



INTERIM FINANCIAL STATEMENTS

*- For the Quarter and Period of Nine Months
Ended 30th September 2017 -*

TABLE OF CONTENTS

	Pages
<i>Condensed consolidated statement of profit or loss and other 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 2017
(The figures have not been audited)**

	Note	3 months ended 30 September		9 months ended 30 September	
		2017 RM	2016 RM	2017 RM	2016 RM
Continuing Operations					
Revenue	9	54,214,141	87,175,511	197,027,982	202,668,319
Cost of sales		(34,091,510)	(66,876,780)	(145,805,179)	(154,653,447)
Gross profit		<u>20,122,630</u>	<u>20,298,730</u>	<u>51,222,803</u>	<u>48,014,871</u>
Distribution expenses		(5,535,525)	(5,755,204)	(13,841,044)	(13,619,359)
Administrative expenses		(11,690,360)	(7,954,320)	(34,225,778)	(26,059,314)
Other operating income	10	971,812	553,217	3,269,662	2,227,862
Other operating expenses		(152)	230,338	(10,505)	187,861
Result from operating activities		<u>3,868,405</u>	<u>7,372,762</u>	<u>6,415,138</u>	<u>10,751,922</u>
Unwinding of discount on non-current receivables		-	5,063,451	-	15,530,058
Finance cost	10	(1,306,999)	(3,994,524)	(2,916,194)	(10,913,037)
Profit before taxation	10	<u>2,561,406</u>	<u>8,441,689</u>	<u>3,498,944</u>	<u>15,368,943</u>
Tax expense	21	(667,197)	(2,644,864)	(909,725)	(4,655,740)
Profit and total comprehensive income for the period	9	<u><u>1,894,209</u></u>	<u><u>5,796,824</u></u>	<u><u>2,589,219</u></u>	<u><u>10,713,202</u></u>
Profit and total comprehensive income for the period attributable to :					
Owners of the Company		1,905,928	5,805,253	2,616,940	10,729,204
Non-controlling interests		(11,719)	(8,429)	(27,721)	(16,002)
Profit and total comprehensive income for the period		<u><u>1,894,209</u></u>	<u><u>5,796,824</u></u>	<u><u>2,589,219</u></u>	<u><u>10,713,202</u></u>
Basic earnings per ordinary share (sen)	26	0.62	1.91	0.85	3.53

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2017
(The figures have not been audited)**

	Note	30.09.2017 RM	31.12.2016 RM
Assets			
Non-current assets			
Property, plant and equipment	12	94,996,930	83,081,217
Investment property		33,853,123	33,810,078
Other investments		3,613,409	7,109,756
Land held for property development		329,438,228	302,200,223
Deferred tax assets		1,056,479	1,056,478
		<u>462,958,169</u>	<u>427,257,752</u>
Current assets			
Property development costs		86,071,846	97,923,145
Inventories		23,278,334	22,895,159
Trade and other receivables		155,074,207	465,657,170
Current tax assets		4,608,200	586,188
Deposits with licensed banks		9,253,797	25,447,738
Cash and bank balances		38,952,592	52,552,016
		<u>317,238,976</u>	<u>665,061,416</u>
Total assets		<u><u>780,197,145</u></u>	<u><u>1,092,319,168</u></u>
Equity and Liabilities			
Current liabilities			
Trade and other payables		90,727,253	194,382,738
Current tax payable		-	7,801,687
Loans and borrowings	23	131,703,113	319,127,129
		<u>222,430,366</u>	<u>521,311,554</u>
Non-current liabilities			
Loans and borrowings	23	33,885,632	36,041,876
		<u>33,885,632</u>	<u>36,041,876</u>
Total liabilities		<u>256,315,998</u>	<u>557,353,430</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		192,833,318	203,890,188
		<u>523,853,016</u>	<u>534,909,886</u>
Non-controlling interests		28,131	55,852
Total equity		<u>523,881,147</u>	<u>534,965,738</u>
Total equity and liabilities		<u><u>780,197,145</u></u>	<u><u>1,092,319,168</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 2016 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 2017**
(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 2016	303,854,977	27,164,721	331,019,698	174,083,834	505,103,532	8,044,560	513,148,092
Issuance of new ordinary shares	-	-	-	-	-	-	-
Share issuance expenses	-	-	-	-	-	-	-
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>
As at 1 January 2017	303,854,977	27,164,721	331,019,698	203,890,188	534,909,886	55,852	534,965,738
Total comprehensive income	-	-	-	2,616,943	2,616,943	(27,721)	2,589,222
Dividend paid	-	-	-	(13,673,813)	(13,673,813)	-	(13,673,813)
As at 30 September 2017	<u>303,854,977</u>	<u>27,164,721</u>	<u>331,019,698</u>	<u>192,833,318</u>	<u>523,853,016</u>	<u>28,131</u>	<u>523,881,147</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 2016 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE NINE MONTH ENDED 30 SEPTEMBER 2017**
(The figures have not been audited)

	Cumulative Quarter	
	Current Year Ended 30-Sep-17 RM	Preceding Year Ended 30-Sep-16 RM
Cash flows from operating activities		
Profit before taxation	3,498,944	15,368,943
Adjustments for:		
Non-cash items	7,784,177	5,013,303
Non operating items	257,943	(5,389,453)
Operating profit before working capital changes	11,541,064	14,992,792
Decrease / (increase) in land held for development and property development costs	(15,800,594)	(63,619,447)
Decrease / (increase) in Trade and other receivables	199,669,714	(49,500,071)
Decrease / (increase) in inventories	147,608	9,589,950
Increase / (decrease) in Trade and other payables	(185,897,032)	19,967,591
Cash generated from / (used in) operations	9,660,760	(68,569,185)
Interest paid	(329,976)	(10,819,236)
Taxes paid	(13,002,323)	(15,817,933)
Net cash generated from / (used in) operating activities	(3,671,539)	(95,206,354)
Cash flows from investing activities		
Purchase of property, plant and equipment	(16,736,968)	(17,665,106)
Proceeds from disposal of property, plant and equipment	94,720	150,999
Purchase of other investment	-	(3,592,272)
Proceeds from investing in subsidiary	-	-
Profit from Islamic deposits	-	-
Dividend received	5,932	-
Interest received	622,364	654,731
Unwinding of discount on non-current receivables	-	15,530,058
Net cash generated from / (used in) investing activities	(16,013,952)	(4,921,590)
Cash flows from financing activities		
Dividends paid to shareholders of the Company	(13,673,813)	(12,154,530)
Proceeds from issuance of ordinary shares	-	-
Drawdown of term loan	11,506,454	58,916,498
Repayment of borrowings	(7,650,798)	(18,862,371)
Placement/(withdrawal) of pledged deposit	71,892	(266,320)
Net changes in finance lease creditors	(1,789,508)	(682,533)
Net cash generated from / (used in) financing activities	(11,535,773)	26,950,744
Net increase / (decrease) in cash and cash equivalents	(31,221,264)	(73,177,199)
Cash and cash equivalents at beginning of the period	53,274,027	94,510,070
Cash and cash equivalents at end of the period	22,052,763	21,332,871
Cash and cash equivalents comprise of the followings:		
Cash and bank balances	38,952,590	34,493,011
Fixed deposit	9,253,797	24,852,339
Overdraft	(20,030,784)	(15,785,432)
	28,175,603	43,559,918
Less: Deposits pledged	(6,122,840)	(22,167,436)
	22,052,763	21,392,482

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 2017

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 2016. 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 2016.

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, 2016 in Malaysia.

2. Significant Accounting Policies

a) Financial Reporting Standards (FRS)

The significant accounting policies adopted for these interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2016 except for the Group changed its accounting policy with respect to the subsequent measurement of investment property from the cost model to the fair value model, with changes in fair value recognized in profit or loss. The Group believes that subsequent measurement using the fair value model provides more relevant information about the financial performance of these assets, assists users to better understand the risks associated with these assets and is consistent with industry practice in relation to such type of assets.

This voluntary change in accounting policy was applied retrospectively and does not have material impact to the financial statements.



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 2016 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 equity securities except for repay of debt in the current quarter.



9. Segmental Information

	Property development RM	Quarrying and road paving RM	Construction RM	Operation of golf resort and hotel RM	Other reportable segments RM	Total reportable segments RM	Elimination RM	Consolidated RM
9 months ended 30 September 2017								
Revenue								
External sales	69,951,514	79,275,028	41,410,813	4,625,584	1,765,043	197,027,982	-	197,027,982
Inter-segment sales	98,978	-	45,544,088	168,565	22,724,660	68,536,291	(68,536,291)	-
Total revenue	<u>70,050,491</u>	<u>79,275,028</u>	<u>86,954,901</u>	<u>4,794,149</u>	<u>24,489,703</u>	<u>265,564,272</u>	<u>(68,536,291)</u>	<u>197,027,982</u>
Segment profit/(loss)	(1,580,094)	10,452,527	5,738,505	(2,731,871)	9,800,068	21,679,135	(18,180,191)	3,498,944
	RM	RM	RM	RM	RM	RM	RM	RM
3 months ended 30 September 2017								
Revenue								
External sales	16,521,076	27,821,079	7,275,085	1,726,339	870,562	54,214,141	-	54,214,141
Inter-segment sales	32,993	-	(471,637)	103,320	4,908,220	4,572,896	(4,572,896)	-
Total revenue	<u>16,554,068</u>	<u>27,821,079</u>	<u>6,803,448</u>	<u>1,829,659</u>	<u>5,778,782</u>	<u>58,787,036</u>	<u>(4,572,896)</u>	<u>54,214,141</u>
Segment profit/(loss)	(1,163,720)	3,928,034	5,403,230	(652,883)	773,476	8,288,137	(5,726,731)	2,561,406



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	
	2017 RM	2016 RM	2017 RM	2016 RM
Interest income	(304,773)	(5,386,922)	(822,156)	(16,204,182)
Other income including investment income	(667,329)	(229,746)	(2,447,506)	(1,553,738)
Depreciation and amortization:				
-property, plant and equipment	2,308,676	791,464	6,600,052	2,255,612
Property, plant and equipment written off	68,979	19	68,979	7,324
Gain on disposal of:				
-property, plant and equipment	(80,468)	(107,515)	(80,468)	(154,707)
Reversal of impairment:				
-trade receivables	(30,000)	(71,684)	(110,000)	(361,886)
Interest expense	1,306,803	3,994,524	2,916,194	10,913,037

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 RM19,102,922 during the quarter under review.

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 2017 are as follows:

	RM
Approved and contracted for	16,541,446
Approved but not contracted for	7,315,053

14. Changes in Contingent Liabilities

As at 30 September 2017, 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 30.09.2017 RM
Progress billings charged to the ultimate holding corporation	432,864
Rental of quarry land to ultimate holding corporation	100,000
Tributes charged by the ultimate holding corporation	474,950
Estate agency fee charged by a related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.	145,219
Revenue from oil palm from related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.	2,054,466
Property management paid to a related company, Darulaman Asset Sdn. Bhd	38,500
Insurance paid to a related company, KSDC Insurance Brokers Sdn. Bhd.	1,214,426
	4,460,425



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 2017, the Group recorded revenue of RM54.2 million. The revenue decreased by RM33.0 million or 38% compared to RM87.2 million achieved in the same corresponding period of last year. The Group's Profit Before Tax of RM2.6 million was lower by RM5.9 million compared to the same corresponding period of last year.

The Group posted lower revenue due to lower contributions by the Group's property and road and quarry divisions for the third quarter compared to the same corresponding period of last year.

Performance of the operating business segments for the quarter ended 30 September 2017 compared to the previous year's corresponding quarter are as follows:

Property Division

The Property Division contributed RM16.5 million to Group revenue compared to previous year corresponding quarter of RM39.9 million. The decrease in revenue for the period was mainly due to lower recognition of its on-going medium cost to high-end residential projects at Bandar Darulaman and Darulaman Perdana townships.

However, profit contribution increased by RM0.3 million compared to the previous year's corresponding period arising from savings from completed project costs.

Road and Quarry Division

This Division contributed RM27.9 million to Group revenue compared to RM41.3 million previously, a decrease of 33%. The decrease in revenue was due to the timing difference on the recognition of project revenue from the State Road Maintenance.

Similarly, the profit contribution decreased from RM11.2 million in third quarter 2016 to RM3.9 million in same quarter this year due to higher production costs.

Construction Division

The Construction Division contributed RM7.3 million to Group revenue compared to RM4.4 million previously. Profit contribution from this division has increased by RM4.7 million compared to the previous year's corresponding period.

Higher revenue and profit was mainly due to higher contribution from its on-going SADA water treatment plant in Pokok Sena and PPR Ayer Hitam project.



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

For the current financial year to date, the Group recorded revenue of RM197.0 million compared to RM202.7 million in the same corresponding period of last year representing a slightly decrease of 3%. The Group profit decreased to RM3.5 million compared to RM15.4 million last year.

Road and Quarry Division recorded 13% higher revenue of RM79.3 million compared to RM70.4 million in the previous year. It was mainly due to early commencement of the state road maintenance project. However, profit contribution has decreased from RM16.7 million in 2016 to RM10.5 million in the same period this year due to higher production costs.

The Construction Division contributed higher revenue of RM41.4 million compared to RM10.1 million in 2016, mainly due to SADA water treatment plant and PPR Ayer Hitam project. However, the Division recorded lower profit of RM5.7 million compared to RM8.7 million in 2016, due to loss of interest income from early settlement of KUIN project financing.

The Property Division recorded lower revenue of RM70.0 million compared to RM117.6 million in 2016 due to lower recognition of its on-going medium cost to high-end residential projects at Bandar Darulaman and Darulaman Perdana since most of the projects are nearing its completion. Bulk of the revenue for the period contributed by low cost housing in Bandar Darulaman which bear lower sales and margin. The Division recorded loss of RM1.6 million for the period compared to the profit RM0.2 million in 2016, mainly due to the lower sales.

18. Variation of Results against Preceding Quarter

	Current quarter ended 30 September 2017 RM	Preceding quarter ended 30 June 2017 RM
Revenue	54,214,141	78,946,677
Profit Before Taxation	2,561,406	555,705

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 adequate land bank and projects in hand to provide sustainable revenue.

The Property Division should be able to maintain its contribution from Bandar Darulaman, Darulaman Perdana and Darulaman Utama townships.

Profit contribution from Road and Quarry Division is expected to remain stable based on the current demand for quarry products from Bukit Perak Quarry and Kulim Premix Plant. Besides existing contracts, the Division managed to grow its Order Book by securing irrigation contract from the Agriculture and Agro-based Industry Ministry during the quarter.

The Construction Division will continue to support the property arms in developing affordable houses during the year. In addition, two key projects namely PPR housing scheme under Kementerian Kesejahteraan Bandar, Perumahan dan Kerajaan Tempatan and also SADA water treatment plant in Pokok Sena will be the key contributors to the revenue and profit. The Division will also be focusing on the completion and delivering these projects within stipulated time, budget and quality.

20. Variance from Profit Forecast or Profit Guarantee

Not applicable for the financial period ended 30 September 2017.

21. Income Tax Expense

	9 months ended 30 September 2017 RM	9 months ended 30 September 2016 RM
Malaysian income tax	909,725	4,655,740

The Group's effective tax rate for the current period is approximately 26%.

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 2017 were as follows:

	Short-term RM	Long-term RM
Term loans	21,815,752	28,102,896
Sukuk Wakalah	50,000,000	-
Bank Acceptance	1,388,510	-
Hire Purchase	3,168,067	5,782,736
Revolving Credit	35,300,000	-
Bank overdraft	20,030,784	-
TOTAL	131,703,113	33,885,632

24. Material Litigation

There is no pending material litigation since the last annual balance sheet date of 31 December 2016.

25. Dividends Payable

No interim dividend has been declared during the quarter ended 30 September 2017.

26. Earnings Per Share

a. Basic earnings per share

	9 months ended 30.09.2017 RM	9 months ended 30.09.2016 RM
Profit attributable to owners of the Company	2,589,219	10,713,202
Number of ordinary shares in issue	303,854,977	303,854,977
Basic earnings per share (sen)	0.85	3.53

b. Diluted earnings per share

Not applicable.



27. Disclosure of Realised and Unrealised Retained Earnings

	As at 30 September 2017 RM'000	As at 31 December 2016 RM'000
Total retained earnings of the Company and subsidiaries:		
-Realised	186,253	202,404
-Unrealised	1,056	1,056
- Adjustment	5,524	430
Total retained earnings	192,833	203,890

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 15th October 2017.