

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2013**  
(The figures have not been audited)

	Note	3 months ended 31 March	
		2013 RM	2012 RM
<b>Continuing Operations</b>			
Revenue	9	76,147,978	73,386,087
Cost of sales		<u>(63,530,897)</u>	<u>(59,683,795)</u>
<b>Gross profit</b>		12,617,081	13,702,292
Other income	10	1,228,758	2,032,830
Marketing and distribution expenses		(457,741)	(1,842,566)
Administrative expenses		(3,579,484)	(3,542,076)
Other expenses		<u>-</u>	<u>(21,882)</u>
<b>Result from operating activities</b>	9	9,808,614	10,328,598
Finance costs	10	(473,383)	(1,029,767)
<b>Profit before taxation</b>	10	9,335,231	9,298,831
Income tax expense	21	(2,361,341)	(2,422,188)
<b>Total comprehensive income for the period</b>		<u><u>6,973,890</u></u>	<u><u>6,876,643</u></u>
Attributable to:			
Owners of the parent		6,975,398	6,876,840
Minority interests		(1,508)	(197)
Total comprehensive income attributable to equity holders of the parent		<u><u>6,973,890</u></u>	<u><u>6,876,643</u></u>
<b>Earnings per share attributable to equity holders of the parent:</b>			
Basic (sen)	26	9.58	9.44

**Notes:**

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2013  
(The figures have not been audited)**

	Note	31.03.2013 RM	31.12.2012 RM
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	64,119,470	62,873,557
Land held for property development		110,320,719	109,736,841
Interest in unincorporated joint venture		451,207	451,207
Investment securities		5,394,934	5,901,868
Deferred tax assets		263,901	183,001
		<u>180,550,231</u>	<u>179,146,474</u>
<b>Current assets</b>			
Property development costs		35,225,406	41,954,919
Inventories		9,587,870	9,228,912
Trade and other receivables		412,536,357	389,859,556
Tax recoverable		677,474	1,097,391
Cash and bank balances		90,934,734	109,947,158
		<u>548,961,841</u>	<u>552,087,936</u>
<b>Total assets</b>		<u>729,512,072</u>	<u>731,234,410</u>
<b>Equity and Liabilities</b>			
<b>Current liabilities</b>			
Loans and borrowings	23	31,886,543	40,275,577
Trade and other payables		128,837,776	133,902,689
Income tax payable		1,401,236	2,179,851
Dividend payable		9,348	16,713
		<u>162,134,903</u>	<u>176,374,830</u>
<b>Non-current liabilities</b>			
Loans and borrowings	23	300,974,974	295,295,590
Deferred tax liabilities		2,162,264	2,308,969
		<u>303,137,238</u>	<u>297,604,559</u>
<b>Total liabilities</b>		<u>465,272,141</u>	<u>473,979,389</u>
<b>Equity attributable to owners of the parent</b>			
Share capital		72,815,856	72,815,856
Other reserves		17,072,415	17,072,415
Retained earnings		166,270,672	159,295,274
		<u>256,158,943</u>	<u>249,183,545</u>
<b>Non-controlling Interests</b>		<u>8,080,988</u>	<u>8,071,476</u>
<b>Total equity</b>		<u>264,239,931</u>	<u>257,255,021</u>
<b>Total equity and liabilities</b>		<u>729,512,072</u>	<u>731,234,410</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2013  
(The figures have not been audited)**

	←-----Attributable to owners of the parent-----→				Total RM	Non- controlling interests RM	Total equity RM
	Share capital RM	Share premium RM	Foreign currency translation reserves RM	Retained earnings RM			
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	-	-	-	6,876,840	6,876,840	4,196	6,881,036
As at 31 March 2012	<u>72,815,856</u>	<u>17,062,137</u>	<u>10,278</u>	<u>148,399,296</u>	<u>238,287,567</u>	<u>8,082,299</u>	<u>246,369,866</u>
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
Total comprehensive income	-	-	-	6,975,398	6,975,398	9,512	6,984,910
As at 31 March 2013	<u>72,815,856</u>	<u>17,062,137</u>	<u>10,278</u>	<u>166,270,672</u>	<u>256,158,943</u>	<u>8,080,988</u>	<u>264,239,931</u>

**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 2012 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2013  
(The figures have not been audited)**

	Cumulative Quarter	
	Current Year Ended 31-Mar-13 RM	Preceding Year Ended 31-Mar-12 RM
<b>Cash flows from operating activities</b>		
Profit before taxation	9,335,231	9,298,831
Non-cash items	1,215,900	1,161,057
Non operating items	2,189,242	562,221
	<hr/>	<hr/>
Operating profit before working capital changes	12,740,373	11,022,109
(Increase)/decrease in land held for development and property development costs	6,145,634	3,377,795
(Increase)/decrease in receivables, deposit and prepayment	(33,336,754)	(22,567,954)
(Increase)/decrease in inventories	(87,528)	3,336
Increase/(decrease) in payables and accruals	111,671	(18,327,948)
Cash used in operations	(14,426,604)	(26,492,662)
Interest paid	(2,530,403)	(1,029,767)
Taxes paid	(2,775,850)	(1,271,512)
Net cash generated from /(used in) operating activities	(19,732,857)	(28,793,941)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,751,104)	(1,722,914)
Proceeds from disposal of property, plant and equipment	1,629	150
Proceeds from disposal of investment	463,350	-
Dividend received	15,265	7,744
Interest received	325,896	1,120,905
Net cash generated from /(used in) investing activities	(1,944,964)	(594,115)
<b>Cash flows from financing activities</b>		
Dividends paid to shareholders of the Company	(7,365)	(10,516)
Drawdown of term loan	8,721,900	25,775,800
Repayment of borrowings	(7,152,787)	(9,644,484)
Placement/(withdrawal) of pledged deposit	(20,000)	-
Net changes in finance lease creditors	1,314,343	(64,646)
Net cash generated from/ (used in) financing activities	2,856,091	16,056,154
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(18,821,730)</b>	<b>(13,331,902)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>105,615,760</b>	<b>78,165,488</b>
<b>Cash and cash equivalents at end of the period</b>	<b>86,794,030</b>	<b>64,833,586</b>
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	30,974,140	16,446,022
Fixed deposit	59,960,594	51,167,916
Overdraft	(1,806,131)	(32)
	<hr/>	<hr/>
	89,128,603	67,613,906
Less: Deposits pledged	(2,334,573)	(2,780,320)
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	86,794,030	64,833,586

**Notes:**

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

## **EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER AND YEAR TO DATE ENDED 31<sup>st</sup> MARCH 2013**

### **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 2012. 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 2012.

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 2012 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 2013.

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').

The Group which falls under the scope definition of Transitioning Entities has opted to adopt MFRS to annual periods beginning on 1 January 2014. When the Group presents its first MFRS financial statements in 1 January 2014, 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 2012 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**

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	Road and Quarry RM	Construction RM	Golf and Hotel RM	Trading RM	Adjustment/ Elimination RM	Consolidated RM
<b>3 months ended -31 March 2013</b>							
<b>Revenue</b>							
External Sales	33,973,491	12,849,321	27,921,104	866,292	537,770	-	76,147,978
Inter-segment sales	32,843	2,100,520	9,101,146	389,494	198,000	(11,822,002)	-
<b>Total revenue</b>	<b>34,006,334</b>	<b>14,949,841</b>	<b>37,022,250</b>	<b>1,255,786</b>	<b>735,770</b>	<b>(11,822,002)</b>	<b>76,147,978</b>
<b>Results</b>							
Segment result	4,951,257	1,704,869	3,996,521	(277,365)	(450,281)	724,178	10,649,179
Unallocated corporate expenses							(840,565)
<b>Profit from operations</b>							<b>9,808,614</b>

## 10. Profit before tax from continuing operations

The following items have been charged / (credited) in arriving at profit before tax from continuing operations:

	<b>3 months ended</b>	
	<b>31 March</b>	
	<b>2013</b>	<b>2012</b>
	<b>RM</b>	<b>RM</b>
Interest income	<b>(549,185)</b>	<b>(757,241)</b>
Other income including investment income	<b>(679,573)</b>	<b>(1,275,589)</b>
Depreciation and amortisation		
-investment property	-	<b>900</b>
-property, plant and equipment	<b>157,254</b>	<b>1,039,220</b>
Property, plant and equipment written off	-	<b>20,882</b>
Gain on disposal of:		
-property, plant and equipment	<b>(1,602)</b>	<b>(150)</b>
(Reversal of) / allowance of impairment:		
-trade receivables	<b>(343,573)</b>	<b>(168,170)</b>
Interest expense	<b>473,383</b>	<b>1,029,767</b>

## 11. Changes in Composition of the Group

On 15 February 2013, a wholly owned subsidiary of the Company, Jitra Waterworld Sdn. Bhd. was struck off under Section 308(2) of the Companies Act 1965.

Except for the above, there were no changes in the composition of the Group during the current quarter including business combination, acquisition or disposal of a subsidiary and long term investment, restructuring and discontinued operation.



## 12. Property, Plant and Equipment

The Group acquired property, plant and equipment worth RM2,892,671 during the quarter under review.

Asset with a carrying amount of RM27 were disposed of by the Group during the three months ended 31 March 2013 (31 March 2012 : RM1), resulting in a gain on disposal of RM1,602 (31 March 2012 : RM150), recognized and included in other income in the Statement of Comprehensive Income.

There were no impairment nor reversal of such impairment during the current three 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 31 March 2013 are as follows:

	<u>RM</u>
Approved and contracted for	1,570,826
Approved but not contracted for	<u>3,243,095</u>

## 14. Changes in Contingent Liabilities

There were no major changes in contingent liabilities since the last financial year ended 31 December 2012.

## 15. Material Subsequent Events to the Reporting Period

There were no material events subsequent to the end of the quarter under review up to the date of this report that have not been reflected in the interim financial statements.

## 16. Significant Related Party Transactions

	<b>3 months ended 31.03.2013 RM</b>
Rental of quarry land to ultimate holding corporation	50,000
Tributes charges by the ultimate holding corporation	35,882
Progress billings charged to holding corporation	92,000
Sales to related company, Seri Temin Development Corporation(M) Sdn. Bhd.	98,959
Estate agency fee charges by a related company, Kumpulan Ladang- Ladang Perbadanan Kedah Sdn. Bhd.	45,527
Revenue from oil palm from related company, Kumpulan Ladang- Ladang Perbadanan Kedah Sdn. Bhd.	420,594
Property Management paid to a related company, Darulaman Asset Sdn. Bhd	30,182
Insurance paid to a related company, KSDC Insurance Brokers Sdn. Bhd.	86,722
	<b>859,866</b>

## Part B – Explanatory Notes Pursuant to Chapter 9, Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

### 17. Performance Review

#### Current quarter vs previous year corresponding quarter

For the first quarter ended 31 March 2013, the Group recorded revenue of RM76.1 million. The revenue was higher by RM2.8 million or 4% compared to RM73.4 million achieved in the same corresponding period of last year. The Group profit before tax of RM9.3 million was higher by 0.4% compared to the same corresponding period of last year.

Performance of the operating business segments for the quarter ended 31 March 2013 as compared to the previous year corresponding quarter are as follows:

#### i) Road and Quarry Division

This Division contributed RM12.9 million to Group revenue compared to RM 14.4 million previously, a decrease of 10%. Profit contribution however increased from RM1.0 million to RM1.7 million mainly due to lower cost of sales.

#### ii) Construction Division

The Construction Division provided RM27.9 million to Group revenue compared to RM25.7 million previously. Contribution to profit also increased to RM4.0 million compared to RM3.1 million previously mainly due to higher progress billings for the on-going construction projects.

#### iii) Property Division

The Property Division contributed higher revenue of RM33.9 million compared to RM23.9 million previously. Similarly, profit contribution also increased from RM4.1 million previously to RM4.9 million due to the increase in take up rates of properties launched in Bandar Darulaman, Jitra and Darulaman Utama in Kuala Ketil.

#### iv) Golf and Hotel Division

Golf and Hotel Division recorded higher losses mainly due to the on-going major restoration and upgrading of the golf course which caused temporary disruptions to revenue.

## 18. Variation of Results Against Preceding Quarter

	Current quarter ended 31 March 2013 RM	Preceding quarter ended 31 December 2012 RM
Revenue	76,147,978	77,836,849
Profit Before Taxation	9,335,231	4,706,860

Variations between quarters are normal given the nature of the Group's business activities which allows recognition of profit based on cost incurred. Anamolies of quarter to quarter variance is normally straightened over the course of one full financial year.

## 19. Current year prospects

The Group's core businesses are expected to return respectable performance for the current year since the Group has sufficient projects in hand to help maintain the momentum of growth in the short to medium term horizon.

Profit contribution from Road and Quarry Division is expected to remain stable based on the current demand for quarry products and on-going road projects.

The Construction Division is expected to contribute slightly lower revenue and profit until its order book is sufficiently replenished.

The 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 Golf and Hotel Division is expected to register improved performance in the second half of this year upon completion of the restoration of the golf course in June 2013.

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 negative economic and political situations, the Group expects to turn in a reasonable performance for the current year.

## 20. Variance from Profit Forecast or Profit Guarantee

Not applicable for the financial period ended 31 March 2013.

## 21. Income Tax Expense

	3 months ended 31 March 2013 RM	3 months ended 31 March 2012 RM
Malaysian income tax	2,361,341	2,422,188

The Group's effective tax rate for the current period is approximately 25%.

## 22. Status of Corporate Proposals

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

## 23. Group borrowings and Debt Securities

Total loans and borrowings as at 31 March 2012 were as follows:

	Short-term RM	Long-term RM
Term loans	29,000,000	299,143,800
Hire Purchase	1,080,412	1,831,174
Bank overdraft	1,806,131	-
<b>TOTAL</b>	<b>31,886,543</b>	<b>300,974,974</b>

## 24. Material Litigation

### a) Heng Ghee Timber

Trial scheduled for 15<sup>th</sup> and 16<sup>th</sup> April 2013 has commenced. The Plaintiff on the day of the Trial, had withdrawn its claim for the 1<sup>st</sup> contract against the Company totalling RM17,475,643.50. The Plaintiff is now only pursuing with the claim for the 2<sup>nd</sup> contract amounting to RM4,956,945.00. The Court has fixed for 3<sup>rd</sup> and 4<sup>th</sup> July 2013 for continued hearing.

Except for the above, there were no major changes in pending material litigation since the last annual balance sheet date of 31<sup>st</sup> December 2012.

## 25. Dividends Payable

The Board has proposed a first and final single tier dividend of 7 sen per ordinary share in respect of the financial year ended 31 December 2012 be tabled for shareholders' approval at the forthcoming Annual General Meeting.

## 26. Earnings Per Share

### a. Basic earnings per share

	3 months ended 31.03.2013 RM	3 months ended 31.03.2012 RM
Profit attributable to owners of the Parent	6,975,398	6,876,840
Weighted average number of ordinary shares in issue	72,815,856	72,815,856
Basic earnings per share (sen)	9.58	9.44

### b. Diluted earnings per share

Not applicable.

## 27. Disclosure of Realised and Unrealised Retained Earnings

	As at 31 March 2013 RM'000	As at 31 December 2012 RM'000
Total retained earnings of the Company and subsidiaries:		
-Realised	162,985	156,009
-Unrealised	3,286	3,286
<b>Total retained earnings</b>	<b>166,271</b>	<b>159,295</b>

## 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 15<sup>th</sup> May 2013.