082,210	223,724,620
As at 1 January 2011	72,815,856	17,062,137	10,278	125,754,139	215,642,410	8,082,210	223,724,620
Reserves written off	-	-	(10,278)	-	(10,278)	-	(10,278)
Dividends	-	-	-	(3,822,832)	(3,822,832)	-	(3,822,832)
Total comprehensive income	-	-	-	20,111,366	20,111,366	(4,393)	20,106,973
As at 31 December 2011	72,815,856	17,062,137	-	142,042,673	231,920,666	8,077,817	239,998,483

Notes:

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2011
(The figures have not been audited)**

	Cumulative Quarter	
	Current Year Ended 31-Dec-11 RM	Preceding Year Ended 31-Dec-10 RM
OPERATING ACTIVITIES		
Profit before tax	27,940,623	19,911,338
Adjustments for:		
Non-cash items	5,042,759	395,368
Non-operating items	3,155,955	3,011,888
Operating Profit Before Working Capital Changes	<u>36,139,337</u>	<u>23,318,594</u>
Changes in working capital:		
Property development cost	(7,054,480)	(13,248,305)
Inventories	772,697	(5,570,200)
Trade and other receivables	(68,327,595)	(12,609,548)
Trade and other payables	21,194,483	19,654,169
Cash generated (used in) / from operations	<u>(17,275,558)</u>	<u>11,544,710</u>
Tax paid	(6,308,215)	(5,844,567)
Interest paid	(7,486,604)	(7,718,345)
Net cash used in operating activities	<u>(31,070,377)</u>	<u>(2,018,202)</u>
INVESTING ACTIVITIES		
Issuance of share	-	7,943,520
Share issuance cost	-	(153,412)
Purchase of property, plant and equipment	(2,118,154)	(9,237,628)
Interest received	4,322,050	4,680,071
Dividend received from investment	8,806	26,386
Proceeds from disposal of property, plant and equipment	788,530	1,418,220
Additions to land held for property development	(564,127)	-
Net cash from investing activities	<u>2,437,105</u>	<u>4,677,157</u>
FINANCING ACTIVITIES		
Dividend paid	(3,822,832)	(3,474,308)
Drawdown of term loan	69,116,700	29,691,000
Repayment of term loan	(38,761,826)	(17,486,119)
Placement of pledged deposit	(46,881)	2,044,046
Repayment of finance lease liabilities	(577,897)	(1,141,570)
Net cash from financing activities	<u>25,907,264</u>	<u>9,633,049</u>
Net increase/(decrease) in cash and cash equivalents	(2,726,008)	12,292,004
Cash and cash equivalents at beginning of period	80,891,497	68,599,493
Cash and cash equivalents at end of period	<u><u>78,165,489</u></u>	<u><u>80,891,497</u></u>
Cash and cash equivalents comprise:		
Cash and bank balances	18,730,639	24,043,100
Deposits in the licensed banks	62,215,170	61,762,774
	<u>80,945,809</u>	<u>85,805,874</u>
Bank Overdraft	-	(2,270,938)
	<u>80,945,809</u>	<u>83,534,936</u>
Less : Deposit Pledge	(2,780,320)	(2,643,439)
	<u><u>78,165,489</u></u>	<u><u>80,891,497</u></u>

Notes:

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER AND YEAR ENDED 31st DECEMBER 2011

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 2010. 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 2010.

2. Significant Accounting Policies

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 2010 except for the adoption of the relevant new Financial Reporting Standards (FRSs), amendments to FRSs and IC Interpretations that are effective for annual periods beginning on or after 1 January 2011 and 1 July 2011 respectively.

The adoption of the new FRSs, amendments to FRSs and IC Interpretations does not have any material impact on the financial position and results of the Group.

3. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the year ended 31 December 2010 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 financial year.

5. Changes in Estimates

There were no changes in estimates of amounts previously reported that have had a material effect in the current quarter.

6. Seasonal or Cyclical Factors

The Group's products and services are generally dependent on the Malaysian economy, government policies and weather (on the construction activities).

7. Dividends Paid

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.

9. Segmental Information

	Property Development RM	Quarrying and road paving RM	Construction RM	Operation of golf resort and hotel RM	Trading RM	Adjustment/ Elimination RM	Consolidated RM
12 months ended -31 December 2011							
Revenue							
External Sales	51,514,348	63,250,897	108,869,014	5,580,698	-	9,811,394	239,026,351
Inter-segment sales	923,370	6,643,087	4,148,902	339,146	948	(12,055,453)	-
Total revenue	<u>52,437,718</u>	<u>69,893,984</u>	<u>113,017,916</u>	<u>5,919,844</u>	<u>948</u>	<u>(2,244,059)</u>	<u>239,026,351</u>
Results							
Segment result	8,137,810	10,419,756	16,657,603	(549,451)	(35,979)	2,428,109	37,057,848
Unallocated corporate expenses							<u>(1,627,960)</u>
Profit from operations							<u>35,429,888</u>
3 months ended -31 December 2011							
Revenue							
External Sales	18,070,557	24,604,574	47,547,658	1,500,544	-	4,789,784	96,513,117
Inter-segment sales	239,842	1,732,199	4,038,661	204,043	-	(6,214,745)	-
Total revenue	<u>18,310,399</u>	<u>26,336,773</u>	<u>51,586,319</u>	<u>1,704,587</u>	<u>-</u>	<u>(1,424,961)</u>	<u>96,513,117</u>
Results							
Segment result	3,193,848	3,019,115	9,375,788	(433,134)	178,537	(1,727,264)	13,606,890
Unallocated corporate expenses							<u>(1,252,983)</u>
Profit from operations							<u>12,353,907</u>

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 31 December		12 months ended 31 December	
	2011 RM	2010 RM	2011 RM	2010 RM
Interest income	(648,057)	(653,247)	(4,333,913)	(4,680,071)
Other income including investment income	(1,620,328)	(1,311,806)	(4,962,855)	(6,298,781)
Depreciation and amortisation				
-investment property	3,600	900	3,600	3,600
-property, plant and equipment	1,229,922	1,318,968	4,558,419	4,727,369
Property, plant and equipment written off	12,140	52,414	15,020	75,920
Impairment loss on investment in subsidiaries	196,980	-	196,980	-
Gain on disposal of:				
-property, plant and equipment	(62,545)	(878,045)	(157,539)	(1,000,741)
(Reversal of) / allowance of impairment:				
-trade receivables	991,745	743,666	616,088	(1,328,801)
-other receivables	-	102,047	-	102,047
Bad debts written off	106,872	(4,001)	106,872	1,116
Interest expense	1,114,465	1,431,789	7,489,265	7,718,345

11. Changes in Composition of the Group

There were no changes in the composition of the Group during the financial year including business combination, acquisition or disposal of subsidiary and long-term investment, restructuring and discontinuing operation.

12. Property, Plant and Equipment

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 & equipment not provided for in the interim financial statements as at 31 December 2011 are as follows:

	<u>RM</u>
Approved and contracted for	2,564,725
Approved but not contracted for	<u>3,632,528</u>

14. Changes in Contingent Liabilities

There were no changes in contingent liabilities since the last financial year ended 31 December 2010.

15. Material Subsequent Events to the Reporting Date

On 06 February 2012, a wholly owned subsidiary of the Company had entered into a conditional principal Sale and Purchase Agreement with a customer to sell 435 units of residential properties worth RM105.3 million at Taman Insaniah Phase 2 in Kuala Ketil. The agreement is contingent upon the customer procuring necessary funding to finance the en bloc purchase.

Except for the above, there are no material events subsequent to the financial year ended 31 December 2011 up to the date of this report.

16. Significant Related Party Transactions

	12 months ended 31.12.2011 RM
Tributes charges by the holding corporation	161,396
Estate agency fee charges by a related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.	208,583
Sales to related party	638,062
Progress billings charged to holding corporation	187,050
Revenue from oil palm from related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.	1,008,571
Rental of quarry land to ultimate holding corporation	50,000
	<u><u>2,253,662</u></u>

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 vs previous year corresponding quarter

For the fourth quarter ended 31 December 2011, the Group recorded revenue of RM96.5 million. The revenue is higher by RM33.8 million or 54% compared to RM62.7 million achieved in the same corresponding period of last year. The Group profit before tax of RM11.2 million was higher by 15% compared to RM9.8 million posted in the previous year corresponding period.

Review of the performance of the operating business segments for the quarter ended 31 December 2011 as compared to the previous year corresponding quarter are as follows:

i) Road and quarry division

The Division recorded a decline in profit for the quarter under review whereas the previous year quarter was boosted by profit recognition from major projects that were completed then such as Trans Eastern Kedah Interland Highway and State Road Maintenance.

ii) Construction division

The Construction division returned higher profits owing to all the projects in hand progressing ahead of schedule.

iii) Property division

The Property Division's contribution to the Group profit was higher due to the increase in take up rates of properties launched in Bandar Darulaman and Darulaman Utama in Kuala Ketil.

iv) Golf and hotel division

Increased contribution from golfing and recreation activities, higher revenue from the food and beverage segment and lower cost of operations resulted in significantly lower loss.

b) Current year vs previous year

For the year ended 31 December 2011, the Group recorded revenue of RM239.0 million. The revenue is higher by 31% compared to RM182.4 million achieved in the same corresponding period last year. Similarly, the Group's profit before tax of RM27.9 million is significantly higher compared to the RM19.9 million posted last year.

All the four operating Divisions turned in commendable results thus making 2011 the best financial year to date.

The road and quarry division managed to achieve its pre-tax profit target due to strong demand for premix products in the second half of the year and cost savings from completed projects. The division also secured the following projects during the year which contributed positively to revenue and profit :-

- Upgrading of Jalan Tanjung Bendahara
- Upgrading and maintenance of some stretches of The North South Expressway

The construction division was the biggest contributor to revenue and profits through higher progress billings for the KUIN and other projects as well as cost savings from completed projects.

Despite a generally buyer's market, the property Division successfully promoted new schemes in its existing townships of Bandar Darulaman and Kuala Ketil thus resulting in higher contributions to Group turnover and profit.

The Golf and hotel division, our non-core business, also helped through lower losses. Members and public support for golfing and recreation activities was very encouraging as was with patronage of the F&B outlets.

18. Variation of Results Against Preceding Quarter

	Current quarter ended 31 December 2011 RM	Preceding quarter ended 30 September 2011 RM
Revenue	96,513,117	70,360,030
Profit Before Taxation	11,239,442	8,255,113

In comparison with the preceding quarter ended 30 September 2011, the Group registered higher revenue of RM96.5 million as compared to RM70.3 million registered in the preceding quarter.

The Group profit before tax of RM11.2 million is also higher by 36% compared to RM8.2 million posted in the preceding quarter.

The favorable result was mainly due to commendable performance of all the operating divisions in the Group.

19. Prospects for the next financial year

The global uncertainties still persist and probably will continue to be so until the second half of 2012. The presidential election in USA in November 2012 and the persistent debt crisis of Europe will continue to cast negative perceptions of the world economy. Major Asian economies like China and India are forecasting slower growth while Japan and South Korea will also be hit with slower exports.

The Malaysian Economy probably cooled in the last quarter of 2011. The Malaysian Government is propping up the economy through various initiatives under the ETP and GTP with encouragement for private sector investment and initiative as the way forward.

The slowing down of major economies without recession will result in lower commodity prices which is good for our construction and road and quarry divisions.

The Malaysian Government is expected to either maintain current borrowing rate or push it lower depending on whether the global situation gets worsen than predicted. A lower interest rate regime is of benefit to our property division. The proposed new government salary scheme will also affect the property sector given our predominantly bumiputra customer base.

Currently the Group has sufficient projects in hand to help maintain the momentum in the short to medium term horizon.

It is our hope that the Government will continue its pro-business policies. We also hope that there is no further tightening of access to mortgage loans.

On balance the Bina Darulaman Group is confident that the performance in 2011 can be sustained in 2012 as well.

20. Variance from Profit Forecast or Profit Guarantee

Not applicable for the financial year ended 31 December 2011.

21. Income Tax Expense

	12 months ended 31 December 2011 RM	12 months ended 31 December 2010 RM
Malaysian income tax	7,833,940	6,258,439

The Group's effective tax rate for the current period is expected to be about 28%. The higher rate is due to rationalization of tax liability provisions.

22. Status of Corporate Proposals

There was no outstanding corporate proposal during the quarter under review.

23. Group borrowings and Debt Securities

Total loans and borrowings as at 31 December 2011 was as follows:

	Short-term RM	Long-term RM
Term loans	19,429,134	152,141,032
Hire Purchase	228,369	441,886
TOTAL	19,657,503	152,582,918

24. Material Litigation

There were no major changes in pending material litigation, since the last annual balance sheet date of 31st December 2010.

25. Dividends

No interim dividend has been declared for the current quarter ended 31 December 2011.

26. Earnings Per Share

a. Basic earnings per share

	3 months ended 31.12.2011 RM	12 months ended 31.12.2011 RM
Profit attributable to owners of the Parent	7,906,055	20,111,362
Weighted average number of ordinary shares in issue	72,815,856	72,815,856
Basic earnings per share (sen)	10.85	27.61

b. Diluted earnings per share

Not applicable.

27. Disclosure of Realised and Unrealised Retained Earnings

	As at 31 December 2011 RM'000	As at 31 December 2010 RM'000
Total retained earnings of the Company and subsidiaries:		
-Realised	138,870	122,808
-Unrealised	3,173	2,946
Total retained earnings	142,043	125,754

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 20th February 2012.