BINA DARULAMAN BERHAD
(332945-X)

INTERIM FINANCIAL STATEMENTS

- For The Quarter and Period of Six Months Ending 30th June 2012

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BINA DARULAMAN BERHAD
(332945-X)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012
(The figures have not been audited)

	Note	3 months ended 30 June		6 months ended 30 June	
		2012	**2011**	**2012**	**2011**
		RM	**RM**	**RM**	**RM**
Continuing Operations					
Revenue	9	75,128,212	37,583,003	148,514,299	72,153,204
Cost of sales		(62,202,918)	(29,490,790)	(121,886,713)	(55,878,907)
Gross profit		12,925,294	8,092,213	26,627,586	16,274,297
Other income	10	1,238,023	1,749,030	3,270,853	3,227,542
Marketing and distribution expenses		(246,798)	(442,037)	(2,089,364)	(676,297)
Administrative expenses		(4,487,489)	(3,717,034)	(8,029,565)	(7,127,351)
Other expenses		(49,808)	(1,062)	(71,690)	(205,025)
Result from operating activities	9	9,379,222	5,681,110	19,707,820	11,493,166
Finance costs	10	(891,751)	(1,494,794)	(1,921,518)	(3,047,097)
Profit before taxation	10	8,487,471	4,186,316	17,786,302	8,446,069
Income tax expense	21	(2,118,387)	(957,383)	(4,540,575)	(2,081,536)
Total comprehensive income for the period		6,369,084	3,228,933	13,245,727	6,364,533
Attributable to:					
Owners of the parent		6,373,397	3,228,776	13,250,237	6,363,075
Minority interests		(4,313)	157	(4,510)	1,458
Total comprehensive income attributable to equity holders of the parent		6,369,084	3,228,933	13,245,727	6,364,533
Earnings per share attributable to equity holders of the parent:					
Basic (sen)	26	8.75	4.43	18.19	8.74

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

BINA DARULAMAN BERHAD
(332945-X)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012
(The figures have not been audited)

	Note	30.06.2012 RM	31.12.2011 RM
Assets			
Non-current assets			
Property, plant and equipment	12	62,718,440	61,865,213
Land held for property development		101,730,432	111,519,232
Investment properties		141,120	142,920
Interest in unincorporated joint venture		373,375	1,034,478
Investment securities		632,116	632,116
Trade receivables		-	6,250,000
Deferred tax assets		114,135	114,135
		165,709,618	181,558,094
Current assets			
Property development costs		27,879,570	16,361,965
Inventories		11,495,535	12,588,502
Trade and other receivables		333,200,817	264,069,718
Tax recoverable		1,155,967	1,397,008
Cash and bank balances		92,355,687	80,945,808
		466,087,576	375,363,001
Total assets		631,797,194	556,921,095
Equity and Liabilities			
Current liabilities			
Loans and borrowings	23	37,605,214	19,407,841
Trade and other payables		123,849,258	141,429,918
Income tax payable		3,724,636	2,302,955
Dividend payable		7,172	17,688
		165,186,280	163,158,402
Non-current liabilities			
Loans and borrowings	23	211,390,921	152,586,579
Deferred tax liabilities		2,481,043	1,687,284
		213,871,964	154,273,863
Total liabilities		379,058,244	317,432,265
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		154,772,693	141,522,456
		244,660,964	231,410,727
Non-controlling interests		8,077,986	8,078,103
Total equity		252,738,950	239,488,830
Total equity and liabilities		631,797,194	556,921,095

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

BINA DARULAMAN BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012
(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 2011	72,815,856	17,062,137	10,278	125,754,139	215,642,410	8,082,210	223,724,620
Total comprehensive income	-	-	-	6,365,987	6,365,987	8,477	6,374,464
As at 30 June 2011	72,815,856	17,062,137	10,278	132,120,126	222,008,397	8,090,687	230,099,084
As at 1 January 2012	72,815,856	17,062,137	10,278	141,522,456	231,410,727	8,078,103	239,488,830
Total comprehensive income	-	-	-	13,250,237	13,250,237	(117)	13,250,120
As at 30 June 2012	72,815,856	17,062,137	10,278	154,772,693	244,660,964	8,077,986	252,738,950

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.

BINA DARULAMAN BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2012
(The figures have not been audited)

	Cumulative Quarter	
	Current Year Ended 30-Jun-12 RM	Preceding Year Ended 30-Jun-11 RM
Cash flows from operating activities		
Profit before taxation	17,786,302	8,446,069
Adjustment for :		
Non-cash items	2,242,340	2,383,108
Non operating items	1,258,110	(297,892)
Operating profit before working capital changes	21,286,752	10,531,285
Decrease / (increase) in land held for development and property development costs	(10,249,108)	(7,167,422)
Decrease / (increase) in Trade and other receivables	(50,013,803)	437,199
Decrease / (increase) in inventories	1,092,673	21,409,462
Increase / (decrease) in Trade and other payables	(21,574,226)	(14,635,420)
Cash (used in) / generated from operations	(59,457,712)	10,575,104
Interest paid	(1,931,376)	(2,033,091)
Taxes paid	(2,232,161)	(3,013,091)
Net cash generated (used in) / from operating activities	(63,621,249)	5,528,922
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,469,723)	(328,810)
Proceeds from disposal of property, plant and equipment	488,250	81,599
Interest received	1,260,436	2,331,156
Dividend received	73,933	-
Net cash generated (used in) / from investing activities	(1,647,104)	2,083,945
Cash flows from financing activities		
Dividends paid to shareholders of the Company	(10,516)	(8,152)
Drawdown of term loan	78,114,800	10,754,000
Drawdown of revolving credit	16,000,000	-
Repayment of borrowings	(19,388,718)	(19,759,953)
Net changes in finance lease creditors	(146,252)	(315,269)
Withdrawal of pledged deposits	542,380	-
Net cash generated from / (used in) financing activities	75,111,694	(9,329,374)
Net increase / (decrease) in cash and cash equivalents	9,843,341	(1,716,507)
Cash and cash equivalents at beginning of the period	78,165,488	80,891,497
Cash and cash equivalents at end of the period	88,008,829	79,174,990
Cash and cash equivalents comprising of the followings:		
Cash and bank balances	29,551,165	28,951,010
Short term deposit with licensed bank	62,804,522	53,008,749
Bank overdraft	(2,108,918)	(51,334)
	90,246,769	81,908,425
Less: Deposits pledged	(2,237,940)	(2,733,435)
	88,008,829	79,174,990

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2011 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 30th JUNE 2012

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 2011. 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 2011.

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 2011 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 2012.

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 to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of 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 will be allowed to defer adoption of the new MFRS Framework for an additional one year.

On 30 June 2012, MASB has decided to allow Transitioning Entities to defer the adoption of MFRS Framework for another year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

The Economic Entity and the Company falls within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Economic Entity and the Company will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2014. In presenting its first MFRS financial statements, 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.

The Group is currently assessing the implications and financial effects of the differences between FRS and accounting standards under MFRS Framework.

The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2014.

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2011 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.

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 conditions (on the construction activities).

7. Dividends

A first and final dividend of 7 sen comprising of 6.5 sen less 25% Malaysian tax per ordinary share and tax exempt dividend of 0.5 sen per ordinary share in respect of the financial year ended 31 December 2011 was approved by the shareholders during Annual General Meeting on 31 May 2012, payable on 17 July 2012.

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 quarrying RM	Construction RM	Golf and hotel RM	Trading RM	Adjustment/ Elimination RM	Consolidated RM
6 months ended -30 June 2012							
Revenue							
External sales	44,177,732	31,450,545	60,968,515	2,403,786	-	9,513,721	148,514,299
Inter-segment sales	10,461,685	2,910,571	20,308,704	177,900	-	(33,858,860)	-
Total revenue	54,639,417	34,361,116	81,277,219	2,581,686	-	(24,345,139)	148,514,299
Results							
Segment result	7,139,338	3,016,573	7,684,791	(431,682)	(8,858)	2,621,601	20,021,763
Unallocated corporate expenses							(313,943)
Profit from operations							19,707,820
3 months ended -30 June 2012							
Revenue							
External sales	20,181,321	17,075,529	35,282,120	1,084,123	-	1,505,119	75,128,212
Inter-segment sales	10,230,842	1,706,595	15,349,717	94,000	-	(27,381,154)	-
Total revenue	30,412,163	18,782,124	50,631,837	1,178,123	-	(25,876,035)	75,128,212
Results							
Segment result	2,985,215	2,041,602	4,556,668	(315,680)	(1,464)	165,380	9,431,721
Unallocated corporate expenses							(52,499)
Profit from operations							9,379,222

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 June		6 months ended 30 June	
	2012	2011	2012	2011
	RM	RM	RM	RM
Interest income	(712,868)	(823,373)	(1,470,109)	(1,933,421)
Other income including investment income	(1,657,421)	(1,505,548)	(2,951,404)	(2,579,145)
Depreciation and amortization:				
-investment property	900	900	1,800	1,800
-property, plant and equipment	1,076,314	1,190,460	2,214,738	2,382,299
Property, plant and equipment written off	4,190	1	25,012	1
Gain on disposal of:				
-property, plant and equipment	(85,149)	(77,182)	(85,298)	(77,485)
(Reversal of) / allowance of impairment:				
-trade receivables	(25,000)	(149,950)	(193,170)	(149,950)
Interest expense	891,751	1,494,794	1,921,518	3,047,097

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.

12. Property, Plant and Equipment

The Group acquired property, plant and equipment worth RM3,793,739 during the period under review. The Group did not dispose any major item of property, plant and equipment except one unit of four (4) storey shop office at No.29, Jalan Seksyen 3/8, Taman Kajang Utama, 43000 Kajang, Selangor.

There were no impairment nor reversal of such impairment during the current six 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 & equipment not provided for in the interim financial statements as at 30 June 2012 are as follows:

	RM
Approved and contracted for	2,714,162
Approved but not contracted for	6,687,063

14. Changes in Contingent Liabilities

There were no changes in contingent liabilities since the last financial year ended 31 December 2011.

15. Material Subsequent Events to the Reporting Date

There were no 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 under review.

16. Significant Related Party Transactions

	6 months ended 30.06.2012 RM
Estate agency fee charged by a related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.	106,836
Progress billings charged to ultimate holding corporation	894,700
Revenue from oil palm from related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.	472,097
Rental of quarry land to ultimate holding corporation	50,000
Sales to related party	139,826
Tributes charged by the holding corporation	85,430
	1,748,889

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 second quarter ended 30 June 2012, the Group recorded revenue of RM75.1 million. The revenue is higher by RM37.5 million or 100% compared to RM37.6 million achieved in the same corresponding period of last year. The Group profit before tax of RM8.5 million was higher by 103 % compared to RM4.2 million posted in the previous year corresponding period.

Performance of the operating business segments for the quarter ended 30 June 2012 as compared to the previous year corresponding quarter are as follows:

i) Road and Quarrying Division
This Division contributed RM17.0 million to revenue compared to RM12.8 million previously boosted by progress of jobs in hand. Contribution to profit however declined slightly reflecting lower demand for quarry products.

ii) Construction Division
The Construction Division provided RM35.2 million to Group revenue compared to RM14.7 million previously. It also contributed higher profits compared to last year reflecting all the projects in hand progressing ahead of schedule.

a) Current quarter against the previous year corresponding quarter (con't)

iii) Property Division

The Property Division contributed RM20.2 million to revenue and RM3.0 million in profit. The favourable result was mainly due to the higher take up rates of properties launched in Bandar Darulaman, Jitra and Darulaman Utama, Kuala Ketil.

b) Current financial year to date against the previous year corresponding year to date

For the current financial year to date, the Group recorded revenue of RM148.5 million compared to RM72.2 million recorded in the same corresponding period of last year representing an increase of 106%. Similarly, the Group profit before tax of RM17.8 million is also significantly higher compared to the RM8.4 million posted in the same corresponding period of last year.

Road and quarry division recorded higher revenue contributed by jobs in hand and sales of quarry products. Contribution to profit for the period however declined slightly.

The construction division was the biggest contributor to revenue and profits through higher progress billings for the KUIN and other ongoing projects.

Despite a generally buyer's market, the property Division successfully promoted new schemes in its existing townships of Bandar Darulaman and Darulaman Utama, Kuala Ketil thus resulting in higher contributions to Group revenue and profit. The response to all new launches has been encouraging.

The Golf and Hotel Division recorded a loss as compared to profit in the previous year mainly due to the temporary partial closure of the golf course to accommodate upgrading and restoration work. Hotel's food and beverage segment also contributed lower revenue.

18. Variation of Results Against Preceding Quarter

	Current quarter ended 30 June 2012 RM	Preceding quarter ended 31 March 2012 RM
Revenue	75,128,212	73,386,087
Profit Before Taxation	8,487,471	9,298,831

Higher revenue of 2% was mainly due to higher progress billings from property and construction divisions. The Group profit before tax of RM8.5 million is lower due to an increase in administrative expenses for the quarter.

19. Current year prospects

The Group's core businesses are expected to return respectable performance for the current year despite a host of uncertainties surrounding the economy both local and international.

Profit contribution from Road and Quarrying Division is expected to be sustainable as demand for quarry products will improve in the second half of the year based on yearly trend. The division has also secured a package to supply and lay flexible pavement for the interchage and approach road to the Second Penang Bridge. The Construction Division has enough jobs in hand to maintain its contribution to the Group. The division is in line to secure new jobs to add to existing construction order book. Whereas the Property Division should be able to maintain its contribution given the encouraging response for its product launches.

The Golf and Hotel Division is expected to register improved performances from the fourth quarter of this year.

Barring unforeseen circumstances such as sharp increase in oil and commodities prices, a hike in interest rate, further tightening of access to mortgage loans and other adverse economic and political situations, the Group expects the result for the year 2012 to be comparable with the previous year.

20. Variance from Profit Forecast or Profit Guarantee

Not applicable for the financial period ended 30 June 2012.

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21. Income Tax Expense

	6 months ended 30 June 2012 RM	6 months ended 30 June 2011 RM
Malaysian income tax	4,540,575	2,081,536

The Group's effective tax rate for the current period is expected to be about 26%. The higher rate is due to the non-deductible on certain expenses.

22. Status of Corporate Proposals

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

23. Group borrowings and Debt Securities

Total loans and borrowings as at 30 June 2012 were as follows:

	Short-term RM	Long-term RM
Term loans	19,180,484	210,867,114
Revolving credit	16,000,000	-
Hire purchase	315,812	523,807
Bank overdraft	2,108,918	-
TOTAL	**37,605,214**	**211,390,921**

24. Material Litigation

There were no major changes in pending material litigation, since the last annual balance sheet date of 31st December 2011.

25. Dividends Payable

A first and final dividend of 7 sen comprising of 6.5 sen less 25% Malaysian tax per ordinary share and tax exempt dividend of 0.5 sen per ordinary share in respect of the financial year ended 31 December 2011 was approved by the shareholders during Annual General Meeting on 31 May 2012, payable on 17 July 2012.

26. Earnings Per Share

a. Basic earnings per share

	3 months ended 30.06.2012 RM	6 months ended 30.06.2012 RM
Profit attributable to owners of the Parent	6,373,397	13,250,237
Weighted average number of ordinary shares in issue	72,815,856	72,815,856
Basic earnings per share (sen)	8.75	18.19

b. Diluted earnings per share

Not applicable.

27. Disclosure of Realised and Unrealised Retained Earnings

	As at 30 June 2012 RM'000	As at 31 December 2011 RM'000
Total retained earnings of the Company and subsidiaries:		
-Realised	153,766	140,314
-Unrealised	1,007	1,208
Total retained earnings	154,773	141,522

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 6th August 2012.