

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2013**  
(The figures have not been audited)

	Note	3 months ended 30 June		6 months ended 30 June	
		2013 RM	2012 RM	2013 RM	2012 RM
<b>Continuing Operations</b>					
Revenue	9	50,725,209	75,128,212	126,873,187	148,514,299
Cost of sales		<u>(42,225,214)</u>	<u>(62,202,918)</u>	<u>(105,756,111)</u>	<u>(121,886,713)</u>
<b>Gross profit</b>		8,499,995	12,925,294	21,117,076	26,627,586
Other income	10	1,132,882	1,238,023	2,361,640	3,270,853
Marketing and distribution expenses		(172,148)	(246,798)	(629,889)	(2,089,364)
Administrative expenses		(4,091,946)	(4,487,489)	(7,671,430)	(8,029,565)
Other expenses		<u>(1)</u>	<u>(49,808)</u>	<u>(1)</u>	<u>(71,690)</u>
<b>Result from operating activities</b>	9	5,368,782	9,379,222	15,177,396	19,707,820
Finance costs	10	(425,001)	(891,751)	(898,384)	(1,921,518)
<b>Profit before taxation</b>	10	4,943,781	8,487,471	14,279,012	17,786,302
Income tax expense	21	(1,230,591)	(2,118,387)	(3,591,932)	(4,540,575)
<b>Total comprehensive income for the period</b>		<u>3,713,190</u>	<u>6,369,084</u>	<u>10,687,080</u>	<u>13,245,727</u>
Attributable to:					
Owners of the parent		3,712,950	6,373,397	10,688,348	13,250,237
Minority interests		240	(4,313)	(1,268)	(4,510)
<b>Total comprehensive income attributable to equity holders of the parent</b>		<u>3,713,190</u>	<u>6,369,084</u>	<u>10,687,080</u>	<u>13,245,727</u>
<b>Earnings per share attributable to equity holders of the parent:</b>					
Basic (sen)	26	5.10	8.75	14.68	18.19

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 30 JUNE 2013  
(The figures have not been audited)**

	Note	30.06.2013 RM	31.12.2012 RM
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	64,114,792	62,873,557
Land held for property development		110,749,623	109,736,841
Interest in unincorporated joint venture		451,207	451,207
Investment securities		5,293,948	5,901,868
Deferred tax assets		163,813	183,001
		<u>180,773,383</u>	<u>179,146,474</u>
<b>Current assets</b>			
Property development costs		41,609,436	41,954,919
Inventories		9,978,752	9,228,912
Trade and other receivables		397,854,514	389,859,556
Tax recoverable		1,217,958	1,097,391
Cash and bank balances		102,065,526	109,947,158
		<u>552,726,186</u>	<u>552,087,936</u>
<b>Total assets</b>		<u>733,499,569</u>	<u>731,234,410</u>
<b>Equity and Liabilities</b>			
<b>Current liabilities</b>			
Loans and borrowings	23	31,581,627	40,275,577
Trade and other payables		123,303,436	133,902,689
Income tax payable		1,320,375	2,179,851
Dividend payable		9,347	16,713
		<u>156,214,785</u>	<u>176,374,830</u>
<b>Non-current liabilities</b>			
Loans and borrowings	23	307,162,386	295,295,590
Deferred tax liabilities		2,158,543	2,308,969
		<u>309,320,929</u>	<u>297,604,559</u>
<b>Total liabilities</b>		<u>465,535,714</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		169,983,622	159,295,274
		<u>259,871,893</u>	<u>249,183,545</u>
<b>Non-controlling interests</b>		<u>8,091,962</u>	<u>8,071,476</u>
<b>Total equity</b>		<u>267,963,855</u>	<u>257,255,021</u>
<b>Total equity and liabilities</b>		<u>733,499,569</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 SIX-MONTH PERIOD ENDED 30 JUNE 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 reserve RM	Retained earnings RM			
<b>As at 1 January 2012</b>	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
<b>As at 30 June 2012</b>	<u>72,815,856</u>	<u>17,062,137</u>	<u>10,278</u>	<u>154,772,693</u>	<u>244,660,964</u>	<u>8,077,986</u>	<u>252,738,950</u>
<b>As at 1 January 2013</b>	72,815,856	17,062,137	10,278	159,295,274	249,183,545	8,071,476	257,255,021
Total comprehensive income	-	-	-	10,688,348	10,688,348	20,486	10,708,834
<b>As at 30 June 2013</b>	<u>72,815,856</u>	<u>17,062,137</u>	<u>10,278</u>	<u>169,983,622</u>	<u>259,871,893</u>	<u>8,091,962</u>	<u>267,963,855</u>

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 SIX-MONTH PERIOD ENDED 30 JUNE 2013  
(The figures have not been audited)**

	Cumulative Quarter	
	Current Year Ended 30-Jun-13 RM	Preceding Year Ended 30-Jun-12 RM
<b>Cash flows from operating activities</b>		
Profit before taxation	14,279,012	17,786,302
Adjustments for :		
Non-cash items	2,408,196	2,242,340
Non operating items	5,506,560	1,258,110
Operating profit before working capital changes	<u>22,193,768</u>	<u>21,286,752</u>
Decrease / (increase) in land held for development and property development costs	(4,982)	(10,249,108)
Decrease / (increase) in Trade and other receivables	(20,667,407)	(50,013,803)
Decrease / (increase) in Inventories	(749,838)	1,092,673
Increase / (decrease) in Trade and other payables	<u>(5,920,404)</u>	<u>(21,574,226)</u>
Cash generated from / (used in) operations	(5,148,863)	(59,457,712)
Interest paid	(6,595,310)	(1,931,376)
Taxes paid	<u>(4,888,971)</u>	<u>(2,232,161)</u>
Net cash generated from / (used in) operating activities	(16,633,144)	(63,621,249)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(3,579,711)	(3,469,723)
Proceeds from disposal of property, plant and equipment	39,394	488,250
Proceeds from disposal of shares	663,960	-
Interest received	977,781	1,260,436
Dividend received	21,811	73,933
Net cash generated from / (used in) investing activities	<u>(1,876,765)</u>	<u>(1,647,104)</u>
<b>Cash flows from financing activities</b>		
Dividends paid to shareholders of the Company	(7,365)	(10,516)
Drawdown of term loan	18,931,700	78,114,800
Drawdown of revolving credit	-	16,000,000
Repayment of borrowings	(14,908,791)	(19,388,718)
Net changes in finance lease creditors	1,049,840	(146,252)
Placement / (Withdrawal) of pledged deposits	<u>(325,348)</u>	<u>542,380</u>
Net cash generated from / (used in) financing activities	4,740,036	75,111,694
<b>Net increase / (decrease) in cash and cash equivalents</b>	(13,769,873)	9,843,341
<b>Cash and cash equivalents at beginning of the period</b>	<u>105,615,760</u>	<u>78,165,488</u>
<b>Cash and cash equivalents at end of the period</b>	<u><u>91,845,887</u></u>	<u><u>88,008,829</u></u>
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	51,867,465	29,551,165
Short term deposit with licensed bank	50,198,061	62,804,522
Bank overdraft	-	(2,108,918)
	<u>102,065,526</u>	<u>90,246,769</u>
Less: Deposits pledged	<u>(10,219,639)</u>	<u>(2,237,940)</u>
	<u><u>91,845,887</u></u>	<u><u>88,008,829</u></u>

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 30<sup>th</sup> JUNE 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 venture (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**

A first and final single tier dividend of 7 sen per ordinary share for the financial year ended 31 December 2012 amounting to RM5,097,110 was approved by the shareholders during Annual General Meeting on 23 May 2013 and paid on 11 July 2013.

## 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>6 months ended -30 June 2013</b>							
<b>Revenue</b>							
External sales	53,406,469	33,798,778	36,555,867	2,206,658	905,415	-	126,873,187
Inter-segment sales	65,685	4,514,184	25,854,495	927,837	9,396,000	(40,758,201)	-
<b>Total revenue</b>	<b>53,472,154</b>	<b>38,312,962</b>	<b>62,410,362</b>	<b>3,134,495</b>	<b>10,301,415</b>	<b>(40,758,201)</b>	<b>126,873,187</b>
<b>Results</b>							
Segment result	7,755,133	3,400,696	5,599,775	(128,899)	7,841,288	(7,736,395)	16,731,598
Unallocated corporate expenses							(1,554,202)
<b>Profit from operations</b>							<b>15,177,396</b>
<b>3 months ended -30 June 2013</b>							
<b>Revenue</b>							
External sales	19,432,978	20,949,457	8,634,763	1,340,366	367,645	-	50,725,209
Inter-segment sales	32,842	2,413,664	16,753,349	538,343	9,198,000	(28,936,198)	-
<b>Total revenue</b>	<b>19,465,820</b>	<b>23,363,121</b>	<b>25,388,112</b>	<b>1,878,709</b>	<b>9,565,645</b>	<b>(28,936,198)</b>	<b>50,725,209</b>
<b>Results</b>							
Segment result	2,803,876	1,695,827	1,603,254	148,466	8,291,569	(6,779,443)	7,763,549
Unallocated corporate expenses							(2,394,767)
<b>Profit from operations</b>							<b>5,368,782</b>

## 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	
	2013 RM	2012 RM	2013 RM	2012 RM
Interest income	(667,736)	(712,868)	(1,216,921)	(1,470,109)
Other income including investment income	(536,084)	(1,657,421)	(1,247,733)	(2,951,404)
Depreciation and amortization:				
-investment property	-	900	-	1,800
-property, plant and equipment	1,184,763	1,076,314	2,315,638	2,214,738
Property, plant and equipment written off	1	4,190	1	25,012
Gain on disposal of:				
-property, plant and equipment	(40,251)	(85,149)	(38,649)	(85,298)
(Reversal of) / allowance of impairment:				
-trade receivables	(56,330)	(25,000)	(399,903)	(193,170)
Interest expense	425,001	891,751	898,384	1,921,518

## 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 RM3,485,891 during the period under review. The Group did not dispose any major item of property, plant and equipment during the quarter under review.

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 2013 are as follows:

	<u>RM</u>
Approved and contracted for	1,305,514
Approved but not contracted for	<u>2,915,734</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 current quarter up to the date of this report that have not been reflected in the interim financial statements.

## 16. Significant Related Party Transactions

	<b>6 months ended 30.06.2013 RM</b>
Progress billings charged to the ultimate holding corporation	92,000
Rental of quarry land to the ultimate holding corporation	50,000
Tributes charged by the holding corporation	92,415
Estate agency fee charged by a related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.	79,750
Revenue from oil palm from a related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.	905,415
Sales to a related company, Seri Temin Development Corporation (M) Sdn. Bhd.	182,563
Progress billings charged to a related company, KTPC Construction Sdn. Bhd.	364,743
Insurance paid to a related company, KSDC Insurance Brokers Sdn. Bhd.	402,357
Property Management paid to a related company, Darulaman Aset Sdn. Bhd.	51,309
	<b><u>2,220,552</u></b>

## 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 2013, the Group recorded revenue of RM50.7 million. The revenue is lower by RM24.4 million or 32% compared to RM75.1 million achieved in the same corresponding period of last year. The Group profit before tax of RM4.9 million was lower by 42% compared to RM8.5 million posted in the same corresponding period of last year.

The overall decline in revenue and profit was mainly due to lower progress billing from the on-going construction projects.

Performance of the operating business segments for the quarter ended 30 June 2013 as compared to the previous year corresponding quarter are as follows:

#### i) Road and Quarry Division

This Division contributed RM20.9 million to Group revenue compared to RM17.0 million previously boosted by progress of jobs in hand and higher demand for quarry products. Contribution to profit however declined slightly due to higher cost of sales.

**ii) Construction Division**

The Construction Division recorded lower revenue of RM8.6 million compared to RM35.3 million previously. Similarly, contribution to Group profit decreased from RM4.6 million previously to RM1.6 million for the quarter mainly due to lower progress billings from the on-going construction projects.

**iii) Property Division**

The Property Division contributed RM19.4 million to Group revenue and RM2.8 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.

**iv) Golf and Hotel Division**

Golf and Hotel Division recorded a profit in the quarter as compared to loss in the previous year mainly due to higher contribution from recreation activities and Hotel's food and beverage segment. Hotel's room occupancy also improved during the quarter.

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

For the current financial year to date, the Group recorded revenue of RM126.9 million compared to RM148.5 million recorded in the same corresponding period of last year representing a decrease of 15%. The Group profit before tax of RM14.3 million was also lower by 20% compared to RM17.8 million posted in the same corresponding period of last year.

Road and Quarry Division recorded higher revenue and profit contributed by the progress of jobs in hand and higher demand for quarry products.

The Construction Division contributed lower revenue and profit due to the lower progress billings from the on-going construction projects where the previous year contribution was boosted by the progress of Kolej Universiti Insaniah project which is now completed.

The Property Division was the biggest contributor to Group revenue and profit due to the higher take up rates of properties launched in Bandar Darulaman, Jitra and Darulaman Utama, Kuala Ketil.

Golf and Hotel Division recorded lower revenue for the period. The Division however recorded lower losses as compared to the same corresponding period of last year due to higher contribution from recreation activities, hotel's food and beverage segment and improved hotel's room occupancy. The favorable result was also contributed by lower operational costs.

## 18. Variation of Results Against Preceding Quarter

	Current quarter ended 30 June 2013 RM	Preceding quarter ended 31 March 2013 RM
Revenue	50,725,209	76,147,978
Profit Before Taxation	4,943,781	9,335,231

Variation between quarters are normal given the nature of the Group's business activities which allows recognition of revenue and profit from Property and Construction projects based on cost incurred. Anomalies of quarter to quarter variance is normalised over the 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 mitigate uncertainties surrounding the economy both local and international.

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 projects.

The Construction Division is expected to contribute slightly lower revenue and profit until its order book is sufficiently replenished. The Division is in line to secure new jobs to add to its construction order book. The Division will also continue to benefit from construction works generated by the Group's Property Division.

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 the year after the completion of the restoration and refurbishment of the golf course.

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 30 June 2013.

## 21. Income Tax Expense

	6 months ended 30 June 2013 RM	6 months ended 30 June 2012 RM
Malaysian income tax	<b>3,591,932</b>	4,540,575

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 30 June 2013 were as follows:

	Short-term RM	Long-term RM
Term loans	15,000,000	305,603,600
Revolving credit	15,500,000	-
Hire purchase	1,081,627	1,558,786
<b>TOTAL</b>	<b>31,581,627</b>	<b>307,162,386</b>

## 24. Material Litigation

### a) Heng Ghee Timber

Trial for the case commenced on 15 April 2013. The Plaintiff upon commencement of the Trial had withdrawn its claim for the first contract against the Company totaling RM17,475,643.50. The Plaintiff is now only pursuing with the claim for the second contract amounting RM 4,956,945.00.

Trial scheduled for 3 and 4 July 2013 has continued with defendant's case and the Court further fixed for 11 and 12 September 2013 for continued hearing.

**b) Bongsu Jaya (K) Sdn Bhd**

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.

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

A first and final single tier dividend of 7 sen per ordinary share for the financial year ended 31 December 2012 amounting to RM5,097,110 was approved by the shareholders during Annual General Meeting on 23 May 2013 and paid on 11 July 2013.

## 26. Earnings Per Share

**a. Basic earnings per share**

	<b>3 months ended 30.06.2013 RM</b>	<b>6 months ended 30.06.2013 RM</b>
Profit attributable to owners of the Parent	3,712,950	10,688,348
Weighted average number of ordinary shares in issue	72,815,856	72,815,856
Basic earnings per share (sen)	5.10	14.68

**b. Diluted earnings per share**

Not applicable.

## 27. Disclosure of Realised and Unrealised Retained Earnings

	<b>As at 30 June 2013 RM'000</b>	<b>As at 31 December 2012 RM'000</b>
<b>Total retained earnings of the Company and subsidiaries:</b>		
-Realised	168,556	156,009
-Unrealised	1,428	3,286
<b>Total retained earnings</b>	<b>169,984</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 25<sup>th</sup> August 2013.