BINA
DARULAMAN
BERHAD

INTERIM FINANCIAL STATEMENTS

- For The Fourth Quarter and Year Ended 31st December 2014 -

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2014
(The figures have not been audited)

	Note	3 months ended 31 December 2014 RM	3 months ended 31 December 2013 RM	12 months ended 31 December 2014 RM	12 months ended 31 December 2013 RM
Continuing Operations					
Revenue	9	139,900,986	91,853,231	328,878,785	281,002,192
Cost of sales		(111,472,168)	(82,412,720)	(266,543,748)	(237,219,728)
Gross profit		28,428,818	9,440,511	62,335,037	43,782,464
Other income	10	7,635,670	32,622,472	28,721,048	36,336,288
Marketing and distribution expenses		(3,285,455)	(371,511)	(6,690,550)	(1,245,787)
Administrative expenses		(8,698,717)	(10,772,525)	(22,657,725)	(21,944,213)
Other expenses		(10,054,392)	(12,142,743)	(10,074,927)	(12,143,467)
Share of (losses)/profit of jointly control entity		(2,503)	(1,405)	(2,503)	(1,405)
Result from operating activities	9	14,023,421	18,774,799	51,630,380	44,783,880
Finance costs	10	(3,069,092)	(14,205,599)	(17,767,903)	(15,469,065)
Profit before taxation	10	10,954,329	4,569,200	33,862,477	29,314,815
Income tax expense	21	(3,241,109)	(1,874,724)	(9,655,390)	(8,175,024)
Total comprehensive income for the period		7,713,220	2,694,476	24,207,087	21,139,791
Attributable to:					
Owners of the parent		7,714,184	2,696,684	24,214,525	21,143,267
Minority interests		(964)	(2,208)	(7,438)	(3,476)
Total comprehensive income attributable to equity holders of the parent		7,713,220	2,694,476	24,207,087	21,139,791
Earnings per share attributable to equity holders of the parent:					
Basic (sen)	26	10.59	3.70	33.24	29.03

The condensed consolidated statement of comprehensive income 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.

BINA DARULAMAN BERHAD

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

	Note	31.12.2014 RM	31.12.2013 RM
Assets			
Non-current assets			
Property, plant and equipment	12	64,087,340	62,924,220
Land held for property development		277,011,663	98,248,821
Interest in unincorporated joint venture		-	449,802
Investment securities		2,546,837	5,381,811
Deferred tax assets		352,971	727,263
Trade and other receivables		272,010,654	253,967,412
		616,009,465	421,699,329
Current assets			
Property development costs		40,364,491	76,411,044
Inventories		21,567,249	16,452,303
Trade and other receivables		200,300,868	188,614,955
Tax recoverable		970,992	592,092
Cash and bank balances		92,300,297	101,588,643
		355,503,897	383,659,037
Total assets		971,513,362	805,358,366
Equity and Liabilities			
Current liabilities			
Loans and borrowings	23	41,933,624	25,111,453
Trade and other payables		364,801,450	185,128,606
Income tax payable		2,180,464	1,933,744
Dividend payable		15,506	15,540
		408,931,044	212,189,343
Non-current liabilities			
Loans and borrowings	23	269,505,909	318,080,971
Deferred tax liabilities		679,008	1,790,350
		270,184,917	319,871,321
Total liabilities		679,115,961	532,060,664
Equity attributable to owners of the parent			
Share capital		72,815,856	72,815,856
Other reserves		17,062,137	17,072,415
Retained earnings		194,458,846	175,341,431
		284,336,839	265,229,702
Non-controlling interests		8,060,562	8,068,000
Total equity		292,397,401	273,297,702
Total equity and liabilities		971,513,362	805,358,366

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.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2014
(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 2013	72,815,856	17,062,137	10,278	159,295,274	249,183,545	8,071,476	257,255,021
Dividend paid	-	-	-	(5,097,110)	(5,097,110)	-	(5,097,110)
Total comprehensive income	-	-	-	21,143,267	21,143,267	(3,476)	21,139,791
As at 31 December 2013	72,815,856	17,062,137	10,278	175,341,431	265,229,702	8,068,000	273,297,702
As at 1 January 2014	72,815,856	17,062,137	10,278	175,341,431	265,229,702	8,068,000	273,297,702
Dividend paid	-	-	-	(5,097,110)	(5,097,110)	-	(5,097,110)
Total comprehensive income	-	-	-	24,214,525	24,214,525	(7,438)	24,207,087
Dissolution of a foreign subsidiary	-	-	(10,278)	-	(10,278)	-	(10,278)
As at 31 December 2014	72,815,856	17,062,137	-	194,458,846	284,336,839	8,060,562	292,397,401

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.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2014
(The figures have not been audited)

	Cumulative Quarter	
	Current Year Ended 31-Dec-14 RM	Preceding Year Ended 31-Dec-13 RM
Cash flows from operating activities		
Profit before taxation	33,862,477	29,314,815
Adjustments for :		
Non-cash items	5,274,563	4,679,871
Non operating items	(8,481,836)	(4,383,160)
Operating profit before working capital changes	30,655,204	29,611,526
Decrease / (increase) in land held for development and property development costs	(176,436,297)	(22,968,104)
Decrease / (increase) in Trade and other receivables	14,497,248	(57,488,468)
Decrease / (increase) in inventories	(2,919,945)	(7,223,389)
Increase / (decrease) in Trade and other payables	161,285,574	20,453,382
Cash generated from/ (used in) operations	27,081,784	(37,615,053)
Interest paid	(17,251,280)	(15,469,065)
Taxes paid	(11,220,805)	(9,181,687)
Net cash generated from / (used in) operating activities	(1,390,301)	(62,265,805)
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,347,457)	(3,277,959)
Proceeds from disposal of property, plant and equipment	312,183	41,239
Purchase of other investment	-	(171,186)
Proceeds from disposal of investment	30,670	663,960
Interest received	333,242	495,344
Dividend received	6,392	21,811
Unwinding of discount on non-current receivables	23,861,226	25,367,137
Profits from Islamic deposits	1,532,256	2,580,252
Net cash generated from / (used in) investing activities	19,728,512	25,720,598
Cash flows from financing activities		
Dividends paid to shareholders of the Company	(5,097,145)	(5,098,282)
Drawdown of term loan	5,855,800	37,918,125
Government grant received	390,000	232,800
Drawdown of revolving credit	14,000,000	9,000,000
Repayment of borrowings	(41,834,493)	(18,419,575)
Net changes in finance lease creditors	(940,722)	(979,123)
Placement / (withdrawal) of pledged deposits	(3,361,810)	(7,836,165)
Net cash generated from / (used in) financing activities	(30,988,370)	14,817,780
Net increase / (decrease) in cash and cash equivalents	(12,650,159)	(21,727,427)
Cash and cash equivalents at beginning of the period	83,888,333	105,615,760
Cash and cash equivalents at end of the period	71,238,174	83,888,333
Cash and cash equivalents comprise of the followings:		
Cash and bank balances	67,505,945	53,737,438
Short term deposit with licensed bank	24,794,352	47,851,205
Bank overdraft	-	-
	92,300,297	101,588,643
Less: Deposits pledged	(21,062,123)	(17,700,310)
	71,238,174	83,888,333

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 ENDED 31 DECEMBER 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 2017.

The Group which falls under the scope definition of Transitioning Entities has opted to defer the adoption of MFRS as allowed. When the Group presents its first MFRS financial statements in 1 January 2017, 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 and year to-date.

5. Changes in Estimates

There were no changes in estimates of amounts previously reported that have had a material effect in the current quarter and financial year to-date.

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.

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9. Segmental Information

	Property Development RM	Road and Quarry RM	Construction RM	Golf and Hotel RM	Investment Holding RM	Adjustment/ Elimination RM	Consolidated RM
12 months ended -31 December 2014							
Revenue							
External sales	166,133,495	85,000,812	70,761,096	4,995,860	1,987,522	-	328,878,785
Inter-segment sales	131,370	12,700,988	46,797,632	1,633,972	20,892,000	(82,155,962)	-
Total revenue	166,264,865	97,701,800	117,558,728	6,629,832	22,879,522	(82,155,962)	328,878,785
Results							
Segment result	29,378,665	20,851,784	9,187,823	1,614,443	21,988,329	(20,686,007)	62,335,037
Unallocated corporate expenses							(39,425,705)
Unallocated corporate income							28,721,048
Finance costs							(17,767,903)
Income tax expense							(9,655,390)
Profit for the period							24,207,087
3 months ended -31 December 2014							
Revenue							
External sales	88,681,350	24,609,288	25,032,350	1,273,649	304,349	-	139,900,986
Inter-segment sales	32,838	6,673,370	18,923,873	738,646	8,198,000	(34,566,727)	-
Total revenue	88,714,188	31,282,658	43,956,223	2,012,295	8,502,349	(34,566,727)	139,900,986
Results							
Segment result	16,100,675	9,071,523	2,765,336	231,606	8,427,595	(8,167,917)	28,428,818
Unallocated corporate expenses							(22,041,067)
Unallocated corporate income							7,635,670
Finance cost							(3,069,092)
Income tax expense							(3,241,109)
Profit for the period							7,713,220

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 Dec		12 months ended 31 Dec	
	2014 RM	2013 RM	2014 RM	2013 RM
Interest income	(6,227,736)	(31,664,563)	(25,771,710)	(27,571,239)
Other income including investment income	(1,407,933)	(957,909)	(2,949,338)	(8,765,049)
Depreciation and amortization:				
-property, plant and equipment	1,211,039	1,272,107	4,450,254	4,823,251
Property, plant and equipment written off	-	1,437	6	1,438
Gain on disposal of:				
-property, plant and equipment	(165,412)	(165)	(184,049)	(38,832)
(Reversal of) / allowance of impairment:				
-trade receivables	6,199,839	(1,436,586)	5,995,839	(2,005,700)
Interest expense	3,069,092	14,205,599	17,767,903	15,469,065

11. Changes in Composition of the Group

One of the subsidiaries namely PT Darulaman, had been dissolved according to the Company Law of the Republic of Indonesia on 7 July 2014.

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 subsidiary and long-term investment, restructuring and discontinuing operation.

12. Property, Plant and Equipment

The Group acquired property, plant and equipment worth RM6,442,358 during the period under review.

Assets with carrying amount of RM115,231 were disposed of by the Group during the year ended 31 December 2014, resulting in a gain on disposal of RM184,049 (31 December 2013 : RM38,832), recognized and included in Other Income in the Statement of Comprehensive Income.

There were no impairment nor reversal of such impairment during the current year.

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 and equipment not provided for in the interim financial statements as at 31 December 2014 are as follows:

	RM
Approved and contracted for	4,900,131
Approved but not contracted for	1,560,272

14. Changes in Contingent Liabilities

As at 31 December 2014, the Group does not have any contingent liabilities.

15. Material Subsequent Events to the Reporting Period

a) Multiple proposals:

i. Proposed acquisition of approximately 1,154.8 acres (467.4 hectares) of land located in Kedah Darulaman, for a total consideration of RM202 million ("Proposed Acquisition");

ii. Proposed renounceable rights issue of new ordinary shares of RM1.00 each in BDB ("BDB shares") to raise gross proceeds of up to RM95 million, together with a bonus issue of new BDB shares;

iii. Proposed increase in authorised share capital from RM100,000,000 comprising 100,000,000 BDB shares to RM400,000,000 comprising 400,000,000 BDB shares ("Proposed IASC"); and

iv. Proposed amendment to Memorandum and Articles of Association ("Proposed M&A amendment").

The Rights Issue, the increase in authorise share capital and the amendment to Memorandum and Articles of Association have been completed following the listing and quotation of the shares on the Main Market of Bursa Malaysia on 20 January 2015.

The completion of land acquisition is pending full settlement of the cash consideration and transfer of titles.

b) Acquisition of a wholly-owned subsidiary

On 25 January 2015, the Company acquired the entire issued and paid up share capital of Aman Lagenda Sdn Bhd (ALSB) for a total consideration of RM2.00. The intended principal business activities of ALSB are real estate management and property development.

There were no other 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

	12 months ended 31.12.2014 RM
Progress billings charged to the ultimate holding corporation	5,186,021
Rental of quarry land to the ultimate holding corporation	50,000
Tributes charged by the holding corporation	163,062
Estate agency fee charged by a related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.	229,732
Revenue from oil palm from a related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.	2,514,004
Progress billings charged to a related company, KTPC Construction Sdn. Bhd.	1,483,773
Insurance paid to a related company, KSDC Insurance Brokers Sdn. Bhd.	1,454,306
Property Management paid to a related company, Darulaman Aset Sdn. Bhd.	89,444
	11,170,342

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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 fourth quarter ended 31 December 2014, the Group recorded revenue of RM139.9 million. The revenue increased by 52% as compared to RM91.8 million posted in the same corresponding quarter of last year. The Group profit before tax of RM10.9 million is higher by RM6.3 million compared to RM4.5 million achieved in the same corresponding period of last year.

Higher revenue and profit for the quarter ended 31 December 2014 was mainly due to higher contribution from Property Division upon recognition of en-bloc sale of residential properties and sale of land under joint development arrangement.

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

i) Road and Quarry Division
This Division contributed RM24.6 million to Group revenue compared to RM41.6 million previously, a decrease of 41% due to lower demand for quarry products. Despite lower revenue, contribution to profit rose to RM9.0 million due to cost savings from completed road pavement projects during the year.

ii) Construction Division
The Construction Division recorded higher revenue of RM25.0 million compared to RM19.2 million previously. Contribution to Group profit also increased from RM2.1 million to RM2.7 million for the quarter due to better margins from on-going projects.

iii) Property Division
The Property Division contributed RM88.7 million to Group revenue compared to RM28.7 million previously. Similarly, profit for the quarter rose from RM4.2 million to RM16.1 million mainly due higher take up rates of properties in Bandar Darulaman, Jitra and Darulaman Utama, Kuala Ketil. During the quarter, Property Division recognized en-bloc sale of 323 units of residential properties at Darulaman Utama which significantly contributed to its revenue and profit.

iv) Golf and Hotel Division
Golf and Hotel Division, our non-core business, recorded slightly lower revenue for the period. The Division posted a loss compared to profit last year mainly due to higher operational costs.

b) Current financial year against the previous year

For the current financial year, the Group recorded revenue of RM328.9 million compared to RM281.0 million recorded in the same corresponding period of last year representing an increase of 17%. Similarly, Group profit before tax increased 15% from RM29.3 million to RM33.9 million this year.

Road and Quarry Division recorded lower revenue compared to the previous year mainly due to lower contribution from road pavement projects. Despite lower revenue, contribution to operational profit rose to RM20.9 million due to cost savings from completed road pavement projects.

The Construction Division contributed lower revenue and profit for the year due to lower progress billings for external projects.

The Property Division was the biggest contributor to Group revenue and profit due to the higher contribution of property projects in Bandar Darulaman, Jitra and Darulaman Utama, Kuala Ketil. En-bloc sale of 323 units of residential properties at Darulaman Utama Kuala Ketil and the recognition of sale of land under joint development arrangement contributed significantly to revenue and profit.

Golf and Hotel Division recorded lower revenue and posted losses for the year mainly due to lower golfing activities and higher operational costs.

18. Variation of Results Against Preceding Quarter

	Current quarter ended 31 December 2014 RM	Preceding quarter ended 30 September 2014 RM
Revenue	**139,900,986**	**61,340,518**
Profit Before Taxation	**10,954,329**	**7,184,646**

In comparison with the preceding quarter, revenue rose more than 100% and Profit before tax rose 52% mainly due to higher contribution from Property Division.

19. Prospects for the next financial year

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 provide sustainable revenue.

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 pavement 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 and the Division is awaiting Letter of Awards to commence a few construction projects.

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 has re-launched new property schemes in Darulaman Perdana in Sungai Petani, Kedah with new concepts and re-branding, while new products in other township will be launched as scheduled.

The Golf and Hotel Division is expected to register reasonable performance in the next financial year. The Division will continue to focus on the promotions for Food and Beverage outlets, hotel room occupancy, golf activities as well as quality of service which is the trademark of service industry.

Barring unforeseen circumstances such as sharp increase in oil and commodities prices, skilled labour shortage, a further 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 2015.

20. Variance from Profit Forecast or Profit Guarantee

Not applicable for the financial period ended 31 December 2014.

21. Income Tax Expense

	12 months ended 31 December 2014 RM	12 months ended 31 December 2013 RM
Malaysian income tax	**9,655,390**	8,175,024

The Group's effective tax rate for the current year is approximately 29%. The higher rate was due to certain expenses not being deductible for tax purposes and losses by certain subsidiaries not available to set-off with the profit during the year.

22. Status of Corporate Proposals

In conjunction to the status of multiple corporate proposal issued on 31 October 2014, the Rights Issue, the Increase in Authorise Share Capital (IASC) and the Memorandum and Articles of Association (M&A) Amendment have been completed following the listing of and quotation for 72,815,856 Right Shares, 72,815,856 Bonus Shares and 27,037,038 Consideration Shares on the Main Market of Bursa Securities on 20 January 2015.

The completion of the land Acquisition is pending the full settlement of the Consideration Cash.

23. Group borrowings and Debt Securities

Total loans and borrowings as at 31 December 2014 were as follows:

	Short-term RM	Long-term RM
Term loans	26,976,379	269,171,503
Revolving credit	14,000,000	-
Hire purchase	957,245	334,406
TOTAL	**41,933,624**	**269,505,909**

24. Material Litigation

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

25. Dividends Payable

No interim dividend has been declared during the quarter ended 31 December 2014.

26. Earnings Per Share

a. Basic earnings per share

	3 months ended 31.12.2014 RM	12 months ended 31.12.2014 RM
Profit attributable to owners of the Parent	7,714,184	24,214,525
Weighted average number of ordinary shares in issue	72,815,856	72,815,856
Basic earnings per share (sen)	10.59	33.24

b. Diluted earnings per share

Not applicable.

27. Disclosure of Realised and Unrealised Retained Earnings

	As at 31 December 2014 RM'000	As at 31 December 2013 RM'000
Total retained earnings of the Company and subsidiaries:		
-Realised	193,762	173,144
-Unrealised	697	2,197
Total retained earnings	194,459	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 26th February 2015.