



INTERIM FINANCIAL STATEMENTS

*- For The Quarter and Period of Nine Months
Ended 30th September 2015 -*

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2015**
(The figures have not been audited)

	Note	3 months ended 30 September		9 months ended 30 September	
		2015 RM	2014 RM	2015 RM	2014 RM
Continuing Operations					
Revenue	9	43,845,441	61,340,518	137,460,528	188,977,799
Cost of sales		<u>(32,334,879)</u>	<u>(49,679,091)</u>	<u>(102,991,822)</u>	<u>(155,071,580)</u>
Gross profit	9	11,510,562	11,661,427	34,468,706	33,906,219
Distribution expenses		(4,496,833)	(2,281,229)	(8,619,295)	(3,405,095)
Administrative expenses		(6,094,324)	(4,731,824)	(21,490,380)	(13,959,008)
Other operating income	10	3,173,743	1,005,309	5,625,828	3,041,658
Other operating expenses		<u>2,754</u>	<u>(7,325)</u>	<u>(3,219)</u>	<u>(20,535)</u>
Result from operating activities	9	4,095,902	5,646,358	9,981,640	19,563,239
Unwinding of discount on non-current receivables		5,506,558	5,917,284	16,834,554	18,043,720
Finance costs	10	<u>(4,288,129)</u>	<u>(4,378,996)</u>	<u>(12,984,130)</u>	<u>(14,698,811)</u>
Profit before taxation	10	5,314,331	7,184,646	13,832,064	22,908,148
Tax expense	21	<u>(1,648,517)</u>	<u>(1,704,628)</u>	<u>(4,033,482)</u>	<u>(6,414,281)</u>
Profit and total comprehensive income for the period		<u><u>3,665,814</u></u>	<u><u>5,480,018</u></u>	<u><u>9,798,582</u></u>	<u><u>16,493,867</u></u>
Profit and total comprehensive income for the period attributable to:					
Owners of the Company		3,668,840	5,483,667	9,801,608	16,500,341
Non-controlling interests		(3,026)	(3,649)	(3,026)	(6,474)
Profit and total comprehensive income for the period		<u><u>3,665,814</u></u>	<u><u>5,480,018</u></u>	<u><u>9,798,582</u></u>	<u><u>16,493,867</u></u>
Basic earnings per ordinary share(sen)	26	1.21	7.53	3.22	22.65

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2015
(The figures have not been audited)**

	Note	30.09.2015 RM	31.12.2014 RM
Assets			
Non-current assets			
Property, plant and equipment	12	68,235,844	64,087,340
Land held for property development		281,373,400	277,011,663
Investment securities		15,887,685	2,546,837
Trade and other receivables		266,000,115	286,521,531
Deferred tax assets		304,873	304,870
		<u>631,801,917</u>	<u>630,472,241</u>
Current assets			
Property development costs		23,532,613	40,364,491
Inventories		20,275,398	21,567,249
Trade and other receivables		145,481,454	173,989,403
Tax recoverable		5,916,831	972,289
Cash and bank balances		88,795,154	92,300,297
		<u>284,001,450</u>	<u>329,193,729</u>
Total assets		<u><u>915,803,367</u></u>	<u><u>959,665,970</u></u>
Equity and Liabilities			
Current liabilities			
Income tax payable		227,877	2,180,466
Loans and borrowings	23	28,534,690	41,933,624
Trade and other payables		139,161,263	353,000,864
Dividend payable		15,505	15,506
		<u>167,939,335</u>	<u>397,130,460</u>
Non-current liabilities			
Deferred tax liabilities		679,008	679,008
Loans and borrowings	23	250,492,975	269,505,909
		<u>251,171,983</u>	<u>270,184,917</u>
Total liabilities		<u><u>419,111,318</u></u>	<u><u>667,315,377</u></u>
Equity attributable to owners of the parent			
Share capital		303,854,977	72,815,856
Other reserves		25,116,323	17,062,137
Retained earnings		159,660,515	194,412,038
		<u>488,631,815</u>	<u>284,290,031</u>
Non-controlling interests		8,060,234	8,060,562
Total equity		<u><u>496,692,049</u></u>	<u><u>292,350,593</u></u>
Total equity and liabilities		<u><u>915,803,367</u></u>	<u><u>959,665,970</u></u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2015**
(The figures have not been audited)

	-----Attributable to owners of the parent----->							Total equity RM
	<---Non-distributable--->			Distributable		Non- controlling interests RM		
	Share capital RM	Share premium RM	Foreign currency translation reserves RM	Total RM	Retained earnings RM		Total RM	
As at 1 January 2014	72,815,856	17,062,137	10,278	89,888,271	175,341,431	265,229,702	8,068,000	273,297,702
Total comprehensive income	-	-	-	-	16,500,341	16,500,341	(3,284)	16,497,057
Dividend paid					(5,097,110)	(5,097,110)	-	(5,097,110)
As at September 2014	<u>72,815,856</u>	<u>17,062,137</u>	<u>10,278</u>	<u>17,072,415</u>	<u>186,744,662</u>	<u>276,632,933</u>	<u>8,064,716</u>	<u>284,697,649</u>
As at 1 January 2015	72,815,856	17,062,137	-	17,062,137	194,412,037	284,290,030	8,060,562	292,350,592
Issuance of new ordinary shares	231,039,121	12,547,534		243,586,655	(34,152,631)	209,434,024	-	209,434,024
Share issuance expenses	-	(4,493,348)	-	(4,493,348)	-	(4,493,348)	-	(4,493,348)
Total comprehensive income	-	-	-	-	9,801,608	9,801,608	(328)	9,801,280
Dividend paid	-	-	-	-	(10,400,499)	(10,400,499)	-	(10,400,499)
As at 30 September 2015	<u>303,854,977</u>	<u>25,116,323</u>	<u>-</u>	<u>25,116,323</u>	<u>159,660,515</u>	<u>488,631,815</u>	<u>8,060,234</u>	<u>496,692,049</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 2014 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE NINE-MONTH ENDED 30 SEPTEMBER 2015
(The figures have not been audited)**

	Cumulative Quarter	
	Current Year Ended 30-Sep-15 RM	Preceding Year Ended 30-Sep-14 RM
Cash flows from operating activities		
Profit before taxation	13,832,064	22,908,148
Adjustments for:		
Non-cash items	3,692,757	3,503,472
Non operating items	<u>(5,629,719)</u>	<u>(5,216,920)</u>
Operating profit before working capital changes	11,895,102	21,194,700
Decrease / (increase) in land held for development and property development costs	(8,573,944)	5,580,313
Decrease / (increase) in Trade and other receivables	57,075,590	(20,006,234)
Decrease / (increase) in inventories	1,292,635	(3,054,120)
Increase / (decrease) in Trade and other payables	<u>(58,399,235)</u>	<u>15,960,706</u>
Cash generated from / (used in) operations	3,290,148	19,675,365
Interest paid	(12,877,675)	(14,307,555)
Taxes paid	<u>(11,200,447)</u>	<u>(7,540,632)</u>
Net cash generated from / (used in) operating activities	<u>(20,787,974)</u>	<u>(2,172,822)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,979,418)	(3,123,349)
Proceeds from disposal of property, plant and equipment	170,965	75,638
Purchase of other investment	(13,340,848)	-
Proceeds from disposal of other investment	-	30,671
Profit from Islamic deposits	1,295,390	1,198,231
Dividend received	5,932	6,392
Interest received	501,383	276,798
Unwinding of discount on non-current receivables	<u>16,834,554</u>	<u>18,043,720</u>
Net cash generated from / (used in) investing activities	<u>(512,042)</u>	<u>16,508,101</u>
Cash flows from financing activities		
Dividends paid to shareholders of the Company	(4,493,348)	(5,081,072)
Proceeds from issuance of ordinary shares	32,777,224	-
Drawdown of term loan	-	5,855,800
Repayment of borrowings	(25,257,107)	(31,353,860)
Placement/(withdrawal) of pledged deposit	(920,542)	(3,243,567)
Net changes in finance lease creditors	<u>(846,959)</u>	<u>(634,832)</u>
Net cash generated from / (used in) financing activities	<u>1,259,268</u>	<u>(34,457,531)</u>
Net increase / (decrease) in cash and cash equivalents	(20,040,748)	(20,122,252)
Cash and cash equivalents at beginning of the period	<u>86,586,325</u>	<u>83,888,333</u>
Cash and cash equivalents at end of the period	<u><u>66,545,577</u></u>	<u><u>63,766,081</u></u>
Cash and cash equivalents comprise of the followings:		
Cash and bank balances	56,081,959	46,603,691
Fixed deposit	32,713,194	38,106,267
Overdraft	<u>(214,382)</u>	<u>-</u>
	88,580,771	84,709,958
Less: Deposits pledged	<u>(22,035,194)</u>	<u>(20,943,877)</u>
	<u><u>66,545,577</u></u>	<u><u>63,766,081</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 2014 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 SEPTEMBER 2015

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 2014. 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 2014.

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 2014 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 2015.

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)

The Group and Company fall within the scope of IC Interpretation 15, Agreements for the Construction of Real Estate and MFRS 141, Agriculture. Therefore, the Group and Company is currently exempted from adopting the Malaysian Financial Reporting Standards (“MFRS”) and is referred to as a “Transitioning Entity”.

The Group’s and Company’s financial statements for annual period beginning on 1 January 2017 will be prepared in accordance with the Malaysian Financial Reporting Standards (MFRSs) issued by the MASB and International Financial Reporting Standards (IFRSs).

3. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the year ended 31 December 2014 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.



9. Segmental Information

	Property development RM	Quarrying and road paving RM	Construction RM	Operation of golf resort and hotel RM	Total reportable segments RM	Other non- reportable segments RM	Elimination RM	Consolidated RM
9 months ended 30 September 2015								
Revenue								
External sales	72,056,307	42,711,616	17,074,066	3,793,247	135,635,235	1,825,293	-	137,460,528
Inter-segment sales	98,528	6,112,691	32,296,140	1,126,273	39,633,632	18,668,001	(58,301,633)	-
Total revenue	<u>72,154,834</u>	<u>48,824,307</u>	<u>49,370,206</u>	<u>4,919,520</u>	<u>175,268,867</u>	<u>20,493,294</u>	<u>(58,301,633)</u>	<u>137,460,528</u>
Segment profit/(loss)	<u>6,831,823</u>	<u>9,563,219</u>	<u>8,332,080</u>	<u>(830,400)</u>	<u>23,896,722</u>	<u>7,136,072</u>	<u>(17,200,730)</u>	<u>13,832,064</u>
	RM	RM	RM	RM	RM	RM	RM	RM
3 months ended 30 September 2015								
Revenue								
External sales	13,914,624	24,440,870	3,869,429	1,081,323	43,306,245	539,196	-	43,845,441
Inter-segment sales	32,843	2,372,957	14,769,936	430,802	17,606,538	711,000	(18,317,538)	-
Total revenue	<u>13,947,466</u>	<u>26,813,827</u>	<u>18,638,365</u>	<u>1,512,125</u>	<u>60,912,783</u>	<u>1,250,196</u>	<u>(18,317,538)</u>	<u>43,845,441</u>
Segment profit/(loss)	<u>96,992</u>	<u>5,992,870</u>	<u>2,153,621</u>	<u>(412,692)</u>	<u>7,830,791</u>	<u>8,468,979</u>	<u>(10,985,439)</u>	<u>5,314,331</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 30 September		9 months ended 30 September	
	2015 RM	2014 RM	2015 RM	2014 RM
Interest income	(5,977,375)	(6,473,281)	(18,389,242)	(19,543,974)
Other income including investment income	(2,702,925)	(449,314)	(4,071,139)	(1,541,405)
Depreciation and amortization:				
-property, plant and equipment	1,321,098	948,627	3,894,706	3,239,215
Property, plant and equipment written off	97,614	51,537	99,154	52,104
(Gain) / loss on disposal of:				
-property, plant and equipment	(6,051)	(636)	(170,953)	(73,126)
(Reversal of) / allowance of impairment:				
-trade receivables	(34,001)	(81,011)	(259,283)	(204,000)
Interest expense	4,288,129	4,378,996	12,984,130	14,698,811

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 RM5,896,993 during the quarter under review.

Asset with a carrying amount of RM11,236 were disposed off by the Group during the nine months ended 30 September 2015 (30 September 2014 : RM2,510), resulting in a gain on disposal of RM170,953 (30 September 2014 : RM73,126), recognized and included in Other Income in the Statement of Comprehensive Income.



There were no impairment nor reversal of such impairment during the current nine 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 September 2015 are as follows:

	RM
Approved and contracted for	8,206,709
Approved but not contracted for	<u>6,353,578</u>

14. Changes in Contingent Liabilities

As at 30 September 2015, the Group does not have any contingent liability.

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

	9 months ended 30.09.2015 RM
Progress billings charged to the ultimate holding corporation	5,248,783
Rental of quarry land to ultimate holding corporation	50,000
Tributes charged by the ultimate holding corporation	424,427
Estate agency fee charged by a related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.	170,135
Revenue from oil palm from related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.	2,171,176
Property management paid to a related company, Darulaman Asset Sdn. Bhd	84,576
Insurance paid to a related company, KSDC Insurance Brokers Sdn. Bhd.	<u>1,686,177</u>
	<u>9,835,274</u>



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 vs previous year corresponding quarter

For the third quarter ended 30 September 2015, the Group recorded revenue of RM43.8 million. The revenue decreased by RM17.5 million or 29% compared to RM61.3 million achieved in the same corresponding period last year. Similarly, the Group profit before tax of RM5.3 million was lower by 26% compared to the same corresponding period of last year.

Lower revenue and profit for the quarter was mainly due to lower number of conversion of booking to sales for property due to tightened loan application process, lower progress of jobs in hand for construction projects and higher marketing and administrative expenses.

Performance of the operating business segments for the quarter ended 30 September 2015 as compared to the previous year corresponding quarter mainly as follows:

i) Road and Quarry Division

This Division contributed RM24.4 million to Group revenue compared to RM 23.6 million previously, an increase of 3%. Profit contribution has increased by 12% to RM6.0 million contributed by current road building projects throughout the State.

ii) Construction Division

The Construction Division provided RM3.9 million to Group revenue compared to RM15.8 million previously, a decrease of 75%. Profit contribution has decreased by 40% to RM2.2 million mainly due to lower margins from on-going projects.

iii) Property Division

The Property Division contributed RM13.9 million compared to RM20.3 million previously, a decrease of 32%. Profit contribution decreased by 88% to RM0.1 million due to the cancellation of bookings by purchasers and lower conversion of booking to sales in securing end-financing as result of mortgage loan tightening policies and also new housing loan regulations by Government.



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

For the current financial year to date, the Group revenue of RM137.5 million compared to RM189.0 million recorded in the same corresponding period of last year represents a decrease of 27%. The Group profit before tax decrease by 40% to RM13.8 million compared to RM22.9 million last year.

Road and Quarry Division recorded lower revenue compared to the previous year mainly due to lower & delayed contribution from road pavement projects.

The Construction Division contributed lower revenue for the period due to lower progress billings for external projects.

The Property Division was the largest contributor to Group revenue due to the new launches of property projects in Bandar Darulaman Jitra, Darulaman Perdana Sungai Petani and Darulaman Utama Kuala Ketil.

18. Variation of Results Against Preceding Quarter

	Current quarter ended 30 September 2015 RM	Preceding quarter ended 30 June 2015 RM
Revenue	43,845,441	56,879,940
Profit Before Taxation	5,314,330	3,413,703

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 provide sustainable revenue.

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 pavement projects. The division had just commenced works on State road maintenance and the progress will be contributed to Group revenue.

The Construction Division will focus 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 several Letter of Awards on constructions in Kedah.

Our Property Division should be able to maintain its contribution given the encouraging responses for its products launches in Bandar Darulaman, Darulaman Perdana and Darulaman Utama. The Division expects the property market outlook and sentiment to remain stable amid uncertain economic environment.

In spite of challenging economic conditions, 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 30 September 2015.

21. Income Tax Expense

	9 months ended 30 September 2015 RM	9 months ended 30 September 2014 RM
Malaysian income tax	4,033,482	6,414,281

The Group's effective tax rate for the current period is approximately 29%. 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 30 September 2015 were as follows:

	Short-term RM	Long-term RM
Term loans	27,568,114	249,033,446
Hire Purchase	752,194	1,459,529
Bank overdraft	214,382	-
TOTAL	<u>28,534,690</u>	<u>250,492,975</u>

24. Material Litigation

There is no pending material litigation since the last annual balance sheet date of 31 December 2014.

25. Dividends Payable

No interim dividend has been declared during the quarter ended 30 September 2015.

26. Earnings Per Share

a. Basic earnings per share

	9 months ended 30.09.2015 RM	9 months ended 30.09.2014 RM
Profit attributable to owners of the Company	9,801,608	16,500,341
Weighted average number of ordinary shares in issue	303,854,977	72,815,856
Basic earnings per share (sen)	3.22	22.65

b. Diluted earnings per share

Not applicable.



27. Disclosure of Realised and Unrealised Retained Earnings

	As at 30 September 2015 RM'000	As at 31 December 2014 RM'000
Total retained earnings of the Company and subsidiaries:		
-Realised	160,035	194,786
-Unrealised	(374)	(374)
Total retained earnings	159,661	194,412

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 22 November 2015.