



INTERIM FINANCIAL STATEMENTS

*- For The Quarter and Year Ended
31st December 2017 -*

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>

APPENDIX 1



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE TWELVE MONTH ENDED 31 DECEMBER 2017**
(The figures have not been audited)

	Note	3 months ended 31 December		12 months ended 31 December	
		2017 RM	2016 RM	2017 RM	2016 RM
Continuing Operations					
Revenue	9	54,679,241	153,917,729	251,707,223	356,586,048
Cost of sales		(48,216,977)	(82,262,807)	(194,022,156)	(236,916,254)
Gross profit		<u>6,462,264</u>	<u>71,654,923</u>	<u>57,685,067</u>	<u>119,669,794</u>
Distribution expenses		(8,101,040)	(4,566,953)	(21,942,084)	(18,186,312)
Administrative expenses		(6,475,146)	(23,083,686)	(40,700,923)	(49,143,000)
Other operating income	10	1,522,188	3,130,328	4,791,850	5,358,190
Other operating expenses		(589,126)	(3,152,923)	(599,631)	(2,965,062)
Result from operating activities		<u>(7,180,860)</u>	<u>43,981,688</u>	<u>(765,721)</u>	<u>54,733,610</u>
Unwinding of discount on non-current receivables		-	1,638,689	-	17,168,747
Finance cost	10	(2,803,600)	(8,694,929)	(5,719,794)	(19,607,966)
(Loss)/Profit before taxation	10	<u>(9,984,460)</u>	<u>36,925,448</u>	<u>(6,485,515)</u>	<u>52,294,391</u>
Tax expense	21	(452,070)	(13,666,806)	(1,361,795)	(18,322,546)
(Loss)/Profit and total comprehensive (expenses)/income for the period	9	<u>(10,436,529)</u>	<u>23,258,643</u>	<u>(7,847,310)</u>	<u>33,971,845</u>
(Loss)/Profit and total comprehensive (expenses)/income for the period attributable to :					
Owners of the Company		(10,419,107)	23,267,072	(7,813,886)	33,999,716
Non-controlling interests		(17,422)	(8,429)	(33,424)	(27,871)
(Loss)/Profit and total comprehensive (expenses)/income for the period		<u>(10,436,529)</u>	<u>23,258,643</u>	<u>(7,847,310)</u>	<u>33,971,845</u>
Basic earnings per ordinary share (sen)	26	(3.43)	7.65	(2.57)	11.19

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 31 DECEMBER 2017
(The figures have not been audited)**

	Note	31.12.2017 RM	31.12.2016 RM Restated
Assets			
Non-current assets			
Property, plant and equipment	12	98,702,855	83,081,217
Investment property		36,000,000	36,000,000
Other investments		446,384	7,109,756
Land held for property development		344,437,482	302,200,223
Deferred tax assets		190,174	1,056,478
		<u>479,776,895</u>	<u>429,447,674</u>
Current assets			
Property development costs		54,970,076	97,923,145
Inventories		37,504,959	22,895,159
Trade and other receivables		100,211,462	465,657,170
Current tax assets		9,613,339	586,188
Deposits with licensed banks		22,162,222	25,447,738
Cash and bank balances		97,592,123	52,552,016
		<u>322,054,181</u>	<u>665,061,416</u>
Total assets		<u><u>801,831,076</u></u>	<u><u>1,094,509,090</u></u>
Equity and Liabilities			
Current liabilities			
Trade and other payables		124,723,929	194,382,738
Current tax payable		198	7,801,687
Loans and borrowings	23	<u>124,793,845</u>	<u>319,127,129</u>
		<u>249,517,972</u>	<u>521,311,554</u>
Non-current liabilities			
Deferred tax liabilities		120,356	-
Loans and borrowings	23	<u>36,461,372</u>	<u>35,945,037</u>
		<u>36,581,728</u>	<u>35,945,037</u>
Total liabilities		<u>286,099,700</u>	<u>557,256,591</u>
Equity attributable to owners of the parent			
Share capital		303,854,977	303,854,977
Other reserves		29,451,482	29,451,482
Retained earnings		<u>182,402,489</u>	<u>203,890,188</u>
		515,708,948	537,196,647
Non-controlling interests		<u>22,428</u>	<u>55,852</u>
Total equity		<u>515,731,376</u>	<u>537,252,499</u>
Total equity and liabilities		<u><u>801,831,076</u></u>	<u><u>1,094,509,090</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 TWELVE MONTH ENDED 31 DECEMBER 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	Fair value reserve RM	Retained earnings RM			
As at 1 January 2016	303,854,977	27,164,721		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>203,890,188</u>	<u>534,909,886</u>	<u>55,852</u>	<u>534,965,738</u>
As at 1 January 2017	303,854,977	27,164,721	-	203,890,188	534,909,886	55,852	534,965,738
Impact of changes in accounting policies			2,286,761		2,286,761		2,286,761
As at 1 January 2017, restated	<u>303,854,977</u>	<u>27,164,721</u>	<u>2,286,761</u>	<u>203,890,188</u>	<u>537,196,647</u>	<u>55,852</u>	<u>537,252,499</u>
Total comprehensive income	-	-		(7,813,886)	(7,813,886)	(33,424)	(7,847,310)
Dividend paid	-	-		(13,673,813)	(13,673,813)	-	(13,673,813)
As at 31 December 2017	<u>303,854,977</u>	<u>27,164,721</u>	<u>2,286,761</u>	<u>182,402,489</u>	<u>515,708,948</u>	<u>22,428</u>	<u>515,731,376</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 TWELVE MONTH ENDED 31 DECEMBER 2017
(The figures have not been audited)**

	Cumulative Quarter	
	Current Year Ended 31-Dec-17 RM	Preceding Year Ended 31-Dec-16 RM
Cash flows from operating activities		
(Loss) / Profit before taxation	(6,485,515)	52,294,391
Adjustments for:		
Non-cash items	27,443,388	9,928,794
Non operating items	4,006,496	637,078
Operating profit before working capital changes	24,964,369	62,860,263
(Increase) / Decrease in land held for development and property development costs	715,811	(85,764,170)
(Increase) / Decrease in Trade and other receivables	354,513,050	(26,767,831)
(Increase) / Decrease in Inventories	(14,609,800)	12,058,051
Increase / (Decrease) in Trade and other payables	(69,658,809)	42,859,863
Cash generated from operations	295,924,621	5,246,176
Interest paid	(5,719,509)	(19,607,966)
Taxes paid	(17,320,267)	(16,219,598)
Net cash generated from / (used in) operating activities	272,884,845	(30,581,388)
Cash flows from investing activities		
Purchase of property, plant and equipment	(30,269,922)	(14,097,002)
Proceeds from disposal of property, plant and equipment	632,618	658,977
Withdrawal of other investment	6,663,372	(6,198,832)
Dividend received	5,932	5,932
Interest received	1,632,265	1,796,209
Unwinding of discount on non-current receivables	72,219	-
Net cash used in investing activities	(21,263,516)	(17,834,716)
Cash flows from financing activities		
Dividends paid to shareholders of the Company	(13,673,813)	(12,154,199)
Drawdown of term loan	56,102,493	37,850,000
Repayment of borrowings	(5,091,172)	20,037,485
Repayment of term loan	(245,526,874)	(37,414,055)
Placement/(withdrawal) of pledged deposit	(338,562)	(1,114,352)
Net changes in finance lease creditors	(2,561,346)	(1,977,597)
Net cash generated from / (used in) financing activities	(211,089,274)	5,227,282
Net increase / (decrease) in cash and cash equivalents	40,532,055	(43,188,822)
Cash and cash equivalents at beginning of the period	53,274,027	96,462,849
Cash and cash equivalents at end of the period	93,806,082	53,274,027
Cash and cash equivalents comprise of the followings:		
Cash and bank balances	97,592,123	52,552,016
Fixed deposit	22,162,222	25,447,738
Overdraft	(19,226,493)	(17,860,639)
	100,527,852	60,139,115
Less: Deposits pledged	(6,721,770)	(6,865,088)
	93,806,082	53,274,027

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 ENDED 31 DECEMBER 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 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.



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 financial year under review.

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 under review.

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	Road Building and Quarrying RM	Engineering and Construction RM	Leisure RM	Other reportable segments RM	Total reportable segments RM	Elimination RM	Consolidated RM
12 months ended 31 December 2017								
Revenue								
External sales	81,367,672	104,381,337	55,746,294	7,679,809	2,532,111	251,707,223	-	251,707,223
Inter-segment sales	132,132	4,306,445	66,197,118	1,204,411	27,632,880	99,472,986	(99,472,986)	-
Total revenue	81,499,804	108,687,782	121,943,412	8,884,220	30,164,991	351,180,209	(99,472,986)	251,707,223
Segment profit/(loss)	(11,915,925)	14,165,817	4,217,688	(2,589,881)	13,543,708	17,421,407	(23,906,921)	(6,485,515)
3 months ended 31 December 2017								
Revenue								
External sales	11,416,158	25,106,309	14,335,481	3,054,225	767,068	54,679,241	-	54,679,241
Inter-segment sales	33,154	4,306,445	20,653,030	1,035,846	4,908,220	30,936,695	(30,936,695)	-
Total revenue	11,449,312	29,412,754	34,988,511	4,090,071	5,675,288	85,615,936	(30,936,695)	54,679,241
Segment profit/(loss)	(10,335,831)	3,713,290	(1,520,817)	141,990	3,743,640	(4,257,728)	(5,726,730)	(9,984,459)



10. Profit / (Loss) 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	
	2017 RM	2016 RM	2017 RM	2016 RM
Interest income	(865,637)	(2,760,774)	(1,687,793)	(18,964,956)
Other income including investment income	(656,551)	(2,008,243)	(3,104,057)	(1,215,488)
Depreciation and amortization:				
-property, plant and equipment	1,069,103	810,017	4,310,793	3,065,629
Property, plant and equipment written off	307,687	14	376,666	7,339
Gain on disposal of:				
-property, plant and equipment	(427,050)	-	(507,518)	(345,748)
Allowance of impairment:				
-trade receivables	13,026	135,245	13,026	206,929
Interest expense	2,803,600	8,694,929	5,719,794	19,607,966

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 RM7,645,331 during the quarter under review.

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

The valuation of property, plant and equipment were brought forward without amendment from the previous audited financial statement.



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 2017 are as follows:

	RM
Approved and contracted for	7,874,674
Approved but not contracted for	1,136,394

14. Changes in Contingent Liabilities

As at 31 December 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

	12 months ended 31.12.2017 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	674,013
Estate agency fee charged by a related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.	193,625
Revenue from oil palm managed by a related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.	2,922,338
Property management paid to a related company, Darulaman Asset Sdn. Bhd	60,500
Insurance paid to a related company, KSDC Insurance Brokers Sdn. Bhd.	2,147,101
	6,530,441



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 2017, the Group recorded revenue of RM54.7 million. The revenue decreased by RM99.2 million compared to RM153.9 million achieved in the same corresponding period of last year. The Group recorded Loss Before Tax of RM9.98 million as compared to profit before tax of RM36.9 million recorded in the same corresponding period of last year.

The Group recorded lower revenue and posted loss before tax for the current quarter mainly due to lower contribution by the Group's Property Division and Road Building and Quarry Division.

Performance of the operating business segments for the quarter ended 31 December 2017 compared to the previous year's corresponding quarter are as follows:

Property Division

The Property Division contributed RM11.4 million to Group revenue compared to previous year corresponding quarter of RM95.4 million. The Division recorded loss before tax of RM10.3 million compared to profit before tax of RM38.3 million recorded in the same corresponding period of last year.

The decrease in revenue and profitability for the current quarter was mainly due to lower recognition of its on-going medium cost to high-end residential projects at Bandar Darulaman and Darulaman Perdana townships since most of the projects are nearing its completion. The revenue and profit for the previous year's corresponding quarter was significantly contributed by land disposal.

Road and Quarry Division

This Division contributed RM25.1 million to Group revenue compared to RM41.1 million previously, a decrease of 39%. The decrease in revenue was due to lower contribution from state road and highway maintenance projects.

Concurrently, the profit contribution decreased from RM9.2 million in fourth quarter 2016 to RM3.7 million in the same quarter this year due to higher production costs.



Construction Division

The Construction Division contributed slightly lower revenue of RM14.3 million compared to RM15.5 million previously. Profit contribution from this division has increased by RM3.1 million compared to the previous year's corresponding period.

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

Leisure Division

The Leisure Division contributed RM3.1 million to Group revenue compared to previous year corresponding quarter of RM1.4 million. The Division recorded profit before tax of RM0.1 million compared to loss before tax of RM1.3 million recorded in the same corresponding period of last year.

The Division recorded favorable result for the quarter mainly due to the opening of a new water theme park.

b) Current financial year against the previous year

For the current financial year, the Group recorded revenue of RM251.7 million compared to RM356.6 million last year. The Group recorded loss before tax of RM6.5 million compared to profit before tax of RM52.3 million last year.

The Property Division recorded lower revenue of RM81.4 million compared to RM213 million in 2016. The Division recorded loss before tax of RM11.9 million for the year compared to the profit before tax of RM38.5 million in the previous year. The decrease in revenue and profitability for the year was mainly due to lower recognition of its on-going medium cost to high-end residential projects at Bandar Darulaman and Darulaman Perdana townships since most of the projects are nearing its completion. The revenue and profit for the previous year was significantly contributed by land disposal.

Road and Quarry Division recorded 6% lower revenue of RM104.3 million compared to RM111.4 million in the previous year. It was mainly due to lower contribution from state road and highway maintenance projects. Profit contribution has decreased from RM25.9 million in 2016 to RM14.2 million in 2017 due to higher production costs.

The Construction Division contributed higher revenue of RM55.7 million compared to RM25.6 million in 2016 and higher profit of RM4.2 million compared to RM4 million in 2016. The higher revenue and profit was contributed by SADA water treatment plant and PPR Ayer Hitam projects.



The Leisure Division contributed RM7.7 million to Group revenue compared to RM4.6 million recorded last year. The increase in revenue was due to higher contribution from golfing activities, hotel, food and beverages and the opening of a new water theme park. The Division recorded slightly higher loss before tax by RM0.1 million mainly due to higher administrative and overhead expenses.

18. Variation of Results against Preceding Quarter

	Current quarter ended 31 December 2017 RM	Preceding quarter ended 30 September 2017 RM
Revenue	54,679,241	54,214,141
(Loss) / Profit Before Taxation	(9,984,460)	2,561,406

The Group recorded Loss Before Tax of RM10 million as compared to Profit Before Tax of RM2.6 million in the previous quarter mainly due to timing recognition of variation orders for construction and property development division and also under provision of development costs.

19. Prospects for the next financial year

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

The property division expects soft property market sentiment to continue into 2018. The division will be focusing on clearing its unsold medium cost to high end residential projects in Bandar Darulaman, Darulaman Perdana and Kuala Kangsar. Besides clearing existing stocks, the division would continue to roll out products that match the market requirements.

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. The division expects steady flow of income from the ongoing road and highway maintenance projects.

The Construction Division will be focusing on completing and delivering all ongoing projects within scheduled time and quality. The division will continue to support the property division in developing affordable houses during the year. Prospective projects are constantly identified that will enable the division to be a key contributor to the Group.



The Leisure Division is expected to register improved performance in the near term after the opening of a new water theme park.

20. Variance from Profit Forecast or Profit Guarantee

Not applicable for the financial year ended 31 December 2017.

21. Income Tax Expense

	12 months ended 31 December 2017 RM	12 months ended 31 December 2016 RM
Malaysian income tax	1,361,795	18,322,546

Income tax expense for the current year was provided for profitable companies within the Group.

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 2017 were as follows:

	Short-term RM	Long-term RM
Term loans	13,565,384	31,408,171
Sukuk Wakalah	50,000,000	-
Bank Acceptance	4,102,493	-
Hire Purchase	3,099,476	5,053,199
Revolving Credit	34,800,000	-
Bank overdraft	19,226,493	-
TOTAL	124,793,846	36,461,370

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 31 December 2017.

26. Earnings Per Share

a. Basic earnings per share

	12 months ended 31.12.2017 RM	12 months ended 31.12.2016 RM
(Loss)/Profit attributable to owners of the Company	(7,813,886)	33,999,716
Number of ordinary shares in issue	303,854,977	303,854,977
Basic earnings per share (sen)	(2.57)	11.19

b. Diluted earnings per share

Not applicable.

27. 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 2018.