

INTERIM FINANCIAL STATEMENTS

***- For the Quarter and Period of Twelve Months
Ended 31st December 2016 -***

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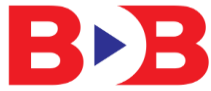
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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE TWELVE MONTH ENDED 31 DECEMBER 2016
(The figures have not been audited)**

	Note	3 months ended 31 Dec		12 months ended 31 Dec	
		2016 RM	2015 RM	2016 RM	2015 RM
Continuing Operations					
Revenue	9	153,917,729	105,835,860	356,586,047	243,296,388
Cost of sales		(82,262,807)	(69,363,644)	(236,916,254)	(172,355,466)
Gross profit		<u>71,654,922</u>	<u>36,472,216</u>	<u>119,669,793</u>	<u>70,940,922</u>
Distribution expenses		(4,566,953)	(2,972,523)	(18,186,312)	(11,591,818)
Administrative expenses		(23,083,686)	(14,972,745)	(49,143,000)	(36,463,125)
Other operating income		3,130,328	6,325,673	5,358,190	11,951,501
Other operating expenses		(3,152,922)	(1,281,093)	(2,965,061)	(1,284,312)
Result from operating activities		<u>43,981,689</u>	<u>23,571,528</u>	<u>54,733,610</u>	<u>33,553,168</u>
Unwinding of discount on non-current receivables		1,638,689	5,398,913	17,168,747	22,233,467
Finance costs		(8,694,929)	(2,035,785)	(19,607,966)	(15,019,915)
Profit before taxation	10	<u>36,925,449</u>	<u>26,934,656</u>	<u>52,294,391</u>	<u>40,766,720</u>
Tax expense	21	(13,666,806)	(12,533,558)	(18,322,546)	(16,567,040)
Profit and total comprehensive income for the period / year	9	<u><u>23,258,643</u></u>	<u><u>14,401,098</u></u>	<u><u>33,971,845</u></u>	<u><u>24,199,680</u></u>
Profit and total comprehensive income for the period / year attributable to :					
Owners of the Company		23,270,512	14,414,074	33,999,716	24,215,682
Non-controlling interests		(11,869)	(12,976)	(27,871)	(16,002)
Profit and total comprehensive income for the period / year		<u><u>23,258,643</u></u>	<u><u>14,401,098</u></u>	<u><u>33,971,845</u></u>	<u><u>24,199,680</u></u>
Basic earnings per ordinary share (sen)	26	7.65	4.74	11.19	8.35

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 31 DEC 2016
(The figures have not been audited)**

	Note	31.12.2016 RM	31.12.2015 RM
Assets			
Non-current assets			
Property, plant and equipment	12	83,081,217	68,895,214
Investment property		33,810,078	33,971,865
Other investments		7,109,756	910,924
Land held for property development		302,200,223	292,098,309
Deferred tax assets		1,056,479	1,191,337
Trade and other receivables		-	267,421,943
		<u>427,257,753</u>	<u>664,489,592</u>
Current assets			
Property development costs		97,923,145	22,260,889
Inventories		22,895,159	34,953,210
Trade and other receivables		465,657,169	157,313,417
Current tax assets		586,188	119,467
Deposits with licensed banks		25,447,738	25,862,702
Cash and bank balances		52,552,016	76,352,622
		<u>665,061,415</u>	<u>316,862,307</u>
Total assets		<u><u>1,092,319,168</u></u>	<u><u>981,351,899</u></u>
Equity and Liabilities			
Current liabilities			
Trade and other payables		194,382,738	151,522,875
Current tax payable		7,801,687	4,371,542
Loans and borrowings	23	319,127,129	41,051,824
		<u>521,311,554</u>	<u>196,946,241</u>
Non-current liabilities			
Deferred tax liabilities		-	995,335
Loans and borrowings	23	36,041,876	270,262,231
		<u>36,041,876</u>	<u>271,257,566</u>
Total liabilities		<u><u>557,353,430</u></u>	<u><u>468,203,807</u></u>
Equity			
Share capital		303,854,977	303,854,977
Other reserves		27,164,721	27,164,721
Retained earnings		203,890,188	182,044,671
Total equity attributable to owners of the Company		<u>534,909,886</u>	<u>513,064,369</u>
Non-controlling interests		55,852	83,723
Total equity		<u><u>534,965,738</u></u>	<u><u>513,148,092</u></u>
Total equity and liabilities		<u><u>1,092,319,168</u></u>	<u><u>981,351,899</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 2015 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE TWELVE MONTH ENDED 31 DECEMBER 2016**
(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	Total RM	Retained earnings RM	Total RM			
As at 1 January 2015	72,815,856	17,062,137	89,877,993	202,372,875	292,250,868	99,725	292,350,593	
Issuance of new ordinary shares	231,039,121	12,830,454	243,869,575	(33,908,962)	209,960,613	-	209,960,613	
Share issuance expenses	-	(2,727,870)	(2,727,870)	-	(2,727,870)	-	(2,727,870)	
Total comprehensive income	-	-	-	24,215,682	24,215,682	(16,002)	24,199,680	
Dividend paid	-	-	-	(10,634,924)	(10,634,924)	-	(10,634,924)	
As at 31 December 2015	<u>303,854,977</u>	<u>27,164,721</u>	<u>331,019,698</u>	<u>182,044,671</u>	<u>513,064,369</u>	<u>83,723</u>	<u>513,148,092</u>	
As at 1 January 2016	303,854,977	27,164,721	331,019,698	182,044,671	513,064,369	83,723	513,148,092	
Total comprehensive income	-	-	-	33,999,716	33,999,716	(27,871)	33,971,845	
Dividend paid	-	-	-	(12,154,199)	(12,154,199)		(12,154,199)	
As at 31 December 2016	<u>303,854,977</u>	<u>27,164,721</u>	<u>331,019,698</u>	<u>203,890,188</u>	<u>534,909,886</u>	<u>55,852</u>	<u>534,965,738</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 TWELVE MONTH ENDED 31 DECEMBER 2016**
(The figures have not been audited)

	Cumulative Quarter	
	Current Year Ended 31-Dec-16 RM	Preceding Year Ended 31-Dec-15 RM
Cash flows from operating activities		
Profit before taxation	52,294,391	40,766,720
Adjustments for:		
Non-cash items	6,840,240	5,478,556
Non operating items	<u>637,078</u>	<u>(9,323,857)</u>
Operating profit before working capital changes	59,771,709	36,921,419
Decrease / (increase) in land held for development and property development costs	(85,764,170)	3,016,956
Decrease / (increase) in Trade and other receivables	(23,679,277)	58,186,065
Decrease / (increase) in inventories	12,058,051	(13,385,961)
Increase / (decrease) in Trade and other payables	<u>42,859,863</u>	<u>(34,610,804)</u>
Cash generated from / (used in) operations	5,246,176	50,127,675
Interest paid	(19,607,966)	(15,019,915)
Taxes paid	<u>(16,219,598)</u>	<u>(14,093,282)</u>
Net cash (used in) / generated from operating activities	(30,581,388)	21,014,478
Cash flows from investing activities		
Purchase of property, plant and equipment	(14,097,002)	(6,459,400)
Proceeds from disposal of property, plant and equipment	658,977	174,181
(Purchase) / Proceeds from other investment	(6,198,832)	1,635,913
Purchase of investment property	-	(33,971,865)
Dividend received	5,932	5,932
Interest received	1,796,209	2,104,373
Net cash used in investing activities	<u>(17,834,716)</u>	<u>(36,510,866)</u>
Cash flows from financing activities		
Dividends paid to shareholders of the Company	(12,154,199)	(10,634,924)
Movement of the borrowings	20,037,485	(983,485)
Drawdown of term loan	37,850,000	25,600,000
Repayment of term loan	(37,414,055)	(26,922,535)
Placement of pledged deposit	(1,114,352)	(36,764)
Repayment of finance lease creditors	(1,977,597)	(1,999,432)
Proceeds from issuance of shares	-	43,077,922
Expense incurred for issuance of shares	-	(2,727,870)
Net cash generated from / (used in) financing activities	<u>5,227,282</u>	<u>25,372,912</u>
Net (decrease) / increase in cash and cash equivalents	(43,188,822)	9,876,524
Cash and cash equivalents at beginning of the year	<u>96,462,849</u>	<u>86,586,325</u>
Cash and cash equivalents at end of the year	<u><u>53,274,027</u></u>	<u><u>96,462,849</u></u>
Cash and cash equivalents comprise of the followings:		
Cash and bank balances	52,552,016	76,352,622
Fixed deposit	25,447,738	25,862,702
Overdraft	<u>(17,860,639)</u>	<u>(1,739)</u>
	60,139,115	102,213,585
Less: Deposits pledged	<u>(6,865,088)</u>	<u>(5,750,736)</u>
	<u><u>53,274,027</u></u>	<u><u>96,462,849</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 31 DECEMBER 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 2016.

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
12 months ended 31 December 2016								
Revenue								
External sales	213,047,608	111,464,346	25,607,145	4,633,691	354,752,790	1,833,257	-	356,586,047
Inter-segment sales	131,770	10,837,240	156,393,686	1,131,099	168,493,795	23,732,881	(192,226,676)	-
Total revenue	<u>213,179,378</u>	<u>122,301,586</u>	<u>182,000,831</u>	<u>5,764,790</u>	<u>523,246,585</u>	<u>25,566,138</u>	<u>(192,226,676)</u>	<u>356,568,047</u>
Segment profit/(loss)	<u>38,537,262</u>	<u>25,878,167</u>	<u>4,010,161</u>	<u>(2,450,621)</u>	<u>65,974,969</u>	<u>6,117,945</u>	<u>(19,798,523)</u>	<u>52,294,391</u>
	RM	RM	RM	RM	RM	RM	RM	RM
3 months ended 31 December 2016								
Revenue								
External sales	95,402,511	41,063,262	15,470,444	1,357,047	153,293,264	624,465	-	153,917,730
Inter-segment sales	32,993	4,592,629	67,378,106	287,895	72,291,622	5,242,080	(77,533,702)	-
Total revenue	<u>95,435,504</u>	<u>45,655,891</u>	<u>82,848,550</u>	<u>1,644,942</u>	<u>225,584,886</u>	<u>5,866,545</u>	<u>(77,533,702)</u>	<u>153,917,730</u>
Segment profit/(loss)	<u>38,352,646</u>	<u>9,168,218</u>	<u>(4,685,061)</u>	<u>(1,285,311)</u>	<u>41,550,492</u>	<u>(1,365,792)</u>	<u>(3,259,251)</u>	<u>36,925,449</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 December		12 months ended 31 December	
	2016 RM	2015 RM	2016 RM	2015 RM
Interest income	(2,760,774)	(5,433,566)	(18,964,956)	(23,822,808)
Other income including investment income	(2,008,243)	(6,448,962)	(1,215,488)	(10,520,101)
Depreciation and amortization:				
-property, plant and equipment	810,017	1,249,103	3,065,629	2,645,603
Property, plant and equipment written off	14	95,938	7,339	3,216
(Gain) / loss on disposal of:				
-property, plant and equipment	0	0	(345,748)	(170,953)
(Reversal of) / allowance of impairment:				
-trade receivables	135,245	34,001	206,929	133,997
Interest expense	8,698,497	2,035,785	19,607,966	15,019,915

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 RM21,597,219 during the year under review.

Asset with a carrying amount of RM313,229 were disposed off by the Group during the twelve months ended 31 December 2016 (31 December 2015 : RM3,228), resulting in a gain on disposal of RM345,748 (31 December 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 twelve 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 December 2016 are as follows:

	RM
Approved and contracted for	16,955,000
Approved but not contracted for	7,264,000

14. Changes in Contingent Liabilities

As at 31 December 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

	12 months ended 31.12.2016 RM
Progress billings charged to the ultimate holding corporation	1,719,566
Rental of quarry land to ultimate holding corporation	150,000
Tributes charged by the ultimate holding corporation	766,011
Estate agency fee charged by a related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.	18,135
Revenue from oil palm from related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.	2,035,461
Property management paid to a related company, Darulaman Asset Sdn. Bhd	96,903
Insurance paid to a related company, KSDC Insurance Brokers Sdn. Bhd.	2,463,109
	7,249,185



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 fourth quarter ended 31 December 2016, the Group recorded revenue of RM153.9 million. The revenue increased by RM48.1 million or 45% compared to RM105.8 million achieved in the same corresponding period of last year. The Group's Profit Before Tax of RM36.9 million was higher by RM10.0 million or 37% compared to the same corresponding period of last year.

The Group posted higher revenue and profit for the fourth quarter compared to the same corresponding period of last year due to higher contribution by the Group's Property division, which recorded better revenue mainly from TTIS enclave sales and sales of land.

Performance of the operating business segments for the quarter ended 31 December 2016 compared to the previous year's corresponding quarter are as follows:

Property Division

The Property Division contributed RM95.4 million to Group revenue compared to RM34.9 million previously, an increase of 173%. The increase of the revenue was mainly due to higher sales coming from Bandar Darulaman and Darulaman Perdana townships and also sales of land.

Similarly, profit contribution stood at RM38.4 million, an increase by RM27.2 million compared to the previous year's corresponding period mainly due to the higher sales performance of its properties and the land sales.

Road and Quarry Division

This Division contributed RM41.1 million to Group revenue compared to RM59.9 million previously, a decrease of 31%. The decrease in revenue was due to the state road maintenance project which was higher during the same quarter last year. In 2015, most of the work orders of the state road maintenance project were done in quarter 4.

Similarly, the profit contribution decreased to RM9.2 million from RM15.0 million recorded in 2015.

Construction Division

The Construction Division provided RM15.5 million to Group revenue compared to RM8.7 million previously, an increase of 78%. This was mainly due to higher external projects like SADA water treatment plant and PPR Ayer Hitam undertaken in quarter under review 2016, as compared to in 2015.



However, profit contribution has decreased arising from early settlement of KUIN project financing.

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

For the current financial year to date, the Group recorded revenue of RM356.6 million compared to RM243.3 million in the same corresponding period of last year representing an increase of 47%. Similarly, Group profit increased by 28% to RM52.3 million compared to RM40.8 million last year.

The Property Division recorded higher revenue of RM213.0 million compared to RM107.0 million in 2015. Similarly, higher profit for the year compared to in 2015 mainly due to the higher sales performance of its properties and the land sales.

Road and Quarry Division recorded 9% higher revenue of RM111.5 million compared to RM102.6 million in the previous year. It was mainly due to third party project such as PROPEL road maintenance which was higher compared to last year. Similarly, this Division recorded higher profit of RM25.9 million as compared to RM24.6 million in 2015, an increase of 5%.

The Construction Division contributed slightly lower revenue of RM25.6 million compared to RM25.8 million in 2015. However, the Division recorded a lower profit of RM4.0 million compared to RM16.3 million in 2015, arising from early settlement of KUIN project financing.

18. Variation of Results against Preceding Quarter

	Current quarter ended 31 December 2016 RM	Preceding quarter ended 30 September 2016 RM
Revenue	153,917,405	87,175,511
Profit Before Taxation	36,925,449	8,441,689

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 next year

In spite of current economic conditions, the Group expects to turn in a respectable performance in 2017.



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 would focus its launches on affordable segment and would only roll out higher range products on small scale basis. Besides the three existing townships, two more townships are expected to be launched by end of 2017. In addition, Kedah Holdings would also launch its Kuala Kangsar project before mid-year 2017. Those projects would allow Property Division to remain as a key contributor for revenue and profit for the BDB Group in 2017.

Profit contribution from Road and Quarry Division is expected to remain stable based on the demand for quarry products and the road pavement projects. The Division has also completed building a new premix plant targeted to commence operation in early 2017.

The Construction Division will continue to support the Property Division in developing current and future townships. The Division would also be focusing on two external key projects, namely PPR project in Ayer Hitam and SADA water treatment plant.

20. Variance from Profit Forecast or Profit Guarantee

Not applicable for the financial period ended 31 December 2016.

21. Income Tax Expense

	12 months ended 31 December 2016 RM	12 months ended 31 December 2015 RM
Malaysian income tax	18,322,546	16,567,040

The Group's effective tax rate for the current period is approximately 35%.

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 December 2016 were as follows:

	Short-term RM	Long-term RM
Term loans	265,680,883	29,580,408
Hire Purchase	2,531,607	6,461,468
Revolving Credit	33,054,000	-
Bank overdraft	17,860,639	-
TOTAL	319,127,129	36,041,876

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 31 December 2016.

26. Earnings Per Share

a. Basic earnings per share

	12 months ended 31.12.2016 RM	12 months ended 31.12.2015 RM
Profit attributable to owners of the Company	33,999,716	24,215,682
Number of ordinary shares in issue	303,854,977	303,854,977
Basic earnings per share (sen)	11.19	8.35

b. Diluted earnings per share

Not applicable.



27. Disclosure of Realised and Unrealised Retained Earnings

	As at 31 December 2016 RM'000	As at 31 December 2015 RM'000
Total retained earnings of the Company and its subsidiaries:		
-Realised	195,412	181,748
-Unrealised	1,056	196
- Adjustment	430	101
Total retained earnings	203,890	182,045

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 12 February 2017.