



INTERIM FINANCIAL STATEMENTS

***- For the Quarter and Period of Nine Months
Ended 30th September 2016 -***

TABLE OF CONTENTS

	Pages
<i>Condensed consolidated statement of comprehensive income</i>	<i>1</i>
<i>Condensed consolidated statement of financial position</i>	<i>2</i>
<i>Condensed consolidated statement of changes in equity</i>	<i>3</i>
<i>Condensed consolidated statement of cash flow</i>	<i>4</i>
<i>Explanatory notes pursuant to FRS 134</i>	<i>5-9</i>
<i>Explanatory notes pursuant to Chapter 9, Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad</i>	<i>10-14</i>



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTH ENDED 30 SEPTEMBER 2016**
(The figures have not been audited)

	Note	3 months ended 30 Sept		9 months ended 30 Sept	
		2016 RM	2015 RM	2016 RM	2015 RM
Continuing Operations					
Revenue	9	87,175,511	43,845,441	202,668,319	137,460,528
Cost of sales		(66,876,780)	(32,334,879)	(154,653,447)	(102,991,822)
Gross profit		<u>20,298,730</u>	<u>11,510,562</u>	<u>48,014,871</u>	<u>34,468,706</u>
Distribution expenses		(5,755,204)	(4,496,833)	(13,619,359)	(8,619,295)
Administrative expenses		(7,954,320)	(6,094,324)	(26,059,314)	(21,490,380)
Other operating income	10	553,217	3,173,743	2,227,862	5,625,828
Other operating expenses		230,338	2,754	187,861	(3,219)
Result from operating activities		<u>7,372,762</u>	<u>4,095,902</u>	<u>10,751,922</u>	<u>9,981,640</u>
Unwinding of discount on non-current receivables		5,063,451	5,506,558	15,530,058	16,834,554
Finance cost	10	(3,994,524)	(4,288,129)	(10,913,037)	(12,984,130)
Profit before taxation	10	<u>8,441,689</u>	<u>5,314,331</u>	<u>15,368,943</u>	<u>13,832,064</u>
Tax expense	21	(2,644,863)	(1,648,517)	(4,655,740)	(4,033,482)
Profit and total comprehensive income for the period	9	<u><u>5,796,826</u></u>	<u><u>3,665,814</u></u>	<u><u>10,713,203</u></u>	<u><u>9,798,582</u></u>
Profit and total comprehensive income for the period attributable to :					
Owners of the Company		5,801,068	3,668,840	10,729,205	9,801,608
Non-controlling interests		(4,242)	(3,026)	(16,002)	(3,026)
Profit and total comprehensive income for the period		<u><u>5,796,826</u></u>	<u><u>3,665,814</u></u>	<u><u>10,713,203</u></u>	<u><u>9,798,582</u></u>
Basic earnings per ordinary share (sen)	26	1.91	1.21	3.53	3.22

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPT 2016
(The figures have not been audited)

	Note	30.09.2016 RM	31.12.2015 RM
Assets			
Non-current assets			
Property, plant and equipment	12	81,158,173	68,895,214
Investment property		35,251,772	33,971,865
Other investments		4,503,196	910,924
Land held for property development		316,332,231	292,098,309
Deferred tax assets		1,191,337	1,191,337
Trade and other receivables		249,906,480	267,421,943
		<u>688,343,189</u>	<u>664,489,592</u>
Current assets			
Property development costs		66,221,830	22,260,889
Inventories		25,363,260	34,953,210
Trade and other receivables		202,659,671	157,313,417
Current tax assets		3,332,262	119,467
Deposits with licensed banks		24,852,339	25,862,702
Cash and bank balances		34,493,011	76,352,622
		<u>356,922,373</u>	<u>316,862,307</u>
Total assets		<u>1,045,265,562</u>	<u>981,351,899</u>
Equity and Liabilities			
Current liabilities			
Trade and other payables		164,331,011	151,522,875
Current tax payable		(3,100,873)	4,371,542
Loans and borrowings	23	81,070,601	41,051,824
		<u>242,300,739</u>	<u>196,946,241</u>
Non-current liabilities			
Deferred tax liabilities		995,334	995,335
Loans and borrowings	23	290,246,723	270,262,231
		<u>291,242,057</u>	<u>271,257,566</u>
Total liabilities		<u>533,542,796</u>	<u>468,203,807</u>
Equity attributable to owners of the parent			
Share capital		303,854,977	303,854,977
Other reserves		27,164,721	27,164,721
Retained earnings		172,658,508	174,083,834
		<u>503,678,206</u>	<u>505,103,532</u>
Non-controlling interests		8,044,560	8,044,560
Total equity		<u>511,722,766</u>	<u>513,148,092</u>
Total equity and liabilities		<u>1,045,265,562</u>	<u>981,351,899</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTH ENDED 30 SEPTEMBER 2016**
(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	Total RM	Retained earnings RM			
As at 1 January 2015	72,815,856	17,062,137	89,877,993	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>328,971,300</u>	<u>159,660,515</u>	<u>488,631,815</u>	<u>8,060,234</u>	<u>496,692,049</u>
As at 1 January 2016	303,854,977	27,164,721	331,019,698	174,083,834	505,103,532	8,044,560	513,148,092
Total comprehensive income	-	-	-	10,729,205	10,729,205	-	10,729,205
Dividend paid	-	-	-	(12,154,530)	(12,154,530)	-	(12,154,530)
As at 30 September 2016	<u>303,854,977</u>	<u>27,164,721</u>	<u>331,019,698</u>	<u>172,658,509</u>	<u>503,678,207</u>	<u>8,044,560</u>	<u>511,722,767</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 2015 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE NINE MONTH ENDED 30 SEPTEMBER 2016**
(The figures have not been audited)

	Cumulative Quarter	
	Current Year Ended 30-Sep-16 RM	Preceding Year Ended 30-Sep-15 RM
Cash flows from operating activities		
Profit before taxation	15,368,943	13,832,064
Adjustments for:		
Non-cash items	5,013,303	3,692,757
Non operating items	<u>(5,389,453)</u>	<u>(5,629,719)</u>
Operating profit before working capital changes	14,992,792	11,895,102
Decrease / (increase) in land held for development and property development costs	(63,619,447)	(8,573,944)
Decrease / (increase) in Trade and other receivables	(49,500,071)	57,075,590
Decrease / (increase) in inventories	9,589,950	1,292,635
Increase / (decrease) in Trade and other payables	<u>19,967,591</u>	<u>(58,399,235)</u>
Cash generated from / (used in) operations	(68,569,185)	3,290,148
Interest paid	(10,819,236)	(12,877,675)
Taxes paid	<u>(15,817,933)</u>	<u>(11,200,447)</u>
Net cash generated from / (used in) operating activities	(95,206,354)	(20,787,974)
Cash flows from investing activities		
Purchase of property, plant and equipment	(17,665,106)	(5,979,418)
Proceeds from disposal of property, plant and equipment	150,999	170,965
Purchase of other investment	(3,592,272)	(13,340,848)
Profit from Islamic deposits		1,295,390
Dividend received	-	5,932
Interest received	654,731	501,383
Unwinding of discount on non-current receivables	<u>15,530,058</u>	<u>16,834,554</u>
Net cash generated from / (used in) investing activities	(4,921,590)	(512,042)
Cash flows from financing activities		
Dividends paid to shareholders of the Company	(12,154,530)	(4,493,348)
Proceeds from issuance of ordinary shares	-	32,777,224
Drawdown of term loan	58,916,498	-
Repayment of borrowings	(18,862,371)	(25,257,107)
Placement/(withdrawal) of pledged deposit	(266,320)	(920,542)
Net changes in finance lease creditors	<u>(682,533)</u>	<u>(846,959)</u>
Net cash generated from / (used in) financing activities	26,950,744	1,259,268
Net increase / (decrease) in cash and cash equivalents	(73,177,199)	(20,040,748)
Cash and cash equivalents at beginning of the period	<u>94,510,070</u>	<u>86,586,325</u>
Cash and cash equivalents at end of the period	<u><u>21,332,870</u></u>	<u><u>66,545,577</u></u>
Cash and cash equivalents comprise of the followings:		
Cash and bank balances	34,493,011	56,081,959
Fixed deposit	24,852,339	32,713,194
Overdraft	<u>(15,785,432)</u>	<u>(214,382)</u>
	43,559,918	88,580,771
Less: Deposits pledged	<u>(22,167,436)</u>	<u>(22,035,194)</u>
	<u><u>21,392,482</u></u>	<u><u>66,545,577</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 2015 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 2016

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 2015. 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 2015.

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 2015 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 2018 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 2015 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 2016								
Revenue								
External sales	117,645,098	70,401,084	10,136,701	3,276,644	201,459,527	1,208,792	-	202,668,319
Inter-segment sales	98,778	6,244,611	89,015,580	843,204	96,202,172	18,490,801	(114,692,973)	-
Total revenue	<u>117,743,875</u>	<u>76,645,695</u>	<u>99,152,281</u>	<u>4,119,848</u>	<u>297,661,699</u>	<u>19,699,593</u>	<u>(114,692,973)</u>	<u>202,668,319</u>
Segment profit/(loss)	<u>184,616</u>	<u>16,709,949</u>	<u>8,695,222</u>	<u>(1,165,310)</u>	<u>24,424,477</u>	<u>7,483,738</u>	<u>(16,539,272)</u>	<u>15,368,943</u>
	RM	RM	RM	RM	RM	RM	RM	RM
3 months ended 30 September 2016								
Revenue								
External sales	39,856,175	41,323,298	4,435,396	1,145,526	86,760,395	415,116	-	87,175,511
Inter-segment sales	32,993	688,746	25,831,748	270,513	26,823,999	663,600	(27,487,599)	-
Total revenue	<u>39,889,167</u>	<u>42,012,044</u>	<u>30,267,144</u>	<u>1,416,039</u>	<u>113,584,394</u>	<u>1,078,716</u>	<u>(27,487,599)</u>	<u>87,175,511</u>
Segment profit/(loss)	<u>(1,444,112)</u>	<u>11,174,399</u>	<u>698,312</u>	<u>(354,842)</u>	<u>10,073,757</u>	<u>7,982,635</u>	<u>(9,614,703)</u>	<u>8,441,689</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	
	2016 RM	2015 RM	2016 RM	2015 RM
Interest income	(5,386,922)	(5,977,375)	(16,204,182)	(18,389,242)
Other income including investment income	(229,746)	(2,702,925)	(1,553,738)	(4,071,139)
Depreciation and amortization:				
-property, plant and equipment	791,464	1,321,098	2,255,612	3,894,706
Property, plant and equipment written off	19	97,614	7,324	99,154
(Gain) / loss on disposal of:				
-property, plant and equipment	(107,515)	(6,051)	(154,707)	(170,953)
(Reversal of) / allowance of impairment:				
-trade receivables	(71,684)	(34,001)	(361,886)	(259,283)
Interest expense	3,994,524	4,288,129	10,913,037	12,984,130

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 RM17,501,881 during the quarter under review.

Asset with a carrying amount of RM2,010 were disposed off by the Group during the nine months ended 30 September 2016 (30 September 2015 : RM11,236), resulting in a gain on disposal of RM154,707 (30 September 2015 : RM170,953), 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 2016 are as follows:

	RM
Approved and contracted for	3,285,068
Approved but not contracted for	<u>9,554,676</u>

14. Changes in Contingent Liabilities

As at 30 September 2016, 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 30.9.2016 RM
Progress billings charged to the ultimate holding corporation	-
Rental of quarry land to ultimate holding corporation	50,000
Tributes charged by the ultimate holding corporation	779,719
Estate agency fee charged by a related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.	33,044
Revenue from oil palm from related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.	1,208,792
Property management paid to a related company, Darulaman Asset Sdn. Bhd	49,500
Insurance paid to a related company, KSDC Insurance Brokers Sdn. Bhd.	<u>1,294,309</u>
	<u>3,365,364</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 2016, the Group recorded revenue of RM87.2 million. The revenue increased by RM43.3 million or 99% compared to RM43.8 million achieved in the same corresponding period of last year. The Group's Profit Before Tax of RM8.4 million was higher by RM3.1 million or 59% compared to the same corresponding period of last year.

The Group posted higher revenue for the third quarter compared to the same corresponding period of last year due to higher contribution by the Group's Property and Road & Quarry divisions, which recorded better revenue mainly from TTIS enclave sales and the state road maintenance project respectively.

Similarly, the Group also recorded higher profit for the quarter under review mainly from our Road & Quarry division.

Performance of the operating business segments for the quarter ended 30 September 2016 compared to the previous year's corresponding quarter are as follows:

Property Division

The Property Division contributed RM39.9 million to Group revenue compared to RM13.9 million previously, an increase of 186%. The increase of the revenue was mainly due to higher sales coming from Bandar Darulaman and Darulaman Perdana townships.

However, profit contribution decreased by RM1.5 million compared to the previous year's corresponding period due to investments in product and township advertisements and company's branding exercises.

Road and Quarry Division

This Division contributed RM41.3 million to Group revenue compared to RM24.4 million previously, an increase of 69%. The increase of revenue was due to the ongoing state road maintenance project which was minimal during the same quarter last year.

Similarly, the profit contribution increased to RM11.2 million from RM6.0 million previously, mainly due to higher margin largely from state road maintenance.

Construction Division

The Construction Division provided RM4.4 million to Group revenue compared to RM3.9 million previously, an increase of 15%. This was mainly due to higher external projects



like SADA water treatment plant undertaken in quarter under review 2016, as compared to the previous year corresponding quarter.

However, profit contribution decreased by RM1.5 million to RM0.7 million mainly due to lower project margin versus the corresponding period last year.

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

For the current financial year to date, the Group recorded revenue of RM202.7 million compared to RM137.5 million in the same corresponding period of last year representing an increase of 47%. Similarly, Group profit increased by 11% to RM15.4 million compared to RM13.8 million last year.

The Property Division recorded higher revenue of RM117.6 million compared to RM72.1 million in 2015. However, lower profit for the year compared to in 2015 was mainly due to investments in product and township advertisements and company's branding exercises.

Road and Quarry Division recorded 65% higher revenue of RM70.4 million compared to RM42.7 million in the previous year. It was mainly due to early commencement of the state road maintenance project compared to last year. Similarly, this Division recorded higher profit of RM16.7 million as compared to RM9.6 million in 2015, an increase of 75%. It was mainly due to higher margin for completed projects especially from the state road maintenance.

The Construction Division contributed lower revenue of RM10.1 million compared to RM17.1 million in 2015 due to lower external projects. However, the Division recorded a higher profit of RM8.7 million compared to RM8.3 million in 2015, due to higher margin for completed projects.

18. Variation of Results against Preceding Quarter

	Current quarter ended 30 September 2016 RM	Preceding quarter ended 30 June 2016 RM
Revenue	87,175,511	68,810,132
Profit Before Taxation	8,441,689	3,619,309

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 normalized over the year.



19. Prospects for the year

The Group's core businesses are expected to record respectable performance for this financial year since the Group has sufficient land bank and projects in hand to provide sustainable revenue.

The Property Division should be able to maintain its contribution given the encouraging responses for its product launches in Bandar Darulaman, Darulaman Perdana and Darulaman Utama which includes affordable housing.

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 has acquired a piece of land in Karangan, Kulim and has completed building a new premix plant targeted to commence in early 2017.

The Construction Division will continue to support the property arms in developing affordable houses during the year. In addition, the Division has also been awarded with 2 key projects, namely PPR houses under KPKT and also water treatment plant for SADA and will be focusing on the completion and delivering these projects within scheduled time, budget and quality.

In spite of challenging economic conditions, the Group expects to turn in a respectable performance in 2016.

20. Variance from Profit Forecast or Profit Guarantee

Not applicable for the financial period ended 30 September 2016.

21. Income Tax Expense

	9 months ended 30 September 2016 RM	9 months ended 30 September 2015 RM
Malaysian income tax	4,655,740	4,033,482

The Group's effective tax rate for the current period is approximately 29%.

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 2016 were as follows:

	Short-term RM	Long-term RM
Term loans	62,692,551	283,357,393
Hire Purchase	2,592,618	6,889,330
Bank overdraft	15,785,432	-
TOTAL	81,070,601	290,246,723

24. Material Litigation

There is no pending material litigation since the last annual balance sheet date of 31 December 2015.

25. Dividends Payable

No interim dividend has been declared during the quarter ended 30 September 2016.

26. Earnings Per Share

a. Basic earnings per share

	9 months ended 30.9.2016 RM	9 months ended 30.9.2015 RM
Profit attributable to owners of the Company	10,729,205	9,801,608
Weighted average number of ordinary shares in issue	303,854,977	303,854,977
Basic earnings per share (sen)	3.53	3.22

b. Diluted earnings per share

Not applicable.



27. Disclosure of Realised and Unrealised Retained Earnings

	As at 30 September 2016 RM'000	As at 31 December 2015 RM'000
Total retained earnings of the Company and subsidiaries:		
-Realised	172,855	174,280
-Unrealised	(196)	(196)
Total retained earnings	172,659	174,084

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 27 November 2016.