



INTERIM FINANCIAL STATEMENTS

*- For The First Quarter Ended
31st March 2014 -*

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH ENDED 31 MARCH 2014**

(The figures have not been audited)

	Note	3 months ended 31 March	
		2014 RM	2013 RM
Continuing Operations			
Revenue	9	67,611,341	76,147,978
Cost of sales		(57,463,680)	(63,530,897)
Gross profit		10,147,661	12,617,081
Other income	10	7,168,774	1,228,758
Marketing and distribution expenses		(299,495)	(457,741)
Administrative expenses		(4,000,759)	(3,579,484)
Result from operating activities		13,016,181	9,808,614
Finance costs	10	(5,930,962)	(473,383)
Profit before taxation	10	7,085,219	9,335,231
Income tax expense	21	(1,909,052)	(2,361,341)
Total comprehensive income for the period	9	5,176,167	6,973,890
Attributable to:			
Owners of the parent		5,176,751	6,975,398
Minority interests		(584)	(1,508)
Total comprehensive income attributable to equity holders of the parent		5,176,167	6,973,890
Earnings per share attributable to equity holders of the parent:			
Basic (sen)	26	7.11	9.58

Notes:

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014
(The figures have not been audited)**

	Note	31.03.2014 RM	31.12.2013 RM
Assets			
Non-current assets			
Property, plant and equipment	12	62,436,889	62,924,220
Land held for property development		95,557,362	98,248,821
Interest in unincorporated joint venture		449,802	449,802
Investment securities		5,421,252	5,381,811
Trade and other receivables		266,318,691	253,967,412
Deferred tax assets		739,536	727,263
		<u>430,923,532</u>	<u>421,699,329</u>
Current assets			
Property development costs		49,016,550	76,411,044
Inventories		14,072,444	16,452,303
Trade and other receivables		155,607,882	188,614,955
Tax recoverable		429,496	592,092
Cash and bank balances		111,166,946	101,588,643
		<u>330,293,318</u>	<u>383,659,037</u>
Total assets		<u>761,216,850</u>	<u>805,358,366</u>
Equity and Liabilities			
Current liabilities			
Income tax payable		1,778,302	1,933,744
Loans and borrowings	23,	48,490,616	25,111,453
Trade and other payables		140,200,432	185,128,606
Dividend payable		15,316	15,540
		<u>190,484,666</u>	<u>212,189,343</u>
Non-current liabilities			
Deferred tax liabilities		2,002,465	1,790,350
Loans and borrowings	23	290,252,374	318,080,971
		<u>292,254,839</u>	<u>319,871,321</u>
Total liabilities		<u>482,739,505</u>	<u>532,060,664</u>
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		180,518,182	175,341,431
		<u>270,406,453</u>	<u>265,229,702</u>
Non-controlling interests		8,070,892	8,068,000
Total equity		<u>278,477,345</u>	<u>273,297,702</u>
Total equity and liabilities		<u>761,216,850</u>	<u>805,358,366</u>

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.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH ENDED 31 MARCH 2014
(The figures have not been audited)**

	-----Attributable to owners of the parent----->							Non- controlling interests RM	Total equity RM
	<-----Non-distributable----->			Distributable					
	Share capital RM	Share premium RM	Foreign currency translation reserves RM	Total RM	Retained earnings RM	Total RM			
As 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	-	-	-	-	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>17,072,415</u>	<u>166,270,672</u>	<u>256,158,943</u>	<u>8,080,988</u>	<u>264,239,931</u>	
As at 1 January 2014	72,815,856	17,062,137	10,278	17,072,415	175,341,431	265,229,702	8,068,000	273,297,702	
Total comprehensive income	-	-	-	-	5,176,751	5,176,751	2,892	5,179,643	
As at 31 March 2014	<u>72,815,856</u>	<u>17,062,137</u>	<u>10,278</u>	<u>17,072,415</u>	<u>180,518,182</u>	<u>270,406,453</u>	<u>8,070,892</u>	<u>278,477,345</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 2013 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE THREE-MONTH ENDED 31 MARCH 2014**
(The figures have not been audited)

	Cumulative Quarter	
	Current Year Ended 31-Mar-14 RM	Preceding Year Ended 31-Mar-13 RM
Cash flows from operating activities		
Profit before taxation	7,085,219	9,335,231
Adjustments for:		
Non-cash items	1,098,208	1,215,900
Non operating items	(700,197)	1,770,974
Operating profit before working capital changes	7,483,230	12,322,105
Decrease / (increase) in land held for development and property development costs	30,086,199	6,145,634
Decrease / (increase) in Trade and other receivables	(345,646)	(33,336,754)
Decrease / (increase) in inventories	2,379,860	(87,528)
Increase / (decrease) in Trade and other payables	(23,327,183)	111,671
Cash generated from / (used in) operations	16,276,460	(14,844,872)
Interest paid	(5,812,370)	(2,530,403)
Taxes paid	(2,265,227)	(2,775,850)
Net cash generated from / (used in) operating activities	8,198,863	(20,151,125)
Cash flows from investing activities		
Purchase of property, plant and equipment	(758,468)	(2,751,104)
Proceeds from disposal of property, plant and equipment	75,000	1,629
Proceeds from disposal of investment	-	463,350
Profit from Islamic deposits	393,585	418,268
Dividend received	460	15,265
Interest received	7,272	325,896
Unwinding of discount on non-current receivables	6,111,250	-
Net cash generated from / (used in) investing activities	5,829,099	(1,526,696)
Cash flows from financing activities		
Dividends paid to shareholders of the Company	(224)	(7,365)
Drawdown of term loan	5,855,800	8,721,900
Repayment of borrowings	(10,360,153)	(7,152,787)
Placement/(withdrawal) of pledged deposit	(72,923)	(20,000)
Net changes in finance lease creditors	(55,064)	1,314,343
Net cash generated from / (used in) financing activities	(4,632,564)	2,856,091
Net increase / (decrease) in cash and cash equivalents	9,395,398	(18,821,730)
Cash and cash equivalents at beginning of the period	83,888,333	105,615,760
Cash and cash equivalents at end of the period	93,283,731	86,794,030
Cash and cash equivalents comprise of the followings:		
Cash and bank balances	64,689,949	30,974,140
Fixed deposit	46,476,997	59,960,594
Overdraft	(109,982)	(1,806,131)
	111,056,964	89,128,603
Less: Deposits pledged	(17,773,233)	(2,334,573)
	93,283,731	86,794,030

Notes:

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.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER AND YEAR TO DATE ENDED 31st MARCH 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 adopt MFRS to annual periods beginning on 1 January 2015. 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.

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	Investment Holding RM	Adjustment/ Elimination RM	Consolidated RM
3 months ended -31 March 2014							
Revenue							
External Sales	30,699,906	21,865,199	13,140,964	1,179,397	725,875	-	67,611,341
Inter-segment sales	32,843	767,810	9,021,422	317,064	198,000	(10,337,139)	-
Total revenue	<u>30,732,749</u>	<u>22,633,009</u>	<u>22,162,386</u>	<u>1,496,461</u>	<u>923,875</u>	<u>(10,337,139)</u>	<u>67,611,341</u>
Results							
Segment result	4,925,938	1,243,528	7,633,338	(92,905)	(677,569)	(2,885,164)	10,147,166
Unallocated corporate expenses							(4,299,759)
Unallocated corporate income							7,168,774
Finance costs							(5,930,962)
Income tax expense							(1,909,052)
Profit for the period							<u>5,176,167</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 March	
	2014 RM	2013 RM
Interest income	(6,588,401)	(549,185)
Other income including investment income	(580,373)	(679,573)
Depreciation and amortization:		
-property, plant and equipment	1,135,150	1,130,875
Gain on disposal of:		
-property, plant and equipment	(74,997)	(1,602)
(Reversal of) / allowance of impairment:		
-trade receivables	(58,989)	(343,573)
Interest expense	5,930,962	473,383

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 a subsidiary and long term investment, restructuring and discontinued operation.

12. Property, Plant and Equipment

The Group acquired property, plant and equipment worth RM758,468 during the quarter under review.

Asset with a carrying amount of RM3 were disposed of by the Group during the three months ended 31 March 2014 (31 March 2013 : RM27), resulting in a gain on disposal of RM74,997 (31 March 2013 : RM1,602), 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	2,585,639
Approved but not contracted for	<u>7,263,806</u>

14. Changes in Contingent Liabilities

There were no major changes in contingent liabilities since the last financial year ended 31 December 2013.

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

	3 months ended 31.03.2014 RM
Progress billings charged to the ultimate holding corporation	341,677
Rental of quarry land to ultimate holding corporation	50,000
Tributes charges by the ultimate holding corporation	23,273
Sales to related company, Seri Temin Development Corporation(M) Sdn. Bhd.	643,285
Estate agency fee charges by a related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.	52,237
Revenue from oil palm from related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.	123,545
Property Management paid to a related company, Darulaman Asset Sdn. Bhd	23,389
Insurance paid to a related company, KSDC Insurance Brokers Sdn. Bhd.	505,878
	<u>1,763,284</u>

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 2014, the Group recorded revenue of RM67.6 million. The revenue decreased by RM8.5 million or 11% compared to RM76.1 million achieved in the same corresponding period of last year. Similarly, the Group profit before tax of RM7.1 million was lower by 24% compared to the same corresponding period of last year.

Lower revenue and profit for the quarter was mainly due to lower contribution from external construction projects and higher operational cost for Road and Quarry Division.

Performance of the operating business segments for the quarter ended 31 March 2014 as compared to the previous year corresponding quarter are as follows:

i) Road and Quarry Division

This Division contributed RM21.9 million to Group revenue compared to RM 12.9 million previously, an increase of 70%. Profit contribution however decreased from RM1.7 million to RM1.2 million mainly due to higher operational costs for quarry operation.

ii) Construction Division

The Construction Division provided RM13.1 million to Group revenue compared to RM27.9 million previously. Profit contribution decreased by 49% from RM4.0 million to RM1.7 million mainly due to the lower revenue from external projects.

iii) Property Division

The Property Division contributed slightly lower revenue of RM30.7 million compared to RM33.9 million previously. Profit contribution remain stable as previous year at RM4.9 million due to the good 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 lower losses of RM0.1 million mainly due to higher contribution from golfing and recreational activities, hotel's food and beverage segment.

18. Variation of Results Against Preceding Quarter

	Current quarter ended 31 March 2014 RM	Preceding quarter ended 31 December 2013 RM
Revenue	67,611,341	91,853,231
Profit Before Taxation	7,085,219	4,569,200

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 record respectable performance for the current financial year since the Group has sufficient land bank and projects in hand to mitigate uncertainties surrounding the economy.

Profit contribution from Road and Quarry Division is expected to remain stable based on the demand for quarry products and the progress of on-going road 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 that will enable the Division to continue to be a key contributor to the Group.

The Property market in the north is resilient and demand in Kedah remains strong. 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 schemes in its existing townships development including Darulaman Perdana in Sungai Petani, Kedah.

The Golf and Hotel Division is expected to register improved performance in the current year. The Division will continue to focus on quality of service which is the trademark of service industry and will ensure members' satisfaction.

Barring unforeseen circumstances such as sharp increase in oil and commodities prices, skilled labour shortage, 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 respectable performance in 2014.

20. Variance from Profit Forecast or Profit Guarantee

Not applicable for the financial period ended 31 March 2014.

21. Income Tax Expense

	3 months ended 31 March 2014 RM	3 months ended 31 March 2013 RM
Malaysian income tax	1,909,052	2,361,341

The Group's effective tax rate for the current period is approximately 26%. The higher rate was due to certain expenses not being deductible for tax purposes.

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 2014 were as follows:

	Short-term RM	Long-term RM
Term loans	47,226,379	289,363,404
Hire Purchase	1,154,255	888,970
Bank overdraft	109,982	-
TOTAL	48,490,616	290,252,374

24. Material Litigation

There is no pending material litigation since the last annual balance sheet date of 31 December 2013.

25. Dividends Payable

A first and final single tier dividend of 7 sen per ordinary share for the financial year ended 31 December 2013 amounting to RM5,097,110 was approved by the shareholders during Annual General Meeting on 6 April 2014 and payable on 20 May 2014.

26. Earnings Per Share

a. Basic earnings per share

	3 months ended 31.03.2014 RM	3 months ended 31.03.2013 RM
Profit attributable to owners of the Parent	5,176,751	6,975,398
Weighted average number of ordinary shares in issue	72,815,856	72,815,856
Basic earnings per share (sen)	7.11	9.58

b. Diluted earnings per share

Not applicable.

27. Disclosure of Realised and Unrealised Retained Earnings

	As at 31 March 2014 RM'000	As at 31 December 2013 RM'000
Total retained earnings of the Company and subsidiaries:		
-Realised	179,821	173,144
-Unrealised	697	2,197
Total retained earnings	180,518	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 18 May 2014.