

BINA DARULAMAN BERHAD  
ANNUAL **REPORT** 2014



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**BINA DARULAMAN BERHAD (332945-X)**

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SOARING TO  
**GREATER HEIGHTS**



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### Cover Rationale

As the king of the skies, the eagle is a symbol of courage, power and strength. It embodies the qualities of Bina Darulaman Berhad and that of our workforce, whose passion and dedication contributed to the company's upward progress within the industries we serve. With a vision as keen as an eagle, we pledge to accomplish greater heights with each passing year.

## OUR VISION

To be a respected and leading conglomerate that delivers excellent products and services.

## OUR MISSION

To deliver excellent standard of performance through township development, infrastructure, construction and tourism.

## OUR OBJECTIVES

- To maximise returns to shareholders by maximising growth rate in net earnings.
- To ensure subsidiaries achieve leadership positions in their respective industries.
- To ensure sustainability of our core businesses.
- To create diversified income and revenue sources.
- To contribute positively towards the social and environmental needs of the society in which we operate.



## ABOUT US

Bina Darulaman Berhad (BDB) was incorporated on 7 February 1995 and is an investment holding company responsible for the development of township, construction, road works, quarry, golf, and leisure via its subsidiaries in Kedah.

BDB is committed in ensuring a sound, stable, and dynamic development by committing to the highest principles and its core values in tandem with its status as the sole public-listed Government-linked entity in the Kedah.

## Engineering & Construction KEDAH SATO SDN BHD

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KEDAH SATO SDN BHD is a specialised General and Turnkey Contracting Company incorporated in Malaysia in 1982 and registered with CIDB under G7 Grade. The Company was formed through a joint venture between Perbadanan Kemajuan Negeri Kedah (PKNK) and Sato Kogyo Company Ltd. (SKCL). Kedah Sato has a track record that spans more than 30 years. Kedah Sato is widely recognised in the field of Civil Engineering and Building Construction with experiences ranging from airports, jetties, roadworks, waterworks, bridges, industrial buildings and residential as well as commercial properties. Kedah Sato has completed projects with revenues exceeding RM1 billion since its inception.

In line with its goal to increase productivity and to diversify business activities, Kedah Sato is diversifying its sources of income by venturing into renewable energy, commercial and recreational developments.

## Township & Property Development DARULAMAN REALTY SDN BHD

**DARULAMAN REALTY SDN BHD (DRSB)** was established in 1983 and is a leading name in Kedah for township development. It pioneered Bandar Darulaman in Jitra as a self-contained satellite town of Alor Setar in 1984. To date, DRSB had developed 5,735 houses in Bandar Darulaman, Jitra, Kedah. Way forward, DRSB will launch its new township Taman Tunku Intan Safinaz with 1,533 houses to be built upon its completion. In 1999, Darulaman Utama was conceived to bring large scale development to Kuala Ketil in the district of Baling. With strategic location which is close to Kolej Universiti Insaniah, DRSB had developed 2,399 houses in Darulaman Utama and its milestone was to sell en bloc 323 units of PR1MA Homes to PR1MA Corporation Malaysia in Taman Insaniah. This is followed by Darulaman Perdana, which was launched in Sungai Petani as a premier location for quality homes. With the tagline 'Ultimate Living in Style', Darulaman Perdana launched its new scheme of Emerald, Jade and Amber. These houses were built with spacious designs at competitive prices.

Many other new developments and townships are in the pipeline to ensure sustainability of contribution of quality homes to society and towards Group income and revenue.

### KEDAH HoLDiNgS SDN BHD

Incorporated in 1982, **KEDAH HoLDiNgS SDN BHD (KHSB)** is another subsidiary specialising in property development and property investment. Its focus is in the construction of commercial and residential development, landed and high-rise building in Kedah.

KHSB started with the development of Kompleks Alor Setar, a high-rise office block owned by Bina Darulaman Berhad, and moved to develop an upmarket housing development in Alor Setar and later involved in a joint venture with a subsidiary of Perbadanan Kemajuan Negeri Kedah to develop a condominium in Kulim Golf & Country Resort.

Way forward, KHSB will launch its affordable apartments in Langkawi.



## Road Building & Quarry

### BINA & KUARI (K) SDN BHD

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**BINA & KUARI (K) SDN. BHD.** has nearly 40 years of experience in road construction. Bina & Kuari (K) Sdn Bhd is a Class 'A' contractor that is recognised as one of the most reputable contractors for road works in Northern Malaysia. The Company incorporated in November 1973 to assist Jabatan Kerja Raya in road construction and maintenance in Kedah State, the Company has since grown robustly by employing skilled and experienced workforce of 200 over staffs.

In 2013, the Company has successfully completed the RM40.0 million subcontracts project from IJM Construction Sdn Bhd for the construction of the access road from the mainland to the Second Penang Bridge.

Apart from that, Bina Kuari has completed many landmark projects such as Trans Eastern Kedah Interland Highway (TEKIH), the North-South Expressway (Tikam Batu and Bukit Kayu Hitam stretch), Alor Setar Airport Runway, roadworks for Kolej Universiti Insaniah at Kuala Ketil, Kompleks Tabung Haji at Kepala Batas and Istana Bukit Malut in Langkawi. Due to good track records in pavement works, the Company is entrusted with routine highway maintenance works by PROPEL and UEMC.



## Tourism & Hospitality

# DARULAMAN GOLF RESORT BERHAD

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**DARULAMAN goLF RESoRT BERHAD** owns and manages the Darulaman Golf and Country Club (DGCC) which is home to a sprawling international standard 18-hole golf course covering an area of 189.61 acres.

The Club also provides a wide range of facilities such as swimming pool, badminton courts, gymnasium, conference facilities, f&B outlets, chalets, equestrian park, theme park and spa. DGCC is aptly described as the "Pride of the North" for being the only club with full range of leisure, sporting and accommodation facilities.

The restoration and upgrading of the golf course was successfully completed and open for play since June 2013. The Company benefitted from continued patronage of our loyal members and their guests to the upgraded golf course.

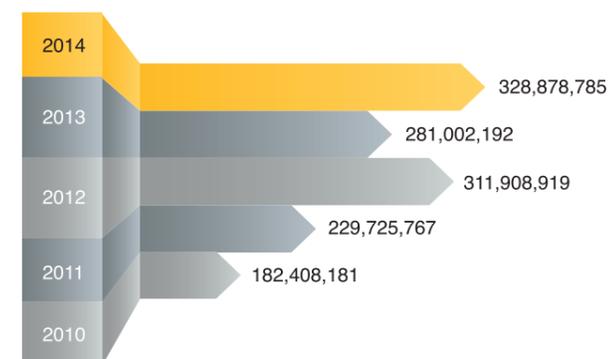
## Five Years Group Financial Highlights

YEAR	2010 RM	2011 RM	2012 RM	2013 RM	2014 RM
Revenue	182,408,181	229,725,767	311,908,919	281,002,192	328,878,785
Profit Before Tax	19,911,338	28,066,733	30,099,475	29,314,815	33,862,477
Net Profit	13,652,899	19,547,043	21,680,042	21,139,791	24,160,279
Share Capital	72,815,856	72,815,856	72,815,856	72,815,856	72,815,856
Earnings per Share (sen)	19.66	26.85	29.78	29.04	33.19
Shareholders' Funds	215,642,410	231,410,727	249,183,545	265,229,702	284,290,031
Net Tangible Assets per Share (RM)	2.96	3.18	3.42	3.64	3.90
Dividend Per Share (sen)	7	7	7	7	3.5*
Dividend Payment (net)	3,822,833	3,913,852	5,097,110	5,097,110	10,634,924*

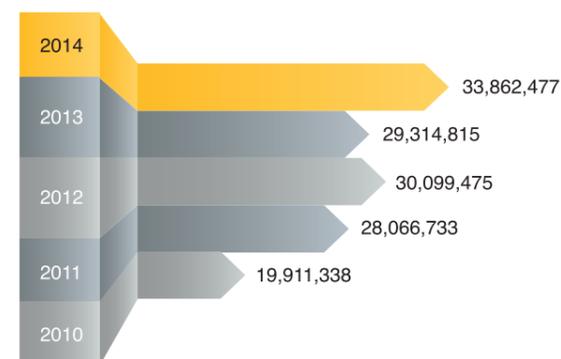
\* Based on the latest issued and paid up capital as at dividend closing date.

\* Subject to shareholders' approval

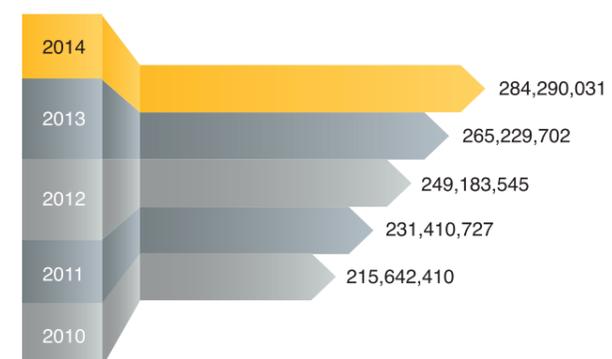
### Revenue (RM)



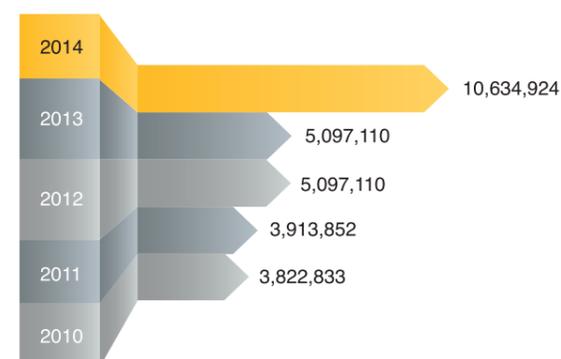
### Profit Before Tax (RM)



### Shareholders' Funds (RM)



### Dividends (RM)



## Notice of 20<sup>th</sup> Annual General Meeting

**NoTICE IS HEREBY giVEN** that the 20<sup>th</sup> Annual General Meeting of Bina Darulaman Berhad (the Company) will be held at The Majestic Hotel Kuala Lumpur, 5, Jalan Sultan Hishamuddin, 50000 Kuala Lumpur on Thursday, 9 April 2015 at 11.00 a.m to transact the following businesses:

### AgENDA

#### As ordinary Business

- To receive the Audited financial Statements for the financial year ended 31 December 2014 together with the Reports of the Directors and Auditors thereon. **(See Note 1)**
- To approve a first and final tax exempt single tier dividend of 3.5 sen per ordinary share in respect of the financial year ended 31 December 2014. **(Resolution 1)**
- To approve the payment of Directors' Fee for the financial year ended 31 December 2014. **(Resolution 2)**
- To re-elect the following Directors retiring pursuant to Article 86 of the Company's Articles of Association and who, being eligible, offer themselves for re-election.
  - Dato' Abdul Rahman bin Ibrahim **(Resolution 3)**
  - Datuk Wan Azhar bin Wan Ahmad **(Resolution 4)**
- To re-appoint Messrs. KPMG as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **(Resolution 5)**
- To transact any other ordinary business of which due notice shall have been received.

### NoTICE oF DiViDEND PAYMENT AND BoOk CLoSURE

**NoTICE IS HEREBY giVEN** that a first and final single tier dividend of 3.5 sen per ordinary share in respect of the financial year ended 31 December 2014, if approved by the shareholders, will be paid on 20 May 2015 to Depositors whose names appear in the Record of Depositors on 23 April 2015.

A depositor shall qualify for entitlement to the dividend only in respect of:

- Shares transferred into the Depositor's Securities Account before 4.00 p.m on 23 April 2015 in respect of ordinary transfer; and
- Shares bought on the Bursa Malaysia Securities Berhad (Bursa Malaysia) on a cum entitlement basis according to the Rules of the Bursa Malaysia.

By Order of the Board,

**KHAI RULMUNA BINTI ABD GHANI**  
(LS 0008190)  
Company Secretary  
Alor Setar  
Kedah Darul Aman

Date : 18 March 2015

## Notes

1. With regards to deposited securities, only members whose names appear in the Record of Depositors as at 3 April 2015 shall be eligible to attend and vote at the meeting.
2. A member of the Company entitled to attend and vote at the meeting is entitled to appoint up to two proxies to attend and vote in his stead. A member shall specify the shareholding proportion where two proxies are appointed. A proxy need not be a member of the Company.
3. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation either under its common seal or under the hand of an officer or attorney duly authorised in writing.
4. The instrument appointing a proxy together with the power of attorney or other authority, shall be deposited at the Company's Registered Office at Level 9, Menara BDB, 88, Lebuhraya Darulaman, 05100 Alor Setar, Kedah Darul Aman not less than forty eight (48) hours before the time set for holding the meeting or at any adjournment thereof.
5. For the purpose of determining who shall be entitled to attend this meeting the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd (Depository) in accordance with Rules of the Depository, to issue Record of Depositors and make available to the Company pursuant to Article 52 (iii) of the Company's Articles of Association and Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

## EXPLANATORY NOTES ON ORDINARY BUSINESS:

### 1. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

The Audited Financial Statements in Agenda 1 is meant for discussion only as the approval of Shareholders is not required pursuant to the provision of section 169(1) of the Companies Act 1965. Hence this Agenda is not put forward for voting by Shareholders of the Company.

### 2. Directors who are standing for re-election or re-appointment at the 20<sup>th</sup> Annual General Meeting of the Company are as follows:

- Dato' Abdul Rahman bin Ibrahim
- Datuk Wan Azhar bin Wan Ahmad

### 3. The profiles of the Directors who are standing for re-election or re-appointment are set out on pages 22 to 23 of the Annual Report.

## Financial Calendar

Financial Year End	31.12.2014
<b>ANNOUNCEMENT OF RESULTS</b>	
• First Quarter	19.05.2014
• Second Quarter	15.08.2014
• Third Quarter	17.11.2014
• Fourth Quarter	26.02.2015
<b>Notice of Annual general Meeting</b>	18.03.2015
<b>ANNUAL GENERAL MEETING</b>	09.04.2015
<b>DIVIDEND</b>	
• First & final Single Tier	
• Announcement Date	18.03.2015
• Record Date	23.04.2015
• Payment Date	20.05.2015

## Share Price Movement

### BINA DARULAMAN BERHAD

Period: 10 March 2014 until 9 March 2015



### SUMMARY

Highest price during this period is **RM2.480** on **19 Aug 2014**

Lowest price during this period is **RM0.715** on **20 Jan 2015**

Highest volume during this period is **65,805** on **27 Feb 2015**

## PROFILE OF DIRECTORS



**Standing from the left :** Asri bin Hamidin @ Hamidon, Dato' Izham bin Yusoff, Datuk Wan Azhar bin Wan Ahmad  
**Sitting from the left :** Datuk Mohd Nasir bin Ahmad, Dato' Abdul Rahman bin Ibrahim

### DATO' IZHAM BIN YUSOFF

*Group Managing Director  
Non-Independent Executive Director*

#### Date of Appointment

19 August 2013

#### Age

47 years

#### Qualifications

- Bachelor of Accounting and Master of Business Administration (Accounting & International Business) both from University of Miami, United States of America
- Associate Member of Institute of Internal Auditors Malaysia

Dato' Izham bin Yusoff, a Malaysian aged 47, was appointed to the Board on 19 August 2013 as an Independent Non-Executive Director of Bina Darulaman Berhad. He was re-designated as Non-Independent Executive Director and Group Managing Director on 1 February 2014.

Dato' Izham has more than 20 years experiences in large and multinational companies with various senior management positions, specialising in corporate planning and finance.

Prior to working with BDB, he was the Managing Director and Chief Executive Officer of Percetakan Nasional Malaysia Berhad (PNMB) from February 2010 until 31 January 2014.

He was Executive Director / Chief Operating Officer of Ninebio Sdn Bhd. He was also the Managing Director / Chief Operating Officer of KUB Malaysia Berhad and Amanah Raya Berhad.

He sat on numerous listed companies and was the former Director of Bursa Malaysia Securities Berhad. Currently, he is an Independent Non-Executive Director of Raya International Berhad and a Director of Malaysian Alliance of Corporate Directors (MACD).

Dato' Izham does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He has no conviction of any offences over the past 10 years.

Dato' Izham attended 11 out of 12 Board Meetings of the Company for the financial year ended 31 December 2014.





## DATUK MOHD NASIR BIN AHMAD

*Senior Independent Non-Executive Director*

### Date of Appointment

27 February 2009

### Age

60 years

### Qualifications

- Fellow of the Association of Chartered Certified Accountants (UK)
- Chartered Accountant, Malaysian Institute of Accountants
- MBA (finance), Universiti Kebangsaan Malaysia

Datuk Mohd Nasir bin Ahmad, a Malaysian aged 60, is a Senior Independent Non-Executive Director of Bina Darulaman Berhad. He was appointed to the Board and became Chairman of Audit Committee on 27 February 2009.

Datuk Mohd Nasir commenced his career in 1979 as a Trainee Accountant before being promoted to Manager in various departments of the finance Division of Tenaga Nasional Berhad (TNB). He later joined several other corporations. In January 1993, he worked for Malaysia Transformer Manufacturing Sdn Bhd (MTM), a subsidiary of TNB as the financial Controller / Company Secretary, before being made Chief Executive in June 1994. In January 2000, he joined Syarikat Permodalan Kebangsaan Berhad as its Chief Executive Officer. On 1 June 2001, he was appointed as Chief Executive Officer of Perbadanan Usahawan Nasional Berhad, a position he held until his retirement.

Datuk Mohd Nasir is the former President of the Malaysian Institute of Accountants for two (2) years until 15 July 2013. In September 2013 he was elected as a Council Member of the Association of Chartered Certified Accountants (UK). He currently serves as the Independent Non-Executive Director of several government-owned companies and public listed companies. Recently, Datuk Mohd Nasir was appointed as Director of Credit Guarantee Corporation Malaysia Berhad (CGC), Independent Director at Sumatec Resources Berhad, Director at Aureos CGC Advisers Sdn Bhd and Prokhas Sdn Bhd. He was appointed as the Independent Director and Chairman of Audit Committee for Small Medium Enterprise Development Bank Malaysia Berhad and MIMOS Berhad.

Datuk Mohd Nasir is a board member of Universiti Kebangsaan Malaysia and Board of Trustee Member of Yayasan Canselor UNITEN. He was also appointed as Chairman of UKM Holdings Sdn Bhd.

Datuk Mohd Nasir does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He has no conviction of any offences over the past 10 years.

Datuk Mohd Nasir attended 11 out of 12 Board Meetings of the Company for the financial year ended 31 December 2014.



## DATO' ABDUL RAHMAN BIN IBRAHIM

*Non-Independent Non-Executive Director*

### Date of Appointment

23 August 2006

### Age

59 years

### Qualifications

- Bachelor of Economics (Hons), University of Malaya
- MBA, Santa Clara University, United States of America

Dato' Abdul Rahman bin Ibrahim, a Malaysian aged 59, is a Non-Independent Non-Executive Director of Bina Darulaman Berhad. He was appointed to the Board on 23 August 2006.

Dato' Abdul Rahman started his career as Assistant Economist in Bank Negara Malaysia after graduating in 1977. He left the Central Bank in 1979 to join Perbadanan Kemajuan Negeri Kedah (PKNK) as Assistant Project Officer. He worked his way up the career ladder in PKNK with various positions including Tourism and Special Project Manager, Business Development Manager, Corporate Planning Manager and General Manager (Operations). He was appointed as Chief Executive Officer of PKNK on 1 July 2006, a position he currently holds.

In addition to Bina Darulaman Berhad, Dato' Abdul Rahman is also a Director of Kulim Technology Park Corporation, KSDC Insurance Brokers Sdn Bhd, Tanjung Rhu Land Sdn Bhd, EUPE Corporation Berhad and Kedah BioResources Corporation Sdn Bhd.

Dato' Abdul Rahman does not have any family relationship with any Director and/or any major shareholder of the Company and has no conflict of interest with the Company. He has no conviction of any offences over the past 10 years.

Dato' Abdul Rahman attended 10 out of 12 Board Meetings of the Company held in the financial year ended 31 December 2014.



### DATUK WAN AZHAR BIN WAN AHMAD

*Independent Non-Executive Director*

#### Date of Appointment

9 October 2014

#### Age

56 years

#### Qualifications

- Master in Business Administration (International Business) from National University San Diego, CA, USA
- Bachelor in Business Administration (finance) from University of Pacific, Stockton, CA, USA

Datuk Wan Azhar bin Wan Ahmad, a Malaysian aged 56, was appointed to the Board on 9 October 2014 as an Independent Non-Executive Director of Bina Darulaman Berhad.

Datuk Wan Azhar began his career in 1985 as Loans Executive and left Hong Leong Bank in 1993 as Head of Branches Operation. He was then appointed as a Manager in Credit Guarantee Corporation Malaysia Berhad (CGC) by Bank Negara Malaysia in 1993. In 1995, he was promoted to Assistant General Manager and subsequently to Chief Executive Officer in 1997. He was later appointed to the Board of Directors as Managing Director in 2000. One of the highlights of his career is the transformation of CGC from a traditional credit guarantee provider into a market-driven and financially sustainable SME-support institution.

Datuk Wan Azhar is currently the Chairman of Association of Development Financing Institutions in Asia and the Pacific (ADFIAP). He was elected as a Council Member of the Association of Development Financial Institution in Malaysia and the Small Debt Restructuring Council (SDRC), Bank Negara Malaysia. He was also appointed as Board Member of Aureos CGC Advisers Sdn Bhd and Credit Bureau Malaysia (CBM).

Datuk Wan Azhar was Chairman of Credit Bureau Malaysia (CBM) from 2008 to 2014. He was also Chairman of the World Federation of Development Financial Institutions (WFDIFI) from 2012 until 2013. In 1999 until 2006, he was a Board Member of TEKUN Nasional.

Datuk Wan Azhar does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He has no conviction of any offences over the past 10 years.

Datuk Wan Azhar attended 3 out of 4 Board Meetings of the Company for the financial year ended 31 December 2014.



### ASRI BIN HAMIDIN @ HAMIDON

*Independent Non-Executive Director*

#### Date of Appointment

30 December 2013

#### Age

49 years

#### Qualifications

- B.Econs of University of Malaya
- MA (Economy) from University of Hiroshima, Japan
- Diploma in Public Administration
- Attended Harvard Premier Business Management Programme

Asri bin Hamidin @ Hamidon, a Malaysian aged 49, was appointed to the Board on 30 December 2013 as an Independent Non-Executive Director of Bina Darulaman Berhad and an Audit Committee Member.

Encik Asri began his career as Assistant Director of the Economic Planning Unit in the Prime Minister's Department. He was later appointed as Assistant Director of the Anti-Corruption Agency before serving as Administrative and Diplomatic Officer in the Public Service Department, and then as Principal Assistant Secretary in the Ministry of Finance.

Encik Asri is currently a Deputy Under Secretary of Economic Sector, Investment, MOF Inc. & Privatisation Division at the Ministry of Finance. He is a member of the Administrative and Diplomatic Officers Association.

He is also a Director in SME Bank, Sarawak Hidro Sdn Bhd, Syarikat Perumahan Negara Berhad (SPNB) and Malaysia Convention and Exhibition Bureau (MyCEB).

Encik Asri does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He has no conviction of any offences over the past 10 years.

Encik Asri attended all the 12 Board Meetings of the Company for the financial year ended 31 December 2014.

## Corporate Information

### BoARD oF DiRECT oRS

**Dato' Abdul Rahman bin Ibrahim**  
Non-Independent  
Non-Executive Director

**Dato' Izham bin Yusoff**  
Group Managing Director  
Executive Director

**Datuk Mohd Nasir bin Ahmad**  
Senior Independent  
Non-Executive Director

**Asri bin Hamidon**  
Independent  
Non-Executive Director

**Datuk Wan Azhar bin Wan Ahmad**  
Independent  
Non-Executive Director

### BoARD oF AuDiT CoMMITTEE

**Datuk Mohd Nasir bin Ahmad**  
Chairman

**Dato' Abdul Rahman bin Ibrahim**  
Member

**Asri bin Hamidon**  
Member

**Datuk Wan Azhar bin Wan Ahmad**  
Member

### BoARD oF RiSk MANAgEMENT CoMMITTEE

**Datuk Wan Azhar bin Wan Ahmad**  
Chairman

**Dato' Abdul Rahman bin Ibrahim**  
Member

**Asri bin Hamidon**  
Member

**Dato' Izham bin Yusoff**  
Member

### BoARD oF NoMiNATIoN AND REMUNERATIoN CoMMITTEE

**Dato' Abdul Rahman bin Ibrahim**  
Chairman

**Asri bin Hamidon**  
Member

**Datuk Mohd Nasir bin Ahmad**  
Member

**Dato' Izham bin Yusoff**  
Member

### CoMPANY SECRETARY

**Khairulmuna binti Abd ghani**  
(LS No. 0008190)

### REGiSTERED oFFICE

Level 9, Menara BDB  
No. 88, Lebuhraya Darulaman  
05100 Alor Setar  
Kedah Darul Aman  
Tel: +6(04) 730 0303  
Fax: +6(04) 734 2714  
E-mail: bina\_darulaman@bdb.com.my  
Website: www.bdb.com.my

### SHARE REGiSTRAR

**Bina Management (M) Sdn Bhd**  
Lot 10, The Highway Centre  
Jalan 51/205  
46050 Petaling Jaya  
Selangor Darul Ehsan  
Tel: +6(03) 7784 3922  
Fax: +6(03) 7784 1988

### AUDiToRS

**KPMg**  
Level 18, Hunza Tower  
163E Jalan Kelawei  
10250 Penang  
Tel: +6(04) 238 2288  
Fax: +6(04) 238 2222

### SoLiCiToR

**Kadir Andri & Partners**  
Level 10, Menara BRDB  
285 Jalan Maarof  
59000 Kuala Lumpur  
Tel: +6(03) 2780 2888  
Fax: +6(03) 2780 2832

### PRiNCiPAL BANK

**Affin Islamic Bank Berhad**  
No. 147 & 148, Susuran Sultan  
Abdul Hamid 8  
Kompleks Sultan Abdul Hamid  
Fasa 2, Persiaran Sultan Abdul  
Hamid  
05050 Alor Setar  
Kedah Darul Aman  
Tel: +6(04) 772 1477  
Fax: +6(04) 771 4796

### SToCK EXCHANgE LiSTiNg

Listed on the Main Board of Bursa  
Malaysia Securities Berhad  
Stock Name : BDB  
Stock Code : 6173



## Senior Management

**Middle:** **Dato' Izham bin Yusoff**  
Group Managing Director  
Non-Independent Executive Director

### Standing from left to right:

**Zakba bin Shafie**  
Senior Manager, Group Procurement

**Noor Rosli bin Mohd Ali**  
Executive Director,  
Kedah Sato Sdn Bhd

**Khairulmuna binti Abdul ghani**  
Deputy General Manager /  
Company Secretary  
Group Corporate Services & Legal

**Rosmin binti Said**  
Manager, Group Human Resource  
& Administration

**Muhammad Syukri bin Dollah**  
Manager, Group IT

**Sajahan bin Haji Abdul Waheed**  
Senior Manager,  
Group Corporate Communication

**Mohd Sobri bin Hussein**  
Executive Director,  
Bina & Kuari (K) Sdn Bhd

**Mohd Iskandar Dzulkarnain bin Ramli**  
Senior Manager,  
Group Corporate Planning &  
Enterprise Risk Management

**Fakhruzi bin Ahmad**  
Senior Manager,  
Group Finance & Accounts

**Tahir bin Md Zin** (not in the picture)  
General Manager,  
Group Business Development

**Mohd Firdaus Shah bin Amar Shah** (not in the picture)  
Manager,  
Group Corporate Assurance

**Mohd Arfah bin othman**  
(not in the picture)  
Acting Club Manager

**Ahmad Fauzi bin Zainal Abidin**  
(not in the picture)  
Hotel Manager

## GROUP MANAGING DIRECTOR'S REVIEW OF OPERATIONS



### Dear valued shareholder

It has been a commendable year for Bina Darulaman Berhad (BDB) with the Group delivering a record performance since its incorporation in 1995.

### Financial Highlights

The Group registered revenue of RM328.9 million for the year under review, an increase of 17% from RM281.0 million posted in 2013. The Group's profit before tax and the net profit increased by 16% to RM33.9 million and 14% to RM24.2 million respectively as compared to RM29.3 million and RM21.1 million recorded in 2013.

The Property Division remained the biggest contributor and delivered its best performance in the year under review mainly due to en-bloc sale of its residential properties in Darulaman Utama township as well as sale of land in Alor Setar under joint development arrangement. The response to property launches in Bandar Darulaman township and Taman Nusantara (Alor Setar) has been very encouraging. The Division contributed RM166.1 million or 50% to Group's revenue and RM18.9 million or 45% in profit.

The Roads and Quarry Division maintained its steady performance by contributing RM85.0 million or 26% in Group's revenue and RM11.9 million or 29% to profit. Demand for quarry products was very encouraging during the second half of the year.

The Construction Division contributed slightly higher revenue but lesser profit during the year due to lower margins from its on-going projects. The Division contributed RM70.8 million or 22% to Group's revenue and RM11.8 million or 28% in profit.

The Golf and Hotel Division recorded higher revenue but higher losses of RM1.0 million as compared to RM0.3 million in the previous year mainly due to higher operational costs such as manpower and repair and maintenance costs.

The Earnings Per Share (EPS) increased by 14% to 33.19 sen while our financial position remains strong with total assets of RM959.7 million and Net Tangible Assets Per Share of RM3.90. Bulk of the Group's borrowing is under a Private finance Initiative (PFI) contract with Kedah State Government.

### Dividend

In view of the Group's good financial performance, the Board of Directors has recommended the payment of a first and final single tier dividend of 3.5 sen per share for the financial year ended 31 December 2014. The rate of dividend is lower than the previous year due to enlarged issued and paid-up share capital.

The recommended dividend payment reflects our sincere appreciation to all our shareholders for giving us the support and confidence to steer the Group to where it is today.

### Corporate Exercise

On 4 September 2014, the Company had entered into the Sale and Purchase Agreement (SPA) with PKNK for the Acquisition of parcels of land measuring 1154 acres from Perbadanan Kemajuan Negeri Kedah (PKNK). In conjunction with the above mentioned acquisitions, the Company proposed to implement the following:

- I. A Rights Issue
- II. Increase in Authorised share capital of the Company
- III. Amendment to Memorandum & Articles of Association of the Company

On 23 November 2014, the shareholders of the Company had approved all the above mentioned proposals in an Extraordinary General Meeting.

Subsequent to the financial year, the proposals (i), (ii), (iii) and acquisition of land have been completed following the listing of and quotation for 72,815,856 rights shares,

72,815,856 bonus shares and 85,407,409 consideration shares on the Main Market of Bursa Securities on 28 January 2015. Consequently, the Company's issued and paid up share capital increased to 303,854,977 ordinary shares of RM1 each.

### Prospects Property division

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

The Division, through Darulaman Realty Sdn Bhd (DRSB), has so far developed 5,735 houses in Bandar Darulaman. DRSB will launch its new township called Taman Tunku Intan Safinaz (TTIS) with 1,615 houses to be built upon its completion. TTIS will consist of landed properties and various type of apartments.

As for Darulaman Utama, DRSB has developed 2,399 houses including 323 units being sold on En Bloc basis to PR1MA Berhad. In addition, 406 units comprise of 84 units of low cost terrace houses and 322 units of affordable terrace houses are all sold out.

Meanwhile, Darulaman Perdana which was re-launched in Sungai Petani with a new tag line 'Ultimate Living in Style' is a premier location with a new ambience and better living. It consists of 2,189 of various house types that will be developed over 7 years.

Kedah Holdings Sdn Bhd (KHSB) will complement DRSB by focusing on small scale property developments.

### Roads & Quarry Division

The Roads and Quarry Division more than 40 years track record and being the largest quarry operator in Kedah is expected to continue dominating this sector in the State.

The Division will also be focusing on delivering the on-going pavement works under the Lencongan Timur Sungai Petani. Furthermore, rehabilitation works for PROPEL and routine highway maintenance jobs keeps

the Division busy throughout the year. It is also awaiting approval from the State Government to undertake road maintenance works throughout Kedah.

As part of expansion plans, the Division has identified a new quarry plant site in Kulim, Kedah. The new plant would allow the Division to serve Southern Kedah and Penang market for asphalt bituminous mixes and aggregates.

## Engineering & Construction

Engineering & Construction is working towards increasing its order books by identifying more key projects from State and Federal Government agencies.

The Division will focus on completing and delivering all on-going projects at Bertam Perdana and Bekalan Air SADA (Jeniang) within scheduled time, budget and quality.

The Division will also serve as a main contractor for the redevelopment plan of Darulaman Park which will be transformed into a new recreational hub for Bandar Darulaman.

## Golf & Hotel

The Golf and Hotel Division, meanwhile, is expected to register a reasonable performance in the current year as it continues to increase its promotional activities for hotel room occupancy and golf events.

## Conclusion

The commendable financial and operational achievements in 2014 shows that BDB has the ability and capacity to scale to greater heights. On behalf of the Management, I would like to express my heartfelt appreciation to the board members, management, staffs, shareholders, stakeholders as well as suppliers for their role in delivering the Group's performance during the year, and their continued support.

I would like to take this opportunity to thank Dato Paduka Mohd Saad Endut who has served on the BDB Board for the past 13 years for all his support and guidance. I would also like to welcome Datuk Wan Azhar Wan Ahmad who was appointed as a board member effective 9 October 2014.

2015 set out to be a challenging year for property sector as the depressed consumer sentiment brought about by underperforming Oil & Gas sector and implementation of GST. Our property division is equal to task amidst the current economic scenario. The management would embark on vigorous marketing efforts to support launch of new property developments in 2015. In addition, Engineering & Construction and Roads & Quarry Division would expect to begin some new contracts in 2015.

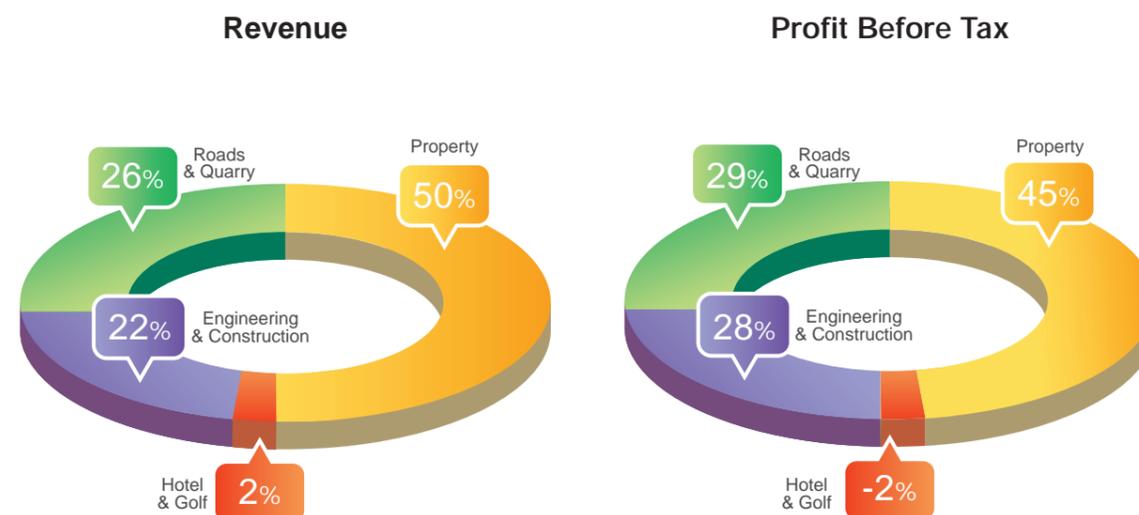
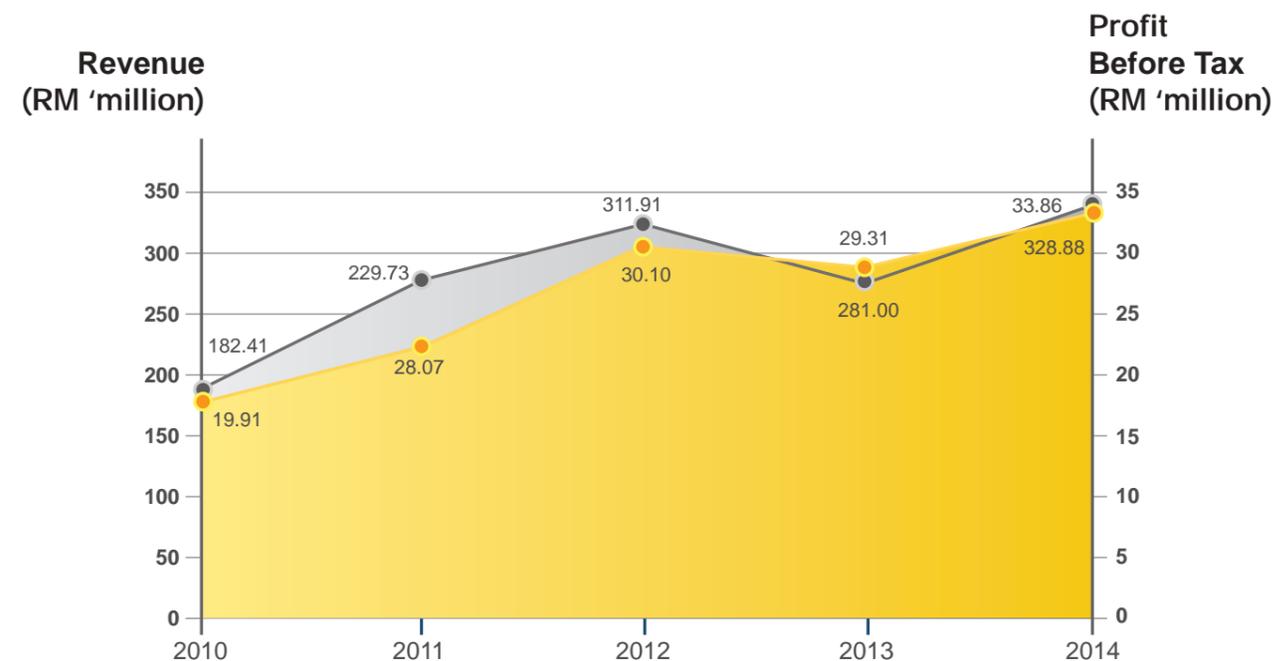
Despite trying economic times, we believe BDB has the tenacity and capabilities to deliver another set of good financial results in 2015.

Thank you

**Dato' Izham bin Yusoff**  
Group Managing Director

“ WE BELIEVE BDB HAS THE TENACITY AND CAPABILITIES TO DELIVER ANOTHER SET OF GOOD FINANCIAL RESULTS IN 2015. ”

## Group Managing Director's Review of Operations



# CORPORATE SOCIAL RESPONSIBILITY

01

GPMS (SIK / BALING)  
PRIME MOTIVATIONAL  
PROGRAMME  
28.10.2014



02

IFTAR AT SURAU  
KG. KUALA JERLUN,  
AIR HITAM  
04.07.2014



03

IFTAR AT MASJID  
SULTAN MUHAMMAD  
AL-FATEH, SERDANG  
06.07.2014





04

IFTAR AT  
MASJID AL-MUTTAQIN,  
TAMAN MAHSURI, JITRA  
09.07.2014



06

IFTAR AT  
RUMAH SERI KENANGAN,  
BEDONG  
16.07.2014



05

IFTAR AT  
MASJID KUBUR PANJANG,  
PENDANG  
13.07.2014



07

HANDING OVER OF  
QURBAN MEAT IN  
CONJUNCTION WITH  
AIDILADHA CELEBRATION  
01.10.2014





08

CORAL PROPAGATION PROGRAMME & BEACH CLEANING ACTIVITY

16.04.2014



09

VISITING MAK CIK MELIAH MD DIAH IN KUALA NERANG, KEDAH

23.07.2014

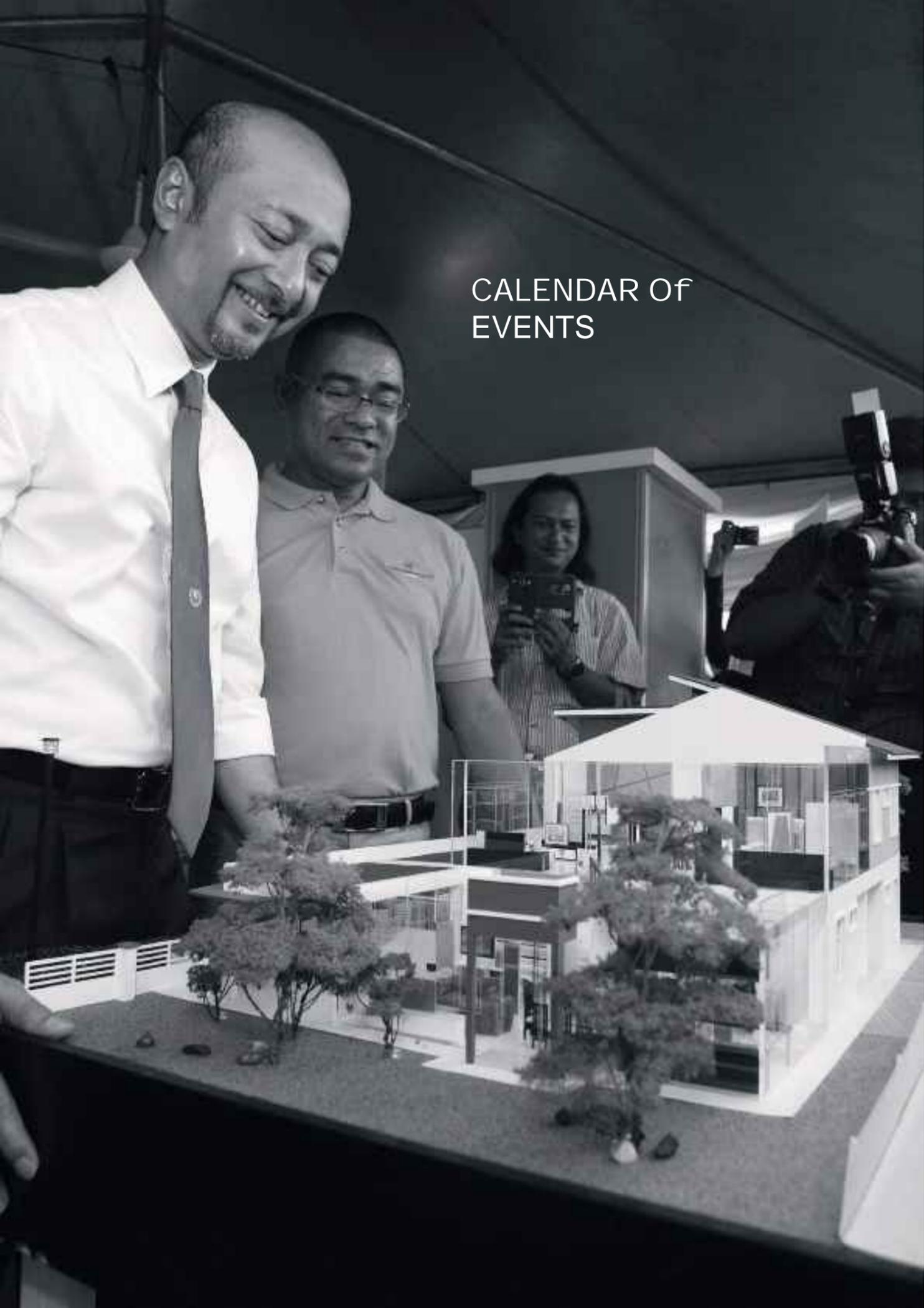


10

GOLF CHARITY TO HELP FLOOD VICTIMS IN KELANTAN

31.01.2015





CALENDAR OF  
EVENTS

01

06.04.2014

19<sup>TH</sup> ANNUAL GENERAL MEETING



02

23.11.2014

EXTRAORDINARY GENERAL MEETING



03

07.04.2014 - 08.04.2014

COURSE - BECOMING A POWERFUL SPEAKER



04

11.03.2014 - 12.03.2014

COURSE - ENHANCING YOUR PROFESSIONAL IMAGES & PROFESSIONAL ETIQUETTE, PROTOCOL & USHERING SKILLS



05

13.10.2014 - 16.10.2014

BDB MANAGEMENT RETREAT 2014



06

13.04.2014 - 15.04.2014

RAISE THE BAR: BDB SENIOR MANAGEMENT RETREAT IN LANGKAWI



07

04.09.2014

SIGNING CEREMONY OF SALE & PURCHASE AGREEMENT BETWEEN PERBADANAN KEMAJUAN NEGERI KEDAH & BINA DARULAMAN BERHAD



08

11.09.2014

SIGNING OF MASTER EN-BLOC PURCHASE AGREEMENT BETWEEN PERBADANAN PR1MA MALAYSIA (PR1MA) AND DARULAMAN REALTY SDN BHD



09

13.03.2014

VISIT OF TAN SRI NOR MOHAMED YAKCOP TO BDB OFFICE



10 23.11.2014 - 30.11.2014

BDB SHOWROOM AT LEGAR PUTRA, PWTC IN CONJUNCTION WITH UMNO GENERAL ASSEMBLY 2014



26.03.2014 12

LAUNCHING OF TAMAN TUNKU INTAN SAFINAZ DEVELOPMENT & CONSTRUCTION OF LOW COST APARTMENTS IN BANDAR DARULAMAN



23.06.2014 11  
LAUNCHING OF BDB KUALA LUMPUR OFFICE



24.10.2014 - 26.10.2014 13  
MALAYSIAN WRITERS SUMMIT



14

22.11.2014

DARULAMAN PERDANA CARNIVAL



15

08.02.2014

MAHABBATUR RASUL - KEDAH BLESSING CEREMONY



16

26.08.2014

BDB KUALA LUMPUR'S AIDILFITRI BANQUET



17

14.08.2014

BDB GROUP'S AIDILFITRI BANQUET



18 31.08.2014  
2014 MERDEKA PARADE



05.03.2014 20  
ANNUAL DINNER



19 16.09.2014  
MALAYSIA DAY CELEBRATIONS



# CORPORATE STRUCTURE



## ENgINEERiNg & CoNSTRUCtiON

100% KEDAH SATO  
SDN BHD (82740-W)

100% BDB CONSTRUCTION  
SDN BHD (373716-P) *(not active)*

## RoAD BUiLDiNg & QUARRyIng

100% BINA & KUARI  
(K) SDN BHD (16289-A)

100% BDB QUARRY  
SDN BHD (387031-V)  
*(not active)*

## ToWNSHiP & PRoPERTy DEVELoPMEnt

100% DARULAMAN REALTY  
SDN BHD (69284-P)

100% KEDAH HOLDINGS  
SDN BHD (80618-U)

100% AMAN LAGENDA  
SDN BHD (1116761-P)

## ToURiSM & HoSPiTALiTy

98.6% DARULAMAN GOLF RESORT  
BERHAD (254310-M)

100% BDB HOTELS  
SDN BHD (384098-P)

# Corporate Governance Statement

## INTRODUCTION

The Board of Directors of Bina Darulaman Berhad (the Board) understands that the responsibility for good Corporate Governance rests with them and therefore strives to follow the principles and best practices stated in the Malaysian Code on Corporate Governance 2012 (MCCG 2012) and Main Market Listing Requirement (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia). This is to ensure that a high standard of corporate governance is practised and maintained throughout the Group as the underlying principle in discharging its responsibilities and not merely the form.

The Company complies with the various guidelines issued by Bursa Malaysia and the Securities Commission (SC) relating to disclosure and internal audit functions.

The Board is pleased to present the Company's Corporate Governance report for the year under review.

The following explains the application by the Board on the Principles of MCCG 2012.

## Principle 1 – Establish clear roles and responsibilities

### BoARD oF DiRECT oRS

#### 1. The Board

The Board is entrusted with leading and managing the Company in an effective and responsible manner towards realising long term shareholders' value. The Directors, collectively and individually, are aware of their responsibilities to shareholders and stakeholders in managing the Company's affairs. The Board sets the Company's values and standards and ensures that its obligations to its shareholders and stakeholders are understood and met.

The Board meets at least once every quarter with additional meetings convened as and when necessary. For the financial year ended 31 December 2014, twelve (12) Board Meetings were held and each Director attended at least 50% of the total meetings held during the year. Details of attendance and a brief profile of each member of the Board are set out in the Directors' Profile section of this Annual Report.

#### 2. Composition of the Board

As part of providing informed and critical decisions for the Company, it is vital that the Board is composed of Directors with appropriate knowledge, skills and experience to govern and achieve the Group's objectives and performance targets with good corporate governance.

The Articles of Association of the Company provides for a minimum of two (2) directors and a maximum of ten (10) directors. At any one time, at least two (2) or one-third (1/3), whichever is higher, of the Board members are Independent Directors. The Independent Directors provide independent judgment, experience and objectivity without being subordinated to operational considerations. They help to ensure that the interests of all shareholders, and not only the interests of a particular fraction or group, are taken into account and that the relevant issues are subjected to objective and impartial consideration by the Board.

The Board may appoint a Senior Independent Director to whom shareholders' concerns can be conveyed if there are reasons that communication through the normal channels of the Chairman have failed to resolve them. The Senior Independent Director chairs the meetings among the Non-Executive Directors when both the Chairman and Executive Director are not present.

The Board is made up of five (5) members comprising one (1) Non-Independent Non-Executive Director, three (3) Independent Non-Executive Directors and one (1) Executive Director. Datuk Mohd Nasir bin Ahmad is the Senior Independent Non-Executive Director who will attend to any query concerning the Group besides the Group Managing Director (GMD).

Generally, the GMD along with the Management Team are responsible for making and implementing operational decisions. Non-Executive Directors play a key supporting role by contributing their skills, expertise and knowledge towards the formulation of the Group's strategic and corporate objectives, policies and decisions.

The composition of the Board is reviewed before the Annual General Meeting (AGM) by the Board of Nomination & Remuneration Committee (BNRC) to ensure compliance, appropriateness and relevancy. Since the number of directors is smaller, appointments of new Committee will be finalised after the AGM. Any BNRC proposal will be deliberated at the Board level.

Profiles of Board members are included in page 19 to 24 of this Annual Report.

### 3. Duties and Responsibilities of the Board

The Board is led by Y.Bhg. Dato' Paduka Haji Mohd Saad bin Endut until the last AGM on 7 April 2014. The position of Chairman is vacant and Dato' Abdul Rahman bin Ibrahim has been appointed as Chairman of the meeting. The Board is responsible for the corporate governance practices of the Group. It includes establishing and monitoring the corporate vision and mission as well as setting the aims of the Management and performance of the Management.

The Company's Articles of Association outlines the powers and duties assumed by the Board in addition to its statutory and fiduciary duties and responsibilities. The Board plays a strategic role in its review and approval of the Group's budgets and performance targets to ensure effective use of the Group's resources and profitability of the Group's businesses in an ever changing environment.

The Board is responsible for establishing and reviewing the strategic direction of the Group, overseeing and evaluating the conduct of the Group's businesses and identifying principal risks and ensuring that the risks are properly managed. In ensuring that the policies and procedures are duly implemented in the Group's operation, the Board is also tasked with developing and implementing an investor's relations programme or shareholder communication policy and reviewing the adequacy of the internal control policy.

The Board is assisted by the Board Committees namely Board of Audit Committee (BAC), Board of Nomination and Remuneration Committee (BNRC) and Board of Risk Management Committee (BRMC). Each Committee operates within its respective defined terms of reference which have been approved by the Board. The Board, through the BAC, comprises four (4) members, a majority of whom are Independent Directors. Its main functions are to address and monitor the principal risks affecting or that may affect the Group's operations and the measures that could be taken to mitigate such risks.

The Board is guided by the documented and approved Terms of Reference, Standard Operating Procedures and Delegated Authority Limit. These guidelines define matters specifically reserved for the Board as well as day-to-day management of the Group delegated to the GMD. This formal structure of delegation is further cascaded by the GMD to the senior management team within the Group. However, the GMD and the senior management team remain accountable to the Board for the authority that is delegated.

In performing their duties, all Directors are assisted by the Company Secretary who plays an important advisory role. The Company Secretary must fulfil the functions for which he/she has been appointed. The Directors, if necessary, may seek independent professional advice about the affairs of the Group. The Company Secretary is accountable to the Board through the Committees on all governance matters and is a central source of information and advice to the Board and its Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Group.

### 4. Board Meetings

The Board meetings for each financial year are scheduled before the end of the preceding financial year, to enable the Directors to plan ahead and fit the year's meetings into their own schedules.

During the financial year ended 31 December 2014, the Board met twelve (12) times. The details of the attendance are as follows:-

Director	Directorship	Total meetings attended
Dato' Izham bin Yusoff	Executive Director	11/12
Dato' Abdul Rahman bin Ibrahim	Non-Independent Non-Executive Director	10/12
Datuk Mohd Nasir bin Ahmad	Senior Independent Non-Executive Director	11/12
Asri bin Hamidon	Independent Non-Executive Director	12/12
Datuk Wan Azhar bin Wan Ahmad	Independent Non-Executive Director	3/12 (Appointed with effect on 9 October 2014)

The Directors also held informal meetings and consultations frequently and freely to share expertise and experiences.

The Board shall conduct at least six (6) scheduled meetings annually, in addition to additional meetings to be convened as and when necessary. All Directors are encouraged to attend as many as possible and participate in the deliberations actively, especially when due notice has been given.

The BAC reviews and deliberates on the Group's financial performance and results and tables to the Board for approval. The BRMC reviews and deliberates on the Group Business Plan and operations, corporate exercises and strategic financials and investments decisions.

In the intervals between Board meetings, any matters requiring urgent Board decisions and/or approvals will be sought via circular resolutions which are supported with all the relevant information and explanations required for an informed decision to be made. The circular resolutions will be tabled in the next Board meeting for ratification and information.

### COMMITTEES ESTABLISHED BY THE BOARD

The Board delegates specific responsibilities to the respective Committees of the Board, each of which has clearly defined terms of reference and its own functions, delegated roles, duties and responsibilities. The Board reviews the functions and terms of reference of Board Committees from time to time to ensure that they are relevant and updated in line with the MCGG 2012, the Main Market Listing Requirements (MMLR) and other related policies or regulatory requirements.

The Board Committees have the authority to examine specific issues and report to the Board with their proceedings, deliberations, findings and recommendations. The Board also reviews the minutes of the Board Committees' meetings presented at Board meetings.

During Board meetings, the Chairman of the various Committees provide summary reports of the decisions and recommendations made at the respective Board Committees' meetings and highlight to the Board on any further deliberation and/or approval that is required at the Board level. The Board Committees shall deliberate and thereafter recommend their decisions to the Board for its approval. The relevant decisions and recommendations of the Board Committees are incorporated into the minutes of the Board meetings accordingly.

## Principle 2 – Strengthen Composition

### Board of Nomination and Remuneration Committee (BNRC)

The BNRC was established to manage the recruitment, performance assessment and remuneration process for Board members and also, key management personnel of the Group. The BNRC further sets the procedure and policy pertaining to the remuneration fundamental for employees in the Group. Among the key roles of BNRC is to chair the recruitment process for new Directors. The BNRC will consider and recommend candidates for the Board's approval based on the criteria as stipulated in the TOR of BNRC. In addition to the appointment of new Directors, BNRC also recommends to the Board on the remuneration package of respective Directors. BNRC is chaired by Dato' Abdul Rahman bin Ibrahim. The BNRC will meet as and when required. During the year under review, two (2) meetings were held.

### DIRECTORS' REMUNERATION

The Company's framework on Directors' remuneration has the underlying objectives of attracting and retaining Directors of high calibre needed to run the Group successfully. In the case of the Executive Director, the various components of the remuneration are structured so as to link rewards to corporate and individual performance. In the case of Non-Executive Directors, the level of remuneration reflects the expertise, experience and level of responsibilities undertaken by a particular Non-Executive Director concerned. Where applicable, the Board also considers any relevant information provided by independent consultants or from survey data.

The aggregate remuneration for the year under review consisted of the following components below:

Directors' Remuneration	Executive Director (RM)	Non-Executive Director (RM)	Total (RM)
Salaries and other emoluments**	521,458.00	208,500.00	729,958.00
Fees*	36,000.00	117,000.00	153,000.00
Benefits in Kind**	4,800.00	1,625.00	6,425.00
<b>Total</b>	<b>562,258.00</b>	<b>327,125.00</b>	<b>889,383.00</b>

\* To be approved at the forthcoming Annual General Meeting      \*\* Approved by the Board

It is not the Board's policy to disclose the remuneration of each director due to the Company's concerns for the sensitivity and confidentiality of such information. However it has resolved to disclose their salaries in the manner shown here below only for the purposes of complying with the MMLR to differentiate the numbers between executive and non-executive directors.

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
RM650,001 – RM700,000	1	-
RM500,001 – RM550,000	-	-
RM100,001 – RM150,000	-	-
RM50,001 – RM100,000	-	3
RM0 – RM50,000	-	1
<b>Total</b>	<b>1</b>	<b>4</b>

All Directors were paid meeting allowances as determined by the Board. Expenses incurred by the Directors in the course of performing their duties are reimbursed.

## Principle 3 – Reinforce Independence

### APPOINTMENTS TO THE BOARD

The BNRC is responsible for making recommendations for the appointment of Directors to the Board, including those of subsidiaries and associated companies. The BNRC will take into consideration on the right candidates with the necessary mix skills, experience and competencies to be appointed to the Board and Board Committees to ensure the effectiveness of the Board. Newly-appointed Directors will be given sufficient information and/or documents to familiarise themselves with the Group's operations to better understand the Group's business.

The process of assessing the Directors is an on-going responsibility of the BNRC and the Board.

### RE-ELECTION OF DIRECTORS

In accordance with the Company's Articles of Association, one-third (1/3) of the Directors or if the number is not a multiple of three (3) then the number nearest to one-third (1/3), shall retire from office at each AGM of the company. All retiring Directors can offer themselves for re-election.

Directors who are appointed by the Board during the year under review before the AGM are also required to retire from office and shall seek re-election by the shareholders at the first opportunity after their appointment.

The Articles further provide that all Directors except GMD shall retire from office at least once in every three (3) years but shall be eligible for re-election.

The Board does not fix a tenure limit for Directors as there are significant advantages to be gained from the long-serving Directors who possess greater insight and knowledge of the Company's affairs.

### RESTRICTION ON DIRECTORSHIPS IN LISTED COMPANY

Directors are required to declare respective shareholdings in the Company and related companies and their interests in any contracts with the Company or any of its related companies. Directors are also required to declare their directorships in other companies and shall abstain from any discussions and decision-making in relation to these companies.

The Board members' directorship in companies other than the Company and the Group, are well within the restriction of not more than five (5) public listed companies. This is to ensure that their commitment, resources and time are focused on the affairs of the Company and the Group thereby enabling them to discharge their duties and responsibilities effectively.

## Principle 4 – Foster commitment

### DIRECTORS' TRAINING

As part of the application by the Company of MCGG 2012 that the Board should ensure its members have access to appropriate education programmes constantly, the Company acknowledges that continuous education is vital for the Board members to gain insight into the regulatory updates and management studies to enhance the Directors' skills and knowledge in discharging their responsibilities.

In addition to the Mandatory Accreditation Programme, Board members are also encouraged to attend training programmes conducted by highly competent professionals that are relevant to the Company's operations and businesses.

All Directors have successfully completed the Mandatory Accreditation Programme prescribed by Bursa Malaysia. Induction programmes were also arranged for newly-appointed Directors to facilitate their understanding of the Group's business and operations. The Directors will continue to attend other relevant training programmes to keep abreast with developments on a continuous basis in compliance with the MMLR.

During the financial year under review, the Directors had participated in various programmes, courses and forums which they have individually or collectively considered as relevant and useful in contributing to the effective discharge of their duties.

The Directors are also constantly updated by the Company Secretary on new and/or revised requirements to the Listing Requirements as and when the same were advised by Bursa Malaysia.

The Board will continually evaluate and determine the training needs of each Director, particularly on relevant new laws and regulations, and essential practices for effective corporate governance and risk management to enable the Directors to sustain their active participation in board deliberations and effectively discharge their duties.

## Principle 5 – Uphold integrity in financial reporting

### ACCOUNTABILITY AND AUDIT

The Audit Committee supports the Board in its responsibility to oversee the financial reporting and the effectiveness of the internal controls of the Group.

#### 1. Financial Reporting

The Company aims to present a clear and balanced assessment of the Company's financial position and future prospects that extends to the interim and price-sensitive information and other relevant reports submitted to regulators. The Directors ensure that the financial statements are prepared so as to give a true and fair view of the current financial status of the Company in accordance with the approved accounting standards.

The Company's practice is to announce to Bursa Securities its quarterly financial results as early as possible within two (2) months after the end of each quarterly financial period.

The BAC is assisting the Board in maintaining a sound system of internal control across the Group. In ensuring that the financial statements use appropriate accounting policies, the BAC will meet with the external auditors without the presence of Management, and it will be a session where the external auditors may raise any concern pertaining to the compliance of the financial statements.

#### 2. Internal Control

The Board has overall responsibility for maintaining a sound system of internal control, which encompasses risk management, financial, organisational, operational and compliance controls necessary for the Group to achieve its objectives within an acceptable risk profile. These controls can only provide reasonable but not absolute assurance against material misstatement, errors of judgment, loss or fraud.

Information on the Group's Internal Control is as set out in the Group Statement of Internal Control set out in page 67 to 69 of this Annual Report.

#### 3. Relationship with the Auditors

The Board has established a formal and transparent relationship with the auditor, Messrs. KPMG appointed by the Company and its subsidiaries within its fold.

Messrs. KPMG is invited to attend the Audit Committee Meeting where the Group's annual financial results are considered, as well as at meetings to review and discuss the Group's audit findings, internal controls and accounting policies, whenever the need arises.

Messrs. KPMG will also be present in each AGM in order to address clarifications pertaining to the audited financial statements sought by the shareholders.

The role of the Audit Committee in relation to the External Auditors can be found in the Report of the Audit Committee as set out in pages 62 to 66 of this Annual Report.

## Principle 6 – Recognise and manage risks

### 1. Board of Audit Committee (BAC)

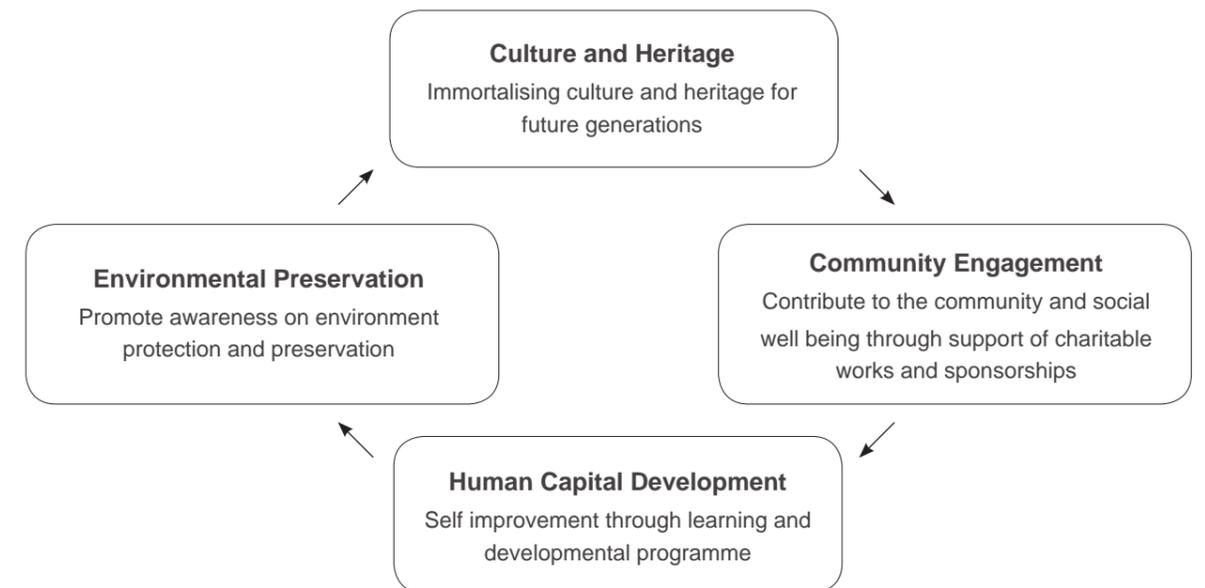
The BAC's key functions are to review the audit plan, evaluation of the system of internal controls, audit report and resources of internal audit functions with the Auditor. The BAC is chaired by Datuk Mohd Nasir Bin Ahmad. The other members are Dato' Abdul Rahman bin Ibrahim, Asri bin Hamidin @ Hamidon and Datuk Wan Azhar bin Wan Ahmad. The BAC meets on a quarterly basis in order to carry out its functions.

All BAC members are financially literate and responsible for recommending the person or persons to act as the external Auditor and the remuneration and the terms of engagement of the external Auditor. The Terms of Reference and summary of activities and attendance record of the AC are set out on pages 62 to 66 of this Annual Report.

### 2. Board of Risk Management Committee (BRMC)

The BRMC's role is to impose disciplinary level on the Board and Management to be continuously aware of, and consider the risk of possible impact on the Group. It regularly reviews and recommends the Group's risk management policies and strategies for the Board. Datuk Mohd Nasir bin Ahmad was the Chairman of BRMC until 31 December 2014. Beginning 1 January 2015, Datuk Wan Azhar bin Wan Ahmad has been appointed as Chairman of the BRMC.

## CORPORATE SOCIAL RESPONSIBILITIES (CSR)



As an organisation with strong core values, Bina Darulaman Berhad (BDB) recognises the importance of balancing its business operations and fulfilling its Corporate Social Responsibilities (CSR) to achieve a long term sustainability growth. The CSR initiatives in BDB are primarily built on three pillars aligned with BDB's business to integrate knowledge, environment awareness and community engagement in close collaboration with its employees and stakeholders.

Driving and participating in various portfolios of community involvement activities, BDB has created positive vibes between the society and organisation through its employees' participation in CSR activities. In 2014, various activities were undertaken.

## Corporate Social Responsibilities (CSR)

### 1. Culture and Heritage

Mek Mulong *"Kesenian Perantaraan Manusia dan Kuasa Ghaib Warisan Kedah Tua"* was the combined efforts by BDB, the state Government and Institut Terjemahan & Buku Malaysia (ITBM) to preserve the culture and to ensure its heritage is not left unheard or unseen. BDB gave its full support by contributing towards its financial aspect, to ensure the success in producing the book.

### 2. Human Capital Development

As part of its Human Capital Development (HCD) initiatives, a series of sessions were held during the year, focusing towards enhancing the knowledge and competencies of BDB's management team and staffs. A retreat programme with the theme *"Raise The Bar"* was held in an effort to update and enhance the development of BDB. In addition, workshops such as *"Becoming a Powerful Speaker and Enhancing Your Professional Image, Etiquette, Protocol, and Ushering Skills"* were conducted to serve as part of its communication channels to impart knowledge and share information with BDB's management team and staffs.

For staff's personal development, BDB provides study leave for those who wish to further their studies in related fields. This is part of BDB's efforts to enhance knowledge and skills amongst staff.

### 3. Community Engagement

As part of its community engagement initiatives, BDB organised several community servicing activities to reach out to the underprivileged and less fortunate family. Among the activities were the handing over of Qurban meat in conjunction with the Aidiladha celebration and handing out cash contributions during the Iftar events held in various mosques in Kedah.

During the year, BDB had given corporate sponsorship to relevant stakeholders and organisations in support of their community project. This is another BDB initiative to enhance rapport between BDB and the local community.

### 4. Environmental Preservation

BDB supports initiatives in protecting and conserving the global green environment. Towards this aim, BDB had sponsored and participated in the Coral Propagation Programme and Beach Cleaning activity held in Pulau Payar, Langkawi. The participants were exposed to the importance of conserving coral life and the proper technique of coral propagation.

## Report of the Audit Committee

The Audit Committee of Bina Darulaman Berhad is pleased to present the Report of the Audit Committee for the financial year ended 31 December 2014.

### 1. MEMBERS

The Audit Committee comprises four (4) members of the Board made up of three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director, with an Independent Non-Executive Director presiding as the Chairman. Bina Darulaman Berhad (the Company) has complied with Paragraph 15.09 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Malaysia), which requires that all the Audit Committee members must be Non-Executive Directors, with a majority of them being independent directors. The members of the Audit Committee are as follows:

Name		Directorial Status
1.	Datuk Mohd Nasir bin Ahmad	Chairman / Senior Independent Non-Executive Director
2.	Dato' Abdul Rahman bin Ibrahim	Member / Non-Independent Non-Executive Director
3.	Encik Asri bin Hamidon	Member / Independent Non-Executive Director
4.	Dato' Haji Izham bin Yusoff (Resigned on 01.02.2014)	Member / Independent Non-Executive Director

### 2. CoNSTITUTioN

The Audit Committee of the Company was established by the Board of Directors in 1996.

### 3. MEETiNgS

During the year ended 31 December 2014, the Committee met four (4) times by way of ordinary meetings on 09 February 2014, 18 May 2014, 13 August 2014 and 16 November 2014 and four (4) in a Special Meeting on 23 February 2014, 07 July 2014, 04 September 2014 and 02 October 2014.

Name		Number of Meetings	
		Held	Attendance
1.	Datuk Mohd Nasir bin Ahmad	8	8 / 8
2.	Dato' Abdul Rahman bin Ibrahim	8	7 / 8
3.	Encik Asri bin Hamidon	8	8 / 8
4.	Dato' Haji Izham bin Yusoff (Resigned on 01.02.2014)	8	0 / 0

#### 4. TERMS OF REFERENCE OF THE AUDIT COMMITTEE

##### Membership

The Audit Committee shall be appointed by the Board of Directors from amongst the Non-Executive Directors and must be composed of not fewer than three (3) members, with a majority of them being Independent Directors. The members of the Audit Committee must elect a Chairman amongst themselves who is an Independent Director. An alternate director shall not be appointed as a member of the Audit Committee.

At least one member of the Audit Committee:

- a. must be a member of the Malaysian Institute of Accountants (MIA); or
- b. if he is not a member of MIA, he must have at least 3 years' working experience and :
  - he must have passed the examinations specified in Part I of the Schedule of the Accountants Act 1967; or
  - he must be a member of one of the Associations of Accountants specified in Part II of the Schedule of the Accountants Act 1967; or
- c. fulfils such other requirements as prescribed or approved by the Bursa Malaysia.

In the event of any vacancy in the Audit Committee resulting in non-compliance with Bursa Malaysia Listing Requirements on the composition of Audit Committee, the Board of Directors must fill the vacancy within three (3) months.

The Board of Directors must review the term of office and performance of the Audit Committee and each of its members at least once every three (3) years to determine whether the Audit Committee has carried out its duties in accordance with its terms of reference.

##### Meetings and Minutes

Meetings shall be held at least four (4) times a year with the attendance of the Group Managing Director (GMD), Heads of Group Finance & Accounts, Group Corporate Services & Legal/Company Secretary and Group Corporate Assurance. Other Board members and Senior Management may attend meetings at the invitation of the Audit Committee. Additional meetings may be held upon request by any Audit Committee member, the Management, Internal or External Auditors. At least twice (2) a year, the Audit Committee shall meet with the external auditors and internal auditors without any Executive Director or Officer of the Group being present.

The minutes shall be circulated to the Audit Committee members and to all other members of the Board. The Chairman of the Audit Committee engages on a continuous basis with Senior Management such as the GMD, Heads of Group Finance & Accounts, Group Corporate Services & Legal/Company Secretary, Group Corporate Assurance and the external auditors in order to keep abreast of matters and issues affecting the Group. Key issues discussed are reported by the Chairman of the Audit Committee to the Board.

##### Secretary

The Company Secretary shall act as Secretary of the Audit Committee. The Secretary of the Audit Committee shall provide the necessary administrative and secretarial services for the effective functioning of the Committee.

##### Quorum

The quorum shall consist of a majority of Independent Directors and shall not be less than two (2).

##### Voting

Each member of the Audit Committee is entitled to one (1) vote in deciding the matters deliberated in the meeting. The decision that gained the majority votes shall be the decision of the Audit Committee. In the event of an equality of votes, the Chairman of the Audit Committee shall be entitled to a second or casting vote.

##### Authority

In view of its duties and functions, the Audit Committee has the following authority, as empowered by the Board to:

- (i) investigate any matters within the scope of the Committee's duties and its terms of reference;
- (ii) obtain external independent legal or other professional advice as necessary;
- (iii) secure full, free and unrestricted access to any information, records, properties and personnel of the Company and any other companies within the Group;
- (iv) communicate directly with the External Auditors, Internal Auditors and all employees of the Group;
- (v) be able to convene meetings with the External Auditors, the Internal Auditors or both, excluding the attendance of other Board of Directors, Senior Management and employees, where necessary; and
- (vi) report to the Bursa Malaysia matters duly reported by it to the Board which have not been satisfactorily resolved resulting in a breach of any regulatory requirements.

All costs involved in the exercise of the Audit Committee's authority shall be absorbed by the Company.

##### Duties

The following are the main duties and responsibilities of the Audit Committee collectively:

- (i) to consider the nomination and appointment of the external auditors, the audit fee and resignation, replacement or termination;
- (ii) to discuss with the external auditor before the commencement of audit, their nature and scope of audit and to ensure co-ordination where more than one audit firm is involved;
- (iii) to review the quarterly financial results and year-end financial statements prior to deliberation and approval by the Board, focusing particularly on:
  - any changes in accounting policies and practices;
  - significant adjustments arising from the audit;
  - the going concern assumption ;
  - compliance with accounting standards, regulatory and other legal requirements; and
  - other judgmental areas.
- (iv) to discuss problems and reservations arising from the interim and final audits and any matters the external and internal auditors may wish to discuss (in the absence of Management where necessary);
- (v) to discuss the impact of any proposed changes in accounting principles on future financial statements;
- (vi) to review the assistance given by the employees of the Company and the Group to the External Auditors;
- (vii) to review with the External Auditors, their evaluation of system of internal controls, their management letter and management responses;
- (viii) to do the following, in relation to the internal audit function:
  - review the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its duties;

- to consider the major findings or internal investigations and management's responses;
  - review the internal audit plan, programme and results of the internal audit process and ensure appropriate actions are taken on the recommendations of the internal audit function;
  - assessment of the performance of the staff of the internal audit function;
  - approve any appointment, replacement or termination of senior staff members of the internal audit function; and
  - take cognisance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.
- (ix) to monitor any related party transactions and situation where a conflict of interest may arise within the company or Group, including any transaction procedure or course of conduct that raises questions of management integrity and ensure that the Directors report such transactions annually to the shareholders in the Annual Report;
- (x) to review all prospective financial information provided to the regulators and/or the public;
- (xi) to report promptly to Bursa Malaysia on any matter reported by it to the Board of Directors, which has not been satisfactorily resolved resulting in a breach of Bursa Malaysia Listing Requirements; and
- (xii) to consider other topics defined by the Board of Directors from time to time.

#### 5. SUMMARY OF THE AUDIT COMMITTEE'S ACTIVITIES

During the financial year, the Audit Committee met eight (8) times. Activities carried out by the Audit Committee included the deliberation and review of:

- (i) the audit plan of the External Auditors in terms of their scope of audit prior to commencement of the interim and annual audit;
- (ii) the unaudited quarterly financial results and the announcements thereof and made recommendations to the Board for consideration and approval;
- (iii) the audited year-end financial results of the Group prior to submission to the Board for consideration and approval;
- (iv) the audit reports of the External Auditors in relation to audit and accounting issues arising from the audit;
- (v) matters arising from the audit of the Group in a meeting with the External Auditors without the presence of the Management;
- (vi) the performance of the External Auditors and the recommendations to the Board on their re-appointment and remuneration;
- (vii) the Audit Committee Report and its recommendation to the Board for inclusion in the Annual Report;
- (viii) the Statement on Internal Control and Statement of Corporate Governance and its recommendation to the Board for inclusion in the Annual Report;
- (ix) related party transactions as required under the Bursa Malaysia Listing Requirements to ascertain that transactions are conducted at arm's length prior to submission for the Board's consideration and where appropriate, shareholders' approval;

- (x) the risk-based annual audit plan proposed by the Internal Auditors to ensure adequacy of the scope and coverage;
- (xi) the effectiveness of the audit process, resource requirements for the year and assessed the performance of the internal auditors;
- (xii) the audit reports presented by the Internal Auditors on major findings and recommendations with respect to system and control weaknesses. The Committee then proposed that control weaknesses be rectified and recommendation for improvements be implemented; and
- (xiii) the results of follow-up audits conducted by Internal Auditors on the managements' implementation of audit recommendations.

#### 6. INTERNAL AUDIT FUNCTION

The Group's internal audit function is carried out by the Group Corporate Assurance, which reports directly to the Audit Committee. Its principal role is to undertake independent regular and systematic reviews of internal controls, so as to provide the Audit Committee with independent and objective feedback, performed with impartiality, proficiency and due professional care and report that the internal control systems continue to operate satisfactorily and effectively, within the Group. The Group Corporate Assurance adopts a risk-based auditing approach, taking into account global best practices and industry standard, in preparing its audit plan and strategy. The approved annual audit plan covers all the business units, departments and projects of the Group on a rotation basis.

The Board and Audit Committee are assisted by Group Corporate Assurance Department (Internal staff) and JSA Business Advisory Sdn Bhd (External consultant) to lead and manage the internal audit function through co-sourcing arrangement in maintaining a sound system of internal controls to provide reasonable assurance against any irregularities arising from the daily operational activities.

The Group Corporate Assurance Manager reports directly to the Audit Committee and has direct access to the Chairman of the Audit Committee on all the internal control and audit issues.

The total cost incurred for the Internal Audit function in respect of the financial year was RM 365,206.88.

Throughout the year, six (6) audit assignments, one (1) special audit assignment and quarterly follow up audits were carried out and completed by the Group Corporate Assurance Department on the various business units and projects. Areas of audit focus were on financial operation and reporting, project implementation and defect management, quarry operation, golf operation, stock management and maintenance, and hotel operation and performance.

The resulting reports of the audits undertaken were presented to the Audit Committee and forwarded to the parties concerned for their attention and necessary action. The respective Management of the business units and projects are responsible in ensuring that corrective actions are taken on reported weaknesses within the required time frame. The Management is also responsible for ensuring that status reports of actions taken pursuant to audit findings are sent to the internal auditors for review and subsequently presented to the Audit Committee.

# Statement of Risk Management and Internal Control

## Statement on Internal Control

This statement is made in accordance with the Malaysian Code on Corporate Governance 2012 (“The Code”) and Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”). Set out below is the Board’s Statement on Internal Control which has been prepared in accordance with the “Statement on Internal Control: Guidance for Directors of Public Listed Companies” issued by the Institute of Internal Auditors Malaysia and adopted by Bursa Malaysia.

## Board Responsibility

The Board acknowledges its responsibility for maintaining a sound system of internal control and the need to review its adequacy and integrity on a regular basis. The system of internal control is meant to effectively manage business risk towards the achievement of objectives so as to enhance the value of shareholders’ investments and to safeguard the Group’s assets.

The Board maintains overall responsibility for the Group’s system of internal controls and has reviewed the effectiveness of the controls established. The Board has delegated the implementation of the system of internal control within an established framework throughout the Group to the Management. The system of internal control includes not only financial controls but operational and compliance controls as well as risk management.

The Board through its Risk Management Committee is responsible for identifying, evaluating and managing major business risks faced by the Group. The Committee will continuously evaluate suggested mitigation measures and quarterly review planned actions and implementation strategies to ensure that key risks are mitigated and well managed.

The Board is satisfied that throughout the year the Company’s Risk Management and internal control system operated adequately and effectively in all material aspects based on the Risk Management Model adopted by the Company.

In line with the Code, the system of internal controls are designed to safeguard the assets of the Group and shareholders’ investment, by ensuring the maintenance of proper accounting records and providing reliable financial information for use within the business and for publications. However, these controls provide only reasonable and not absolute assurance against material error, misstatement, loss or breach. In addition, the concept of reasonable assurance also recognises that the overall cost of control procedures shall not exceed the expected benefits.

## Key Internal Control Features

The key features of the Group’s internal control comprise the following components which have been in place throughout the financial year:

### CoNTRoL ENViRoNMENT

Clear Lines of Accountability and Reporting within the Organisation:

Clear definition to the terms of reference including functions, authorities and responsibilities of the Board Committees and Management Committees have been established in the Group, to assist the Board in discharging its duties. The Board Committees comprise:

- Audit Committee
- Risk Management Committee
- Nomination & Remuneration Committee

### oRgANiSATiON STRUCTURE & AUTHoRiTY LiMiTS

The Group maintains organisation structure with delegation of responsibilities and accountability within the Group’s Senior Management. The Group, via its Delegation Authority Limit (DAL), assigns authority to appropriate levels of management to exercise control over the Group’s commitment on both capital and operational expenditure.

The DAL is approved by the Board and is regularly reviewed and updated to reflect changing conditions. The DAL has strict authorisation, approval and control procedures within which the Senior Management operates. All subsidiaries have similar internal control system as the holding company. The subsidiaries’ management teams also operate within an overall framework which is determined by the Board.

Internal control system has been established in all business units. Among the internal controls established are clearly defined lines of responsibilities, authority limits for major capital expenditure, contract awards and other significant transactions, segregation of duties, performance monitoring and safeguarding of assets. The approval of capital expenditure proposals above certain limits and investments are reserved to the Board. The authority of the Directors is required for key treasury matters including changes to equity and loan financing, interest rates, cheque signatories, the opening of bank accounts and foreign currency transactions.

### STANDARDiSED AND DoCUMENTED PoLiCiES AND PRoCEDURES

Standardised and documented internal procedures as set-out in Standard Operating Procedures are made available to guide Management and staff in their day-to-day work. All policies and guidelines are revised regularly and updated when necessary with approval of the Board. Cases of non-compliance will be reported to the Board.

### STRATEgiC BUSiNESS PLANNiNg

The BDB Group practises a detailed budgeting process where subsidiaries and departments prepare their annual budgets, three (3) years’ Business Plans and performance reports for consideration by the Group Managing Director before being presented to the Board for approval. The Board has reviewed and approved the annual budgets and three (3) year Business Plans within which the business objectives, strategies and targets are articulated. Key business risks are identified and mitigated during the business planning process and reviewed regularly during the year.

### STAFF DEVELoPMENT AND TRAINiNg

External training is developed and provided to all employees to meet their performance and job expectations. Corporate values, which emphasise teamwork and ethical behavior, have been fully communicated to the Group’s staff.

### WHiSTLE BLoWiNg

The Group also has in place a whistle blowing policy to provide an avenue for employees to report any breach or suspected breach of any law or regulation, including business principles and the Group’s policies and guidelines in a safe and confidential manner.

## Control Activities

Control activities are part of the Group’s system of internal control. Control activities are performed at all levels of the entity and at various stages within business processes. They include a range of activities as diverse as approvals, authorisations, verifications, reconciliations, reviews of operating performance, security of assets and segregation of duties. Among the significant control activities are:

- The preparation of quarterly and full year financial results, as announced or otherwise published to shareholders. The Group monitors compliance with its internal financial controls through management reviews and reports which are internally reviewed by key personnel. Analysis of actual financial performance versus business plans are carried out on quarterly basis.

- Group Managing Director and Senior Management staff conduct regular site visits and communicate with employees of different levels to have first-hand knowledge of significant operational issues and risks.
- Quarterly reporting of legal, accounting and other newer developments to the Board.
- An ISO 9001 Quality Management System, which is subject to regular review and improvement, continuously manages and controls the quality requirement of the Company's products and services.

## Review and Monitoring Process

The Board has initiated an ongoing process to ensure the achievement of the Group business objectives where budgets, key business indicators and performance results on operations are in place to monitor performance. The system allows the Management and Group Managing Director to review business unit's performance against budgets and other performance indicators on a monthly basis. Key variances are followed up by Management and reported on quarterly basis to the Board.

The Directors have continuously taken the necessary measures and reviewed the effectiveness of the system of internal control during the financial year through the review and monitoring process set out above.

## Internal Audit Function

The Internal Audit function includes undertaking regular reviews to evaluate the adequacy and effectiveness of financial and operating controls and highlight significant risks and non-compliance impacting the Group. Where applicable they provide recommendations to improve on the effectiveness of risk management, control and governance process. Audits are carried out on Subsidiaries, Departments and Units on a rotation basis using risk based approach.

The Audit Committee meets on a quarterly basis and when required to review the internal control issues identified in reports prepared by Internal Audit, in order to ensure the effectiveness and adequacy of the Group's internal control system. Management's response will always be sought on comments and suggestions by the Internal Audit as well as on the status of follow up action taken. The Audit Committee has active oversight on the internal audit's independence, scope of work and resources. It also reviews the Internal Audit function, particularly the scope of the annual audit plan and frequency of the internal audit activities. The details of the activities undertaken by the Audit Committee are highlighted in the Audit Committee Report.

## State of Internal Control During the Year Under Review

- The Board is of the view that the existing Group's system of internal controls in place for the year under review and up to the date of issuance of financial statements is generally sound and adequate to safeguard the shareholders' investment, the interest of customers, regulators, employees and the Group's assets. None of the control weaknesses identified if any have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Annual Report.

## Statement On Risk Management / Enterprise Risk Management Framework

The Group has established an Enterprise Risk Management (ERM) framework to proactively identify, evaluate and manage key risks to an optimal level in line with the Group's commitment to deliver sustainable value. This framework aims to provide an integrated and organised approach entity-wide.

During the financial year ended 31 December 2014, the Group had actively executed the ERM initiatives based on the approved ERM Framework; which includes the establishments of the key mitigation strategies for the key risk areas identified; the tracking and monitoring of its implementation Group wide.

## Risk Policy

BDB Group committed in meeting its vision, mission and corporate objectives. It is critical for BDB Group to have the ability of managing risk to an acceptable level. In 2014, Risk Management has concluded five (5) RMC Meetings where during the meeting risks were identified, assessed and ranked accordingly with regards to the mitigating actions.

The Board has a responsibility to understand risks, give guidance when dealing with risks to ensure all risks are managed in an organised and consistent manner. The policies of the Board for ERM are as follows:

- To integrate risk management into the culture, business activities and decision making processes.
- To anticipate and respond to the changing operational, social, environmental and regulatory requirements proactively.
- To manage risks pragmatically, to an acceptable level given the particular circumstances of each situation.
- To require that all papers submitted to the Board of Directors by Management relating to strategy, key project approval, significant action or investment must include a comprehensive risk assessment report.
- To implement a robust and sustainable ERM framework that is aligned with BDB Group's vision, mission, corporate objectives, and in accordance with best practices.

Above policies will be attained through:-

- Periodic reporting to the Board on ERM activities and keep the Board updated of all ERM aspects including significant risks and risk trends;
- Provision of adequate and suitable resources, including tools and manpower to ensure ERM framework and system operate effectively;
- Provision of adequate education and communication to ensure staff understand the requirement, benefits, their roles and responsibilities associated to ERM; and
- Maintain documented risk information (risk registers and action plans) for continuous ERM activities.

The Group Risk Management Department is responsible for developing, coordinating and facilitating the Risk Management processes within the Group. A database of risks and control information is captured in the format of risk registers. Key risks of key business units are identified, assessed and categorised to highlight the source of risks, their impact and the likelihood of occurrence and it is being monitored by respective Senior Management.

Risk profiles for the key business units are presented to the Management Committee, Board Risk Management Committee and Board of Directors for deliberation and approval for adaptation. Key action plans to address key risks were developed and the implementation status was tracked, monitored and reported on quarterly basis.

Roles and Responsibilities of the Group Risk Management (RMD) can be summarised as follows:

- To continuously communicate, evaluate and improve the ERM Policy and Mechanism;
- Facilitate the risk assessment and risk action plan processes;
- Provide independent input on risk assessment (risk type and rating) and action plans;
- Prepare and report to RMC in a timely manner; and
- Lead the ERM educational programmes and continuous sharing of risk and market trends.

## Assurance Received from Group Managing Director and Head of Group Finance & Accounts

In accordance with the Statement on Risk Management and Internal Control – Guidelines For Directors of Listed issuers, the Board has received assurance from the Group Managing Director and Head of Group Finance & Accounts that to the best of their knowledge the risk management and internal control of the Group are operating effectively and adequately, in all material aspects, based on the risk management and internal control framework adopted by the Group.

## Review of Statements by the External Auditors

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Recommended Practice Guide (RPG) 5 issued by the Malaysian Institute of Accountants (MIA) for inclusion in the annual report of the Group for the year ended 31 December 2014, and reported to the Board that nothing has come to their attention that cause them to believe that the statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and effectiveness of risk management and internal controls within the Group.

RPG 5 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and management thereon.

## Conclusion

Risk Management in BDB Group has been accepted not merely as a compliance tool but to the extent of becoming a business culture. The Risk Management framework and findings act as an additional decision-making tool to drive towards an excellent business strategy planning and execution. In this regard, an effective Risk Management lies on its ability to implement the framework and create values throughout BDB Group in order to achieve its established vision, mission, and objectives that lead towards enhancing shareholders' value.

This statement is made in accordance with the resolution of the Board of Directors dated 9 March 2015.

# FINANCIAL STATEMENTS

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Directors' Report

Consolidated Statement of Financial Position

Consolidated Statement of Profit or Loss and other Comprehensive Income

Consolidated Statement of Changes in Equity

Consolidated Statement of Cash Flows

Statement of Financial Position

Statement of Profit or Loss and other Comprehensive Income

Statement of Changes in Equity

Statement of Cash Flows

Notes to the Financial Statements

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## Directors' report for the year ended 31 December 2014

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2014.

### Principal activities

The principal activities of the Company are investment holding, provision of management services, oil palm plantation and property development whilst the principal activities of the subsidiaries are as stated in Note 5 to the financial statements.

There has been no significant change in the nature of these activities during the financial year

### Results

	group RM	Company RM
<b>Profit for the year attributable to :</b>		
Owners of the Company	24,167,717	18,471,776
Non-controlling interests	(7,438)	-
	<b>24,160,279</b>	<b>18,471,776</b>

### Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year except as disclosed in the financial statements.

### Dividends

Since the end of the previous financial year, the Company paid a final single-tier dividend of 7 sen per ordinary share, totalling RM5,097,110 in respect of the financial year ended 31 December 2013 on 20 May 2014.

At the forthcoming Annual General Meeting, a first and a final single tier dividend in respect of the financial year ended 31 December 2014, of 3.50 sen on 303,854,977 ordinary shares, totalling RM10,634,924 will be proposed for shareholders' approval.

### Directors of the Company

Directors who served since the date of the last report are:

Dato' Abdul Rahman bin Ibrahim	
Datuk Mohd. Nasir bin Ahmad	
Dato' Izham bin Yusoff	
Asri bin Hamidin @ Hamidon	
Datuk Wan Azhar bin Wan Ahmad	(Appointed on 9.10.2014)
Dato' Paduka Mohd Saad bin Endut	(Retired on 7.4.2014)

### Directors' interests in shares

None of the Directors holding office at 31 December 2014 had any interest in the shares and options over shares of the Company and of its related corporations during the financial year

### Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other corporate body.

### issue of shares and debentures

During the financial year, the Company has increased its authorised share capital from 100,000,000 ordinary shares of RM1 each to 400,000,000 ordinary shares of RM1 each.

There were no changes in issued and paid-up capital of the Company during the financial year

There were no debentures issued during the financial year.

### options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year

### other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that :

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or

**other statutory information (continued)**

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist :

i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the year ended 31 December 2014 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

**Significant events**

The details of such events are disclosed in Note 33 to the financial statements.

**Subsequent event**

The details of such event are disclosed in Note 34 to the financial statements.

**Auditors**

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed on behalf of the Board in accordance with a resolution of the Directors :

\_\_\_\_\_  
Dato' Izham Bin Yusoff

\_\_\_\_\_  
Dato' Abdul Rahman bin Ibrahim

Alor Setar,

Date : 9 March 2015

**Consolidated statement of financial position  
as at 31 December 2014**

	Note	2014 RM	2013 RM
<b>Assets</b>			
Property, plant and equipment	3	64,087,340	62,924,220
Interest in unincorporated joint venture	6	-	449,802
Other investments	7	2,546,837	5,381,811
Land held for property development	8	277,011,663	98,248,821
Deferred tax assets	9	304,870	727,263
Trade and other receivables	10	286,521,531	253,967,412
<b>Total non-current assets</b>		630,472,241	421,699,329
Property development costs	11	40,364,491	76,411,044
Inventories	12	21,567,249	16,452,303
Trade and other receivables	10	173,989,403	188,614,955
Current tax assets		972,289	592,092
Deposits with licensed banks	13	25,994,352	47,851,205
Cash and bank balances	14	66,305,945	53,737,438
<b>Total current assets</b>		329,193,729	383,659,037
<b>Total assets</b>		959,665,970	805,358,366

The note on pages 89 to 163 are an integral part of these financial statements

## Consolidated statement of financial position as at 31 December 2014 (continued)

	Note	2014 RM	2013 RM
<b>Equity</b>			
Share capital	15	72,815,856	72,815,856
Reserves	16	211,474,175	192,413,846
<b>Total equity attributable to owners of the Company</b>		284,290,031	265,229,702
<b>Non-controlling interests</b>		8,060,562	8,068,000
<b>Total equity</b>		292,350,593	273,297,702
<b>Liabilities</b>			
Defered tax liabilities	9	679,008	1,790,350
Loans and borrowings	17	269,505,909	318,080,971
<b>Total non-current liability</b>		270,184,917	319,871,321
Trade and other payables	18	353,016,370	185,144,146
Current tax payables		2,180,466	1,933,744
Loans and borrowings	17	41,933,624	25,111,453
<b>Total current liabilities</b>		397,130,460	212,189,343
<b>Total liabilities</b>		667,315,377	532,060,664
<b>Total equity and liabilities</b>		959,665,970	805,358,366

The note on pages 89 to 163 are an integral part of these financial statements

## Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2014

	Note	2014 RM	2013 RM
<b>Continuing operations</b>			
Revenue	19	328,878,785	281,002,192
Cost of sales	20	(266,543,748)	(237,219,728)
<b>Gross profit</b>		62,335,037	43,782,464
Distribution expenses		(6,690,550)	(1,245,787)
Administrative expenses		(22,655,411)	(21,944,213)
Other operating income		4,862,325	10,969,151
Other operating expenses		(10,077,430)	(12,143,467)
<b>Results from operating activities</b>		27,773,971	19,418,148
Unwinding of discount on non-current receivables		23,861,226	25,367,137
Finance cost	21	(17,770,217)	(15,469,065)
Share of loss of jointly control entity		(2,503)	(1,405)
<b>Profit before tax</b>	22	33,862,477	29,314,815
Tax expense	25	(9,702,198)	(8,175,024)
<b>Profit and total comprehensive income for the year</b>		24,160,279	21,139,791
<b>Profit and total comprehensive income for the year attributable to :</b>			
Owners of the Company		24,167,717	21,143,267
Non-controlling interests		(7,438)	(3,476)
<b>Profit and total comprehensive income for the year</b>		24,160,279	21,139,791
<b>Basic earnings per ordinary share (sen)</b>	26	33.19	29.04

The note on pages 89 to 163 are an integral part of these financial statements

## Consolidated statement of changes in equity for the year ended 31 December 2014

Attributable to owners of the Company								
Non-distributable      Distributable								
	Note	Share capital RM	Share premium RM	Foreign currency translation reserves RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
<b>At 1 January 2013</b>		72,815,856	17,062,137	10,278	159,295,274	249,183,545	8,071,476	257,255,021
Profit and total comprehensive income for the year		-	-	-	21,143,267	21,143,267	(3,476)	21,139,791
Total distribution to owners - Dividend to owners of the Company	27	-	-	-	(5,097,110)	(5,097,110)	-	(5,097,110)
<b>At 31 December 2013 /1 January 2014</b>		72,815,856	17,062,137	10,278	175,341,431	265,229,702	8,068,000	273,297,702
Profit and total comprehensive income for the year		-	-	-	24,167,717	24,167,717	(7,438)	24,160,279
Total distribution to owners - Dividend to owners of the Company	27	-	-	-	(5,097,110)	(5,097,110)	-	(5,097,110)
Dissolution of a foreign subsidiary		-	-	(10,278)	-	(10,278)	-	(10,278)
<b>At 31 December 2014</b>		72,815,856	17,062,137	-	194,412,038	284,290,031	8,060,562	292,350,593

The note on pages 89 to 163 are an integral part of these financial statements

The note on pages 89 to 163 are an integral part of these financial statements

## Consolidated statement of cash flows for the year ended 31 December 2014

	Note	2014 RM	2013 RM
<b>Cash flows from operating activities</b>			
Profit before tax		33,862,477	29,314,815
Adjustments for :			
Depreciation of property, plant and equipment	3	4,949,241	4,670,742
Property, plant and equipment written off		31,921	1,438
Gain on disposal of property, plant and equipment		(199,048)	(38,832)
Loss on disposal of other investments		-	45,118
Share of loss of unincorporated joint venture	6	2,503	1,405
Government grant		(185,950)	(1,164,732)
Changes in fair value of other investments		-	(17,836)
Dividend income from other investments		(6,392)	(21,811)
Interest income		(1,912,288)	(3,075,596)
Unwinding of discount on non-current receivables		(23,861,226)	(25,367,137)
Interest expense		17,770,217	15,469,065
Operating profit before working capital changes		30,451,455	19,816,639
Increase in land held for development and property development costs		(142,716,289)	(22,968,104)
Increase in trade and other receivables		6,104,667	(22,326,444)
Increase in inventories		(5,114,946)	(7,223,389)
Increase in trade and other payables		167,668,174	20,453,382
		56,393,061	(12,247,916)

The note on pages 89 to 163 are an integral part of these financial statements

## Consolidated statement of cash flows for the year ended 31 December 2014 (continued)

	Note	2014 RM	2013 RM
<b>Cash generated from/(used in) operations</b>		56,393,061	(12,247,916)
Interest paid		(17,770,217)	(15,469,065)
Income taxes paid		(10,524,622)	(9,181,687)
<b>Net cash from/(used in) operating activities</b>		28,098,222	(36,898,668)
<b>Cash flows from investing activities</b>			
Distribution of joint venture's interest	6	447,299	-
Purchase of property, plant and equipment	3.1	(6,142,839)	(3,277,959)
Proceeds from disposal of property, plant and equipment		314,838	41,239
Proceeds from disposal of other investments		2,834,974	663,960
Purchase of other investments		-	(171,186)
Dividend received		6,392	21,811
Interest income received		1,912,288	3,075,596
<b>Net cash (used in)/from investing activities</b>		(627,048)	353,461
<b>Cash flows from financing activities</b>			
Dividends paid to shareholders of the Company	27	(5,097,110)	(5,098,282)
Drawdown of term loan		5,855,800	37,918,125
Repayment of term loan		(41,797,943)	(18,419,575)
Government grant received		390,000	232,800
Movement of other borrowings		5,000,000	9,000,000
Repayment of finance lease creditors		(1,110,267)	(979,123)
Placement/(Withdrawal) of pledged deposits		11,986,338	(7,836,165)
<b>Net cash (used in) / from financing activities</b>		(24,773,182)	14,817,780

The note on pages 89 to 163 are an integral part of these financial statements

## Consolidated statement of cash flows for the year ended 31 December 2014 (continued)

	Note	2014 RM	2013 RM
<b>Net increase/(decrease) in cash and cash equivalents</b>		2,697,992	(21,727,427)
<b>Cash and cash equivalents at beginning of the year</b>		83,888,333	105,615,760
<b>Cash and cash equivalents at end of the year</b>	A	86,586,325	83,888,333
<b>NOTE</b>			
<b>A. Cash and cash equivalents</b>			
Cash and bank balances		66,305,945	53,737,438
Deposits placed with licensed banks		25,994,352	47,851,205
Less : Deposits pledged		(5,713,972)	(17,700,310)
		86,586,325	83,888,333

The note on pages 89 to 163 are an integral part of these financial statements

## Statement of financial position as at 31 December 2014

	Note	2014 RM	2013 RM
<b>Assets</b>			
Property, plant and equipment	3	16,714,424	15,175,836
Investment property	4	8,103,610	8,275,787
Investment in subsidiaries	5	56,157,529	56,257,529
Other investments	7	2,373,800	5,177,168
Land held for property development	8	202,448,722	14,114,745
Deferred tax assets	9	133,807	634,111
<b>Total non-current assets</b>		285,931,892	99,635,176
Inventories	12	7,123,000	-
Trade and other receivables	10	63,465,925	48,485,844
Current tax assets		404,983	378,496
Deposits with licensed banks	13	-	9,644,295
Cash and bank balances	14	3,093,807	889,193
<b>Total current assets</b>		74,087,715	59,397,828
<b>Total assets</b>		360,019,607	159,033,004
<b>Equity</b>			
Share capital	15	72,815,856	72,815,856
Reserves	16	69,134,366	55,759,700
<b>Total equity</b>		141,950,222	128,575,556
Loans and borrowings	17	-	19,140
<b>Total non-current liabilities</b>		-	19,140
Loans and borrowings	17	-	15,016,772
Trade and other payables	18	218,069,385	15,421,536
<b>Total current liabilities</b>		218,069,385	30,438,308
<b>Total liabilities</b>		218,069,385	30,457,448
<b>Total equity and liabilities</b>		360,019,607	159,033,004

The note on pages 89 to 163 are an integral part of these financial statements

## Statement of comprehensive income for the year ended 31 December 2014

	Note	2014 RM	2013 RM
<b>Continuing operations</b>			
Revenue	19	43,671,522	20,813,857
Cost of sales	20	(14,584,821)	(1,312,386)
<b>Gross profit</b>		29,086,701	19,501,471
Distribution expenses		(2,469,232)	(234,930)
Administrative expenses		(9,140,140)	(9,863,601)
Other operating income		2,760,025	3,862,538
Other operating expenses		(666,985)	(1,894,999)
<b>Results from operating activities</b>		19,570,369	11,370,479
Finance costs	21	(488,776)	(1,387,133)
<b>Profit before tax</b>	22	19,081,593	9,983,346
Tax expense	25	(609,817)	(3,696,771)
<b>Profit and total comprehensive income for the year</b>		18,471,776	6,286,575

The note on pages 89 to 163 are an integral part of these financial statements

## Statement of changes in equity for the year ended 31 December 2014

	Note	Non-distributable		Distributable	Total equity RM
		Share capital RM	Share premium RM	Retained earnings RM	
<b>At 1 January 2013</b>		72,815,856	17,062,137	37,508,098	127,386,091
Profit and total comprehensive income for the year		-	-	6,286,575	6,286,575
Total distribution to owners					
- Dividend to owners of the Company	27	-	-	(5,097,110)	(5,097,110)
<b>At 31 December 2013/ 1 January 2014</b>		72,815,856	17,062,137	38,697,563	128,575,556
Profit and total comprehensive income for the year		-	-	18,471,776	18,471,776
Total distribution to owners					
- Dividend to owners of the Company	27	-	-	(5,097,110)	(5,097,110)
<b>At 31 December 2014</b>		72,815,856	17,062,137	52,072,229	141,950,222

The note on pages 89 to 163 are an integral part of these financial statements

## Statement of cash flows for the year ended 31 December 2014

	Note	2014 RM	2013 RM
<b>Cash flows from operating activities</b>			
Profit before tax		19,081,593	9,983,346
Adjustments for :			
Depreciation of :			
- property, plant and equipment	3	867,293	905,595
- investment property	4	172,177	172,177
Gain on disposal of property, plant and equipment		-	(28,619)
Property, plant and equipment written off		-	722
Impairment loss on investments in a subsidiary		100,000	500,000
Dividend income		(20,100,000)	(17,500,000)
Interest income		(1,005,797)	(1,593,055)
Interest expense		488,776	1,387,133
Operating loss before working capital changes		(395,958)	(6,172,701)
Increase in land held for development		(188,333,977)	(421,118)
Increase in trade and other receivables		(14,980,081)	(794,913)
Increase in inventories		(7,123,000)	-
Increase in trade and other payables		202,647,849	5,373,161
<b>Cash used in operations</b>		<b>(8,185,167)</b>	<b>(2,015,571)</b>
Interest paid		(488,776)	(1,387,133)
Taxes (paid)/refund		(136,000)	779,009
<b>Net cash used in operating activities</b>		<b>(8,809,943)</b>	<b>(2,623,695)</b>

The note on pages 89 to 163 are an integral part of these financial statements

## Statement of cash flows for the year ended 31 December 2014 (continued)

	Note	2014 RM	2013 RM
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(2,405,881)	(507,578)
Proceeds from disposal of property, plant and equipment		-	30,979
Proceeds from disposal of other investments		2,803,368	-
Purchase of other investments		-	(171,186)
Dividend received		20,100,000	13,125,000
Interest income received		1,005,797	1,593,055
<b>Net cash from investing activities</b>		<b>21,503,284</b>	<b>14,070,270</b>
<b>Cash flows from financing activities</b>			
Dividends paid to shareholders of the Company	27	(5,097,110)	(5,097,110)
Repayment of borrowings		(15,035,912)	(15,022,706)
<b>Net cash used in financing activities</b>		<b>(20,133,022)</b>	<b>(20,119,816)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(7,439,681)</b>	<b>(8,673,241)</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>10,533,488</b>	<b>19,206,729</b>
<b>Cash and cash equivalents at end of the year</b>		<b>3,093,807</b>	<b>10,533,488</b>
<b>NOTE</b>			
<b>A. Cash and cash equivalents</b>			
Cash and bank balances		3,093,807	889,193
Deposits placed with licensed banks		-	9,644,295
		<b>3,093,807</b>	<b>10,533,488</b>

The note on pages 89 to 163 are an integral part of these financial statements

# Notes to the financial statements

Bina Darulaman Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The address of the principal place of business and registered office of the Company is as follows :

9<sup>th</sup> Floor, Menara Bina Darulaman Berhad  
No. 88, Lebuhraya Darulaman  
05100 Alor Setar  
Kedah Darul Aman

The consolidated financial statements of the Company as at and for the year ended 31 December 2014 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interest in joint venture. The financial statements of the Company as at and for the year ended 31 December 2014 do not include other entities.

The principal activities of the Company are investment holding, provision of management services, oil palm plantation and property development whilst the principal activities of the subsidiaries are as stated in Note 5 to the financial statements.

The ultimate holding company is Perbadanan Kemajuan Negeri Kedah, a statutory body formed in Malaysia.

The financial statements were approved by the Board of Directors on 9 March 2015.

## 1. Basis of preparation

### (a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with financial Reporting Standards ("FRS") and the requirements of the Companies Act, 1965 in Malaysia.

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and by the Company :

#### FRSs, interpretations and amendments effective for annual periods beginning on or after 1 July 2014

- Amendments to FRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)*
- Amendments to FRS 2, *Share-based Payment (Annual Improvements 2010-2012 Cycle)*
- Amendments to FRS 3, *Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to FRS 8, *Operating Segments (Annual Improvements 2010-2012 Cycle)*
- Amendments to FRS 13, *Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to FRS 116, *Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)*
- Amendments to FRS 119, *Employee Benefits – Defined Benefit Plans: Employee Contributions*
- Amendments to FRS 124, *Related Party Disclosures (Annual Improvements 2010-2012 Cycle)*
- Amendments to FRS 138, *Intangible Assets (Annual Improvements 2010-2012 Cycle)*
- Amendments to FRS 140, *Investment Property (Annual Improvements 2011-2013 Cycle)*

## 1. Basis of preparation (continued)

### (a) Statement of compliance (continued)

#### FRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2016

- Amendments to FRS 5, *Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)*
- Amendments to FRS 7, *Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)*
- Amendments to FRS 10, *Consolidated Financial Statements and FRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- Amendments to FRS 10, *Consolidated Financial Statements, FRS 12, Disclosure of Interests in Other Entities and FRS 128, Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception*
- Amendments to FRS 11, *Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations*
- FRS 14, *Regulatory Deferral Account*
- Amendments to FRS 101, *Presentation of Financial Statements – Disclosure Initiative*
- Amendments to FRS 116, *Property, Plant and Equipment and FRS 138, Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to FRS 116, *Property, Plant and Equipment and FRS 141, Agriculture – Agriculture: Bearer Plants*
- Amendments to FRS 119, *Employee Benefits (Annual Improvements 2012-2014 Cycle)*
- Amendments to FRS 127, *Separate Financial Statements – Equity Method in Separate Financial Statements*
- Amendments to FRS 134, *Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)*

#### FRS, interpretations and amendments effective for annual periods beginning on or after 1 January 2018

- FRS 9, *Financial Instruments (2014)*

The Group and the Company plan to apply the abovementioned standards, amendments or interpretations in the respective financial year when the abovementioned standards, amendments or interpretations become effective.

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

The initial application of the other accounting standards, amendments and interpretations are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and of the Company except as mentioned below:

#### FRS 9, Financial instruments

FRS 9 replaces the guidance in FRS139, Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

The Group and the Company are currently assessing the financial impact that may arise from the adoption of FRS 9.

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".

## 1. Basis of preparation (continued)

### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2 to the financial statements.

### (c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency. All financial information is presented in RM, unless otherwise stated.

### (d) Use of estimates and judgements

The preparation of financial statements in conformity with MFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes :

- Note 9            Deferred tax assets
- Note 10.1        Net present value of amount due from a related party
- Note 11.2        Recognition of property development cost.

## 2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, and have been applied consistently by Group entities, unless otherwise stated.

### (a) Basis of consolidation

#### (i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

## 2. Significant accounting policies (continued)

### (ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

### (iii) Acquisitions of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any resulting gain/loss is recognised directly in equity.

### (iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

## 2. Significant accounting policies (continued)

### (v) Joint arrangements

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns.

Joint arrangements are classified and accounted for as follows :

- A joint arrangement is classified as "joint operation" when the Group or the Company has rights to the assets and obligations for the liabilities relating to an arrangement. The Group and the Company account for each of its share of the assets, liabilities and transactions, including its share of those held or incurred jointly with the other investors, in relation to the joint operation.
- A joint arrangement is classified as "joint venture" when the Group or the Company has rights only to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method. Investments in joint venture are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

### (vi) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

### (vii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

## (b) Property, plant and equipment

### (i) Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

## 2. Significant accounting policies (continued)

### (b) Property, plant and equipment (continued)

#### (i) Recognition and measurement (continued)

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" or "other expenses" respectively in profit or loss.

#### (ii) Reclassification to investment property

Property that is being constructed for future use as investment property is accounted for as property, plant and equipment until construction or development is complete, at which time it is reclassified as investment property.

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property.

#### (iii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

#### (iv) Depreciation

Freehold land has an unlimited useful life and therefore is not depreciated. Construction work-in-progress are also not depreciated as these assets are not available for use. The cost of the golf course, which consists of freehold land and the related development expenditure, is not depreciated. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

## 2. Significant accounting policies (continued)

### (iv) Depreciation (continued)

Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates :

Leasehold land	1.25%
Office building	2%
Golf course, club house, chalets and other buildings	2%
Estate development expenditure	10%
Instruments, plant and machinery and site equipment	10% - 20%
furniture and fittings, electrical installations and office equipment	20% - 25%
Renovation	20%
Motor vehicles	20%

Depreciation methods, useful lives and residual values are reviewed at end of the reporting period, and adjusted as appropriate.

### (c) investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is not depreciated. Depreciation is provided for on a straight-line basis to write off the cost of the investment properties to its residual value over the estimated useful life at an annual rate of 2%.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

#### *Determination of fair value*

The Directors will estimate the fair value of the Group's investment property with involvement of an independent valuer.

An external, independent valuation firm, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Group's investment property portfolio.

### (d) Land held for property development

Land held for property development consists of land or such portions thereof on which no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

## 2. Significant accounting policies (continued)

### (d) Land held for property development (continued)

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

### (e) Property development costs

Property development costs comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities, including interest expense incurred during the period of active development.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in profit or loss over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in profit and loss is classified as progress billings within trade payables.

### (f) Construction contracts

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date bear to the estimated total contract costs.

Where the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract cost incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the total of costs incurred on construction contracts plus recognised profits (less recognised losses) exceed progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

### (g) Financial instruments

#### (i) initial recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

## 2. Significant accounting policies (continued)

### (g) Financial instruments (continued)

#### (i) initial recognition and measurement (continued)

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

#### (ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

##### Financial assets

#### (a) Financial assets at fair value through profit or loss

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

#### (b) Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

All financial assets are subject to review for impairment (see Note 2(i)(i)).

##### Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

## 2. Significant accounting policies (continued)

### (ii) Financial instrument categories and subsequent measurement (continued)

#### Financial liabilities (continued)

Derivatives that are linked to and must be settled by delivery of equity instruments that do not have a quoted price in an active market for identical instruments whose fair values otherwise cannot be reliably measured are measured at cost.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

#### (iii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Fair value arising from financial guarantee contracts are classified as deferred income and is amortised to profit or loss using a straight-line method over the contractual period or, when there is no specified contractual period, recognised in profit or loss upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

#### (iv) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

- (a) the recognition of an asset to be received and the liability to pay for it on the trade date, and
- (b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

#### (v) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

## 2. Significant accounting policies (continued)

### (h) inventories

Inventories are stated at lower of cost and net realisable value.

The cost of building materials and consumables is determined using the weighted average method and comprises the cost of purchase of the inventories.

The cost of completed properties is determined on the specific identification basis and comprises cost associated with the acquisition of land, direct costs and appropriate proportions of common costs.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### (i) impairment

#### (i) Financial assets

All financial assets (except for financial assets categories as fair value through profit or loss, investment in subsidiaries and investment in joint venture) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment. If any such objective evidence exists, then the impairment loss of the financial asset is estimated.

An impairment loss in respect of loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available for sale is not reversed through profit or loss.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

#### (ii) other assets

The carrying amounts of other assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or

## 2. Significant accounting policies (continued)

### (ii) other assets (continued)

cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amount of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

### (j) Leases assets

#### (i) Finance lease

Leases in terms of which the Group and the Company assume substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leases in terms of which the Group and the Company assume substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

## 2. Significant accounting policies (continued)

### (j) Leases assets (continued)

#### (i) Finance lease (continued)

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment, or an investment property if held to earn rental income or for capital appreciation or for both.

#### (ii) operating lease

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and, the leased assets are not recognised on the statement of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

Leasehold land which in substance is an operating lease is classified as prepaid lease payments.

### (k) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks including the accounts maintained pursuant to the Housing Developers (Housing Development Account) (Amendment) Regulations 2002), and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of pledged deposits.

### (l) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

#### *Contingent liabilities*

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence

## 2. Significant accounting policies (continued)

### (l) Provisions (continued)

of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements, and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

### (m) income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance, being a tax incentive that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

## 2. Significant accounting policies (continued)

### (n) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

#### (i) Sale of development properties

Revenue from sale of development properties is recognised based on the stage of completion measured by reference to the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a property development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on the development units sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised immediately in profit or loss.

#### (ii) Completed development properties and development land

Revenue relating to sale of completed development properties and development land is recognised net of discounts when transfer of risks and rewards has been completed.

#### (iii) Construction contracts and road paving works

Revenue from construction contracts and road paving works is accounted for using the stage of completion method as described in Note 2(f).

#### (iv) goods sold

Revenue from the sale of goods in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

#### (v) Rental income

Rental income is recognised on a straight-line basis over the term of the lease. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis.

## 2. Significant accounting policies (continued)

### (n) Revenue recognition (continued)

#### (vi) Revenue from hotel and golf resort operations

The income from rental of rooms, subscription and green fees, rental of golfing facilities and other related income are recognised on an accrual basis.

#### (vii) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

#### (viii) Management fees

Management fees are recognised when services are rendered.

#### (ix) Interest income and profit from Islamic deposit

Interest income is recognised as it accrues, using the effective interest method.

#### (x) Project management fee

The project management fee is recognised based on certain percentage of the gross sales value of the development project.

#### (xi) government grant

Government grant are recognised on an accrual basis as describe in Note 2(t).

### (o) Employee benefits

#### (i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### (ii) State plans

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

### (p) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

## 2. Significant accounting policies (continued)

### (p) Borrowing costs (continued)

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

### (q) Earnings per ordinary share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

### (r) operating segment

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

### (s) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

#### (i) issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

#### (ii) ordinary shares

Ordinary shares are classified as equity.

### (t) government grant

Government grants are in respect of advances and subsidies awarded by the Government for the upgrading of green and golf course. Grants that compensate expenses incurred are recognised as income to match the costs that it is intended to compensate.

## 2. Significant accounting policies (continued)

### (t) government grant (continued)

An asset-related grant is recorded as a deduction against the carrying amount of the related asset which is subsequently recognised in income by way of reduced depreciation charges.

### (u) Fair value measurement

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

## 3. Property, plant and equipment

	* Land, buildings and estate development expenditure RM	instruments, plant and machinery and site equipment RM	# others RM	Motor vehicles RM	Construction work-in-progress RM	Total RM
<b>group Cost</b>						
At 1 January 2013	57,006,384	46,534,704	8,455,407	7,947,060	95,177	120,038,732
Additions	601,206	2,738,184	789,086	749,283	-	4,877,759
Disposals	-	-	(121,805)	(345,532)	-	(467,337)
Write off	-	-	(23,151)	-	-	(23,151)
At 31 December 2013/ 1 January 2014	57,607,590	49,272,888	9,099,537	8,350,811	95,177	124,426,003
Additions	26,937	1,620,733	3,427,867	1,366,821	-	6,442,358
Disposals	-	(717,702)	(726,498)	(628,375)	-	(2,072,575)
Write off	-	-	(348,402)	(129,829)	-	(478,231)
Adjustments ^	(1,638,329)	(1,534)	134,598	9,247	-	(1,496,018)
At 31 December 2014	55,996,198	50,174,385	11,587,102	8,968,675	95,177	126,821,537
<b>Accumulated depreciation</b>						
At 1 January 2013	10,184,245	32,840,366	7,295,034	6,845,530	-	57,165,175
Depreciation charge for the year (Note 22)	716,730	3,080,060	522,221	351,731	-	4,670,742
Depreciation capitalised in construction contract costs (Note 18.1)	-	-	-	152,509	-	152,509
Disposals	-	-	(119,400)	(345,530)	-	(464,930)
Write off	-	-	(21,713)	-	-	(21,713)
At 31 December 2013/1 January 2014	10,900,975	35,920,426	7,676,142	7,004,240	-	61,501,783
Depreciation charge for the year (Note 22)	1,331,543	2,288,358	866,455	462,885	-	4,949,241
Depreciation capitalised in construction contract costs (Note 18.1)	-	-	-	182,286	-	182,286
Disposals	-	(717,509)	(723,344)	(515,932)	-	(1,956,785)
Write off	-	-	(336,630)	(116,703)	-	(453,333)
Adjustments ^	(1,077,993)	(6,131)	(314,408)	(90,463)	-	(1,488,995)
At 31 December 2014	11,154,525	37,485,144	7,168,215	6,926,313	-	62,734,197
<b>Carrying amounts</b>						
At 31 December 2013/1 January 2014	46,706,615	13,352,462	1,423,395	1,346,571	95,177	62,924,220
At 31 December 2014	44,841,673	12,689,241	4,418,887	2,042,362	95,177	64,087,340

# Others comprise furniture and fittings, electrical installations and office equipment as well as renovation.

^ Adjustments comprise reclassifications and changes to previously recorded amounts.

### 3. Property, plant and equipment (continued)

\* Land, buildings and estate development expenditure for the Group

	Freehold land RM	Long term leasehold land RM	Office building RM	golf course RM	Club house, chalets and other buildings RM	Estate development expenditure RM	Total RM
<b>group Cost</b>							
At 1 January 2013	3,513,402	8,578,151	11,161,953	9,605,754	23,286,445	860,679	57,006,384
Additions	-	-	-	-	601,206	-	601,206
At 31 December 2013/ 1 January 2014	3,513,402	8,578,151	11,161,953	9,605,754	23,887,651	860,679	57,607,590
Additions	-	-	-	-	26,937	-	26,937
Adjustments <sup>^</sup>	409,643	(2,262,265)	1,127,903	-	(913,610)	-	(1,638,329)
At 31 December 2014	3,923,045	6,315,886	12,289,856	9,605,754	23,000,978	860,679	55,996,198
<b>Accumulated depreciation</b>							
At 1 January 2013	-	2,107,272	1,895,930	-	5,320,365	860,678	10,184,245
Depreciation charge for the year	-	75,000	56,977	-	584,753	-	716,730
At 31 December 2013/ 1 January 2014	-	2,182,272	1,952,907	-	5,905,118	860,678	10,900,975
Depreciation charge for the year	-	78,949	278,844	-	973,750	-	1,331,543
Adjustments <sup>^</sup>	-	(1,286,206)	703,685	-	(495,472)	-	(1,077,993)
At 31 December 2014	-	975,015	2,935,436	-	6,383,396	860,678	11,154,525
<b>Carrying amounts</b>							
At 31 December 2013/ 1 January 2014	3,513,402	6,395,879	9,209,046	9,605,754	17,982,533	1	46,706,615
At 31 December 2014	3,923,045	5,340,871	9,354,420	9,605,754	16,617,582	1	44,841,673

## 3. Property, plant and equipment (continued)

	Long term leasehold land RM	Office building RM	Estate development expenditure RM	Plant and machinery RM	# others RM	Motor vehicles RM	Total RM
<b>Company Cost</b>							
At 1 January 2013	6,000,000	11,457,680	860,679	3,343,160	1,512,444	1,026,759	24,200,722
Additions	-	-	-	-	413,758	93,820	507,578
Write off	-	-	-	-	(2,890)	-	(2,890)
Disposals	-	-	-	-	(116,775)	(173,707)	(290,482)
At 31 December 2013/ 1 January 2014	6,000,000	11,457,680	860,679	3,343,160	1,806,537	946,872	24,414,928
Additions	-	-	-	-	2,170,339	235,542	2,405,881
At 31 December 2014	6,000,000	11,457,680	860,679	3,343,160	3,976,876	1,182,414	26,820,809
<b>Accumulated depreciation</b>							
At 1 January 2013	787,500	2,062,380	860,679	3,008,844	1,191,454	712,930	8,623,787
Depreciation charge for the year (Note 22)	75,000	229,154	-	334,315	149,720	117,406	905,595
Write off	-	-	-	-	(2,168)	-	(2,168)
Disposals	-	-	-	-	(114,416)	(173,706)	(288,122)
At 31 December 2013	862,500	2,291,534	860,679	3,343,159	1,224,590	656,630	9,239,092
Depreciation charge for the year (Note 22)	75,000	229,154	-	-	426,992	136,147	867,293
At 31 December 2014	937,500	2,520,688	860,679	3,343,159	1,651,582	792,777	10,106,385
<b>Carrying amounts</b>							
At 31 December 2013/ 1 January 2014	5,137,500	9,166,146	-	1	581,947	290,242	15,175,836
At 31 December 2014	5,062,500	8,936,992	-	1	2,325,294	389,637	16,714,424

# Others comprise furniture and fittings, electrical installations and office equipment as well as renovation

### 3. Property, plant and equipment (continued)

#### 3.1 Assets under finance lease

During the financial year, the Group and the Company acquired property, plant and equipment by the following means :

	group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Finance lease	299,519	1,599,800	-	-
Cash and cash equivalents	6,142,839	3,277,959	2,405,881	507,578
	6,442,358	4,877,759	2,405,881	507,578

Included in the carrying amount of property, plant and equipment are the following assets acquired under finance lease :

	group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Plant and machinery	2,964,378	3,184,873	-	-
Motor vehicles	383,290	222,334	-	1
	3,347,668	3,407,207	-	1

Details of the terms and conditions of the finance lease arrangements are disclosed in Note 17.

#### 3.2 Security

Property, plant and equipment of the Group/Company with the carrying amount of RM13,999,492 (2013 : RM14,303,646) is pledged as security for borrowing (Note 17).

During the financial year, the borrowing has been fully settled and title deed of the asset pledged was in the process of being discharged to the Group/Company.

#### 3.3 Fully depreciated assets

Included in property, plant and equipment of the Group and the Company are fully depreciated assets which are still in use costing RM35,052,955 (2013 : RM30,190,664) and RM1,313,745 (2013 : RM1,267,915) respectively.

### 4. investment property - Company

	Freehold land RM	Buildings RM	Total RM
<b>Cost</b>			
At 1 January 2013/ 31 December 2013	700,000	8,608,849	9,308,849
At 1 January 2014/ 31 December 2014	700,000	8,608,849	9,308,849
<b>Accumulated depreciation</b>			
At 1 January 2013	-	860,885	860,885
Depreciation charge for the year (Note 22)	-	172,177	172,177
At 31 December 2013/ 1 January 2014	-	1,033,062	1,033,062
Depreciation charge for the year (Note 22)	-	172,177	172,177
At 31 December 2014	-	1,205,239	1,205,239
<b>Carrying amount</b>			
At 31 December 2013/ 1 January 2014	700,000	7,575,787	8,275,787
At 31 December 2014	700,000	7,403,610	8,103,610

The following are recognised in profit or loss in respect of investment property :

	2014 RM	2013 RM
Rental income	120,000	120,000
Direct operating expenses : - income generating investment property	184,187	184,187

#### 4. investment property - Company (continued)

##### 4.1 Fair value information

Investment property comprises serviced apartment that is leased to a subsidiary to earn rental income or held for capital appreciation. The fair value of serviced apartment is classified as level 3 where there have been no recent transactions of similar properties at or near reporting date. The fair value of the investment property of the Company as at 31 December 2014 is determined as RM15,000,000 (2013: RM17,000,000).

Fair value is determined by the independent external valuer, fair value is determined based on comparable transactions with relevant adjustments being made to key attributes such as the timing of the transaction, land size and shape, accessibility of the location, zoning and etc.

#### 5. investment in subsidiaries - Company

	2014 RM	2013 RM
Unquoted shares, at cost	57,257,531	57,257,531
Accumulated impairment losses	(1,100,002)	(1,000,002)
	56,157,529	56,257,529

Movement in impairment losses :

	2014 RM	2013 RM
At 1 January	1,000,002	500,002
Charge for the year (Note 22)	100,000	500,000
At 31 December	1,100,002	1,000,002

#### 5. investment in subsidiaries - Company (continued)

5.1 The details of the subsidiaries are as follows :

Name of subsidiaries	Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2014 %	2013 %
Darulaman Realty Sdn Bhd**	Malaysia	Property development, investment holding and project management services	100	100
Kedah Sato Sdn Bhd	Malaysia	Building and general contractor	100	100
Bina and Kuari (K) Sdn Bhd	Malaysia	Granite quarry operator and civil engineering contractor	100	100
Darulaman Golf Resort Berhad (DGRB)*	Malaysia	Golf resort owner and operator	99	99
Kedah Holdings Sdn Bhd	Malaysia	Property development and property investment	100	100
BDB Construction Sdn Bhd	Malaysia	General contractor	100	100
BDB Quarry Sdn Bhd	Malaysia	Sand and granite quarry operator, and supplying construction materials. During the year, the Company has temporary ceased its operation.	100	100
BDB Hotels Sdn Bhd**	Malaysia	Hotel business	100	100
BDB Trading Sdn Bhd**	Malaysia	Dormant	100	100
PT Darulaman ^	Indonesia	Liquidated	-	100

\* 52,218 ordinary shares of RM100 each which is equivalent to 99% is held by subsidiaries of the Company

^ Held through Syarikat Bina and Kuari (K) Sdn Bhd and BDB Quarry Sdn Bhd with 80% and 20% equity interest respectively.

\*\* The Company has provided financial support to these subsidiaries.

## 5. investment in subsidiaries - Company (continued)

### 5.2 Non-controlling interest in a subsidiary

The Group's subsidiary that have material non-controlling interests ("NCI") is as follows :

	2014 RM	2013 RM
<b>NCi percentage of ownership interest and voting interest - DgRB</b>	1%	1%
Carrying amount of NCI	8,060,562	8,068,000
Loss allocated to NCI	7,438	3,476
<b>Summarised financial information before intra-group elimination :</b>		
<b>As at 31 December</b>		
Non-current assets	14,457,455	14,819,779
Current assets	1,367,188	832,477
Non-current liabilities	(51,589)	(33,152)
Current liabilities	(8,076,114)	(7,341,080)
Net assets	7,696,940	8,278,024
<b>Year ended 31 December</b>		
Revenue	3,569,556	3,657,908
Loss for the year and comprehensive expense	581,083	271,590
Cash flows used in operating activities	(158,251)	(430,244)
Cash flows used in investing activities	(123,337)	(49,025)
Cash flows from financing activities	222,687	92,002
Net decrease in cash and cash equivalents	(58,901)	(387,267)
Dividend paid to NCI	-	-

## 6. interest in unincorporated joint venture - group

	2014 RM	2013 RM
At 1 January	449,802	451,207
Share of loss	(2,503)	(1,405)
Distribution	(447,299)	-
At 31 December	-	449,802

Summary of financial information of the unincorporated joint venture is as follows :

	2014 RM	2013 RM
Current assets	696,200	2,304,249
Current liabilities	(696,200)	(813,368)

The interest of the Group in jointly controlled entity is listed below :

Unincorporated joint venture	Principal activities	Profit sharing rate (%)	
		2014	2013
TH Universal Builders - Bina Darulaman Berhad J.v. (held by the Company )	Design, construction, equipping, commissioning and maintenance of a new Sungai Petani Hospital	30	30

The unincorporated joint venture has started the dissolution process. Full distribution has been made during the year.

## 7. other investments

	group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Financial assets at fair value through profit or loss :				
- Held for trading	2,546,837	5,381,811	2,373,800	5,177,168

## 8. Land held for property development

	Freehold land RM	Leasehold land RM	Total RM
<b>group</b>			
At 1 January 2013	83,403,257	26,333,584	109,736,841
Additions	1,773,792	421,117	2,194,909
Transfer to cost of sales	(13,334,449)	-	(13,334,449)
Transfer to property development cost (Note 11)	(348,480)	-	(348,480)
Reclassification	12,639,956	(12,639,956)	-
At 31 December 2013/ 1 January 2014	84,134,076	14,114,745	98,248,821
Additions	165,533,886	45,483,000	211,016,886
Transfer to cost of sales	(85,670)	(13,693,627)	(13,779,297)
Transfer to property development costs (Note 11)	(18,474,747)	-	(18,474,747)
At 31 December 2014	231,107,545	45,904,118	277,011,663
<b>Company</b>			
At 1 January 2013	-	13,693,628	13,693,628
Additions	-	421,117	421,117
At 31 December 2013/ 1 January 2014	-	14,114,745	14,114,745
Additions	156,544,605	45,483,000	202,027,605
Disposal	-	(13,693,627)	(13,693,627)
	156,544,605	45,904,118	202,448,723

## 8. Land held for property development

### 8.1 other outgoing costs

Included in land held for property development of the Group and Company are amount of RM37,762,838 (2013 : RM31,952,226) and RM47,544 (2013 : RM735,567) respectively representing other outgoing cost incurred.

### 8.2 Security

Freehold land of the Group with carrying amount of RM5,640,519 (2013 : RM5,640,519) are pledged as security for borrowings (Note 17).

### 8.3 Title deed

The title deed to the land held for property development with a carrying amount of RM202,020,000 (2013 : Nil) has yet to be issued under the name of the Company.

### 8.4 Joint venture arrangement

Included in land held for property development is an amount of RM17,181,523 (2013 : RM24,916,845) representing freehold land and development expenditure incurred for a joint venture project.

The joint venture agreement is with the ultimate holding company whereby the Group acquired a piece of land from the ultimate holding company for mixed development purposes. The profits, if any, from the joint venture project is to be shared at the following proportion by the two parties and are payable on percentage of completion basis.

	2014	2013
The Group	80%	80%
Ultimate holding company	20%	20%

Losses, if any, from the joint venture project will be borne by the Group.

## 9. Deferred tax assets / (liabilities)

### Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following :

group	Assets		Liabilities		Net	
	2014 RM	2013 RM	2014 RM	2013 RM	2014 RM	2013 RM
Capital allowance carry-forwards	384,271	-	-	-	384,271	-
Property, plant and equipment - capital allowances	-	-	(2,457,297)	(2,127,596)	(2,457,297)	(2,127,596)
Other temporary differences	1,698,888	1,064,509	-	-	1,698,888	1,064,509
Tax assets/ (liabilities)	2,083,159	1,064,509	(2,457,297)	(2,127,596)	(374,138)	(1,063,087)
Set-off of tax	(1,778,289)	(337,246)	1,778,289	337,246	-	-
	304,870	727,263	(679,008)	(1,790,350)	(374,138)	(1,063,087)

	2014 RM	2013 RM
<b>Company</b>		
Deferred tax asset		
Other temporary differences	133,807	634,111

Deferred tax assets and liabilities are offset when there are legally enforceable rights to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

## 9. Deferred tax assets / (liabilities) (continued)

### Recognised deferred tax assets and liabilities (continued)

Movements in temporary differences during the year are as follows :

	At 1 January 2013 (RM)	Charged to profit or loss (Note 25) (RM)	At 31 December 2013 / 1 January 2014 (RM)	Charged to profit or loss (Note 25) (RM)	At 31 December 2014 (RM)
<b>group</b>					
Capital allowance carry-forwards	-	-	-	384,271	384,271
Property, plant and equipment-capital allowances	(2,277,508)	149,912	(2,127,596)	(329,701)	(2,457,297)
Other temporary differences	151,540	912,969	1,064,509	634,379	1,698,888
	(2,125,968)	1,062,881	(1,063,087)	688,949	(374,138)
<b>Company</b>					
Other temporary differences	166,916	467,195	634,111	(500,304)	133,807

### Unrecognised deferred tax assets

No deferred tax assets have been recognised for the following items (stated at gross) :

	group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Tax losses carry-forwards	7,846,000	9,039,000	1,806,000	3,853,000
Capital allowances carry-forwards	15,335,000	15,057,000	-	-
Other temporary differences	304,000	277,000	-	-
	23,485,000	24,373,000	1,806,000	3,853,000

The tax losses carry-forwards, capital allowances carry-forwards and other temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the subsidiaries and the Company can utilise the benefits therefrom.

The comparative figures have been restated to reflect the revised tax losses carry-forwards, capital allowances carry-forwards and other temporary differences available to the subsidiaries and the Company.

## 10. Trade and other receivables

	Note	group		Company	
		2014 RM	2013 RM	2014 RM	2013 RM
<b>Non-current Trade</b> Amounts due from a related party	10.1	286,521,531	253,441,162	-	-
<b>Non-trade</b> Other receivables		-	526,250	-	-
		286,521,531	253,967,412	-	-
<b>Current Trade</b> Third parties		93,472,420	59,182,194	849,182	399,389
Accrued billings		20,144,434	2,095,769	-	-
Amount due from related parties	10.1	27,032,431	58,274,197	-	-
Amount due from ultimate holding company	10.2	6,329,778	3,697,414	-	-
		146,979,063	123,249,574	849,182	399,389
Less : Allowance for impairment		(11,724,482)	(5,567,305)	-	-
		135,254,581	117,682,269	849,182	399,389
Construction contracts : Amount due from contract customers (Note 18.1)		10,334,925	43,203,289	-	-
Retention sums		3,117,966	5,050,874	-	-
		148,707,472	165,936,432	849,182	399,389

## 10. Trade and other receivables (continued)

	Note	group		Company	
		2014 RM	2013 RM	2014 RM	2013 RM
<b>Non-trade</b> Amount due from ultimate holding company	10.3	-	3,797,451	-	-
Amount due from subsidiaries	10.3	-	-	44,665,461	47,120,639
Prepayments		338,370	72,009	41,652	31,589
Refundable deposits		13,643,441	2,435,998	11,186,281	932,198
Other receivables		11,744,923	17,072,935	8,759,197	1,475,881
		25,726,734	23,378,393	64,652,591	49,560,307
Less : Allowance for impairment - third parties - subsidiaries		(444,803) -	(699,870) -	(52,854) (1,982,994)	(52,854) (1,420,998)
		25,281,931	22,678,523	62,616,743	48,086,455
		173,989,403	188,614,955	63,465,925	48,485,844

## 10.1 Amount due from related parties

Included in non-current and current trade receivable is an amount of RM308,796,065 (2013 : RM311,715,359) due from a related party of the Group is amount due from the Kedah State Government for the Kolej Universiti Insaniah (KUIN) project completed during 2013 which are unsecured, subject to fixed interest at 4.20% (2013 : 4.20%) per annum. The Group has granted deferred payment terms and the receivables are recognised based on their net present values discounted at a rate of 5.96% (2013 : 5.96%) per annum. The discount rate was estimated based on cost of borrowings on inception date.

During the financial year, the management has made its best estimate of the total contract amount to be received on deferred payment terms from a related party, upon completion of the contract. Any revision of the amount subsequent to the reporting date will be taken to profit or loss as an adjustment against future income receivable from the related party.

## 10.2 Amount due from ultimate holding company

The trade amount due from ultimate holding company is subject to normal trade terms.

## 10.3 Amounts due from ultimate holding company and subsidiaries

The non-trade amounts due from ultimate holding company and subsidiaries are unsecured, interest-free and repayable on demand.

## 11. Property development costs - group

	2014 RM	2013 RM
<b>At 1 January</b>		
Land	11,177,595	10,829,115
Development costs	221,749,733	221,247,054
Accumulated costs charged to profit or loss	(156,516,284)	(190,121,250)
	76,411,044	41,954,919
<b>Add :</b>		
Development costs incurred during the year	60,172,241	105,294,968
Transfer from land held for property development (Note 8)	18,474,747	348,480
	78,646,988	105,643,448
<b>Less :</b>		
Costs charged to profit or loss	(102,142,330)	(71,187,323)
Transfer to inventories	(12,551,211)	-
	(114,693,541)	(71,187,323)
<b>At 31 December *</b>	40,364,491	76,411,044
	<b>2014 RM</b>	<b>2013 RM</b>
<b>* This amount comprises :</b>		
Freehold land	2,485,406	11,177,595
Development costs	82,990,382	221,749,733
Accumulated costs charged to profit or loss	(45,111,297)	(156,516,284)
	40,364,491	76,411,044

### 11.1 Development costs incurred during the year

Included in the development costs incurred during the year are the following costs:

	2014 RM	2013 RM
Interest expense	804,774	550,154

## 11. Property development costs - group (continued)

### 11.2 Estimates and judgements

The Group recognised property development revenue and expenses in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date compared to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

## 12. inventories - group

	group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
At cost :				
Properties held for sale	8,473,937	12,295,713	-	-
Work-in-progress	7,123,000	-	7,123,000	-
Consumables and spares	1,649,500	1,288,848	-	-
Building materials	4,320,812	2,867,742	-	-
	21,567,249	16,452,303	7,123,000	-

During the year, the amount of inventories recognised as an expense in cost of sales of the Group was RM19,179,304 (2013 : RM10,906,278).

### 13. Deposits with licensed banks

	group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Aged more than 3 months	4,702,629	1,140,354	-	-
Aged within 3 months	21,291,723	46,710,851	-	9,644,295
	25,994,352	47,851,205	-	9,644,295

Deposits placed with the licensed banks which are government-related entities amounted to RM13,697,170 (2013 : RM18,348,228).

Deposits of the Group amounted to RM5,713,972 (2013 : RM17,700,310) are pledged for bank facilities granted to the Group.

### 14. Cash and bank balances

Included in cash and bank balances of the Group are amounts of RM6,386,641 (2013 : RM20,817,531), where the utilisation is subject to the Housing Developers (Housing Development Account) (Amendment) Regulations 2002.

Cash and bank balances placed in banks which are government-related entities amounted to RM34,266,508 (2013 : RM33,675,491).

### 15. Share capital - group / Company

	2014		2013	
	Amount RM	Number of shares	Amount RM	Number of shares
Ordinary shares of RM1 each <b>Authorised :</b> At 1 January	100,000,000	100,000,000	100,000,000	100,000,000
Created during the year	300,000,000	300,000,000	-	-
At 31 December	400,000,000	400,000,000	100,000,000	100,000,000
<b>issued and fully paid :</b>				
Balance at 1 January/ 31 December	72,815,856	72,815,856	72,815,856	72,815,856

### 15. Share capital - group / Company (continued)

#### Share capital

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

### 16. Reserves

	group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
<b>Non-distributable :</b>				
Share premium	17,062,137	17,062,137	17,062,137	17,062,137
Exchange fluctuation reserve	-	10,278	-	-
<b>Distributable :</b>				
Retained earnings	194,412,038	175,341,431	52,072,229	38,697,563
	211,474,175	192,413,846	69,134,366	55,759,700

The movements in the reserves are disclosed in statements of changes in equity.

#### Share premium

Share premium comprise the premium paid on subscription of shares in the Company over and above the par value of the shares.

#### Exchange fluctuation reserve

The exchange fluctuation reserve comprise all foreign currency differences arising from the translation of the financial statements of foreign operations.

## 17. Loans and borrowings

	group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
<b>Current</b>				
Secured : Finance lease liabilities	957,245	1,111,453	-	16,772
Term loans :				
Term loan 1	-	15,000,000	-	15,000,000
Term loan 2	26,976,379	-	-	-
Revolving credit	14,000,000	9,000,000	-	-
	41,933,624	25,111,453	-	15,016,772
<b>Non-current</b>				
Secured : Finance lease liabilities	334,406	990,946	-	19,140
Term loans :				
Term loan 2	269,171,503	317,090,025	-	-
	269,505,909	318,080,971	-	19,140
	311,439,533	343,192,424	-	15,035,912

## 17.1 Security

## Term loan 1

The term loan agreement was entered into with Affin Islamic Bank on 13 July 2009 to refinance existing Murabahah Commercial Paper in relation to working capital purposes and secured by way of :

- (a) Islamic facility agreement stamped for RM60,000,000;
- (b) Lease and insurance assignment over Menara Bina Darulaman Berhad.

## Term loan 2

Term loan 2 relates to Syndicated Islamic financing facility up to RM330 million, (RM200 million by Bank Islam Malaysia Berhad and RM130 million by Affin Islamic Bank) for the Kolej Universiti Insaniah (KUIN) project and is secured by way of :

- (a) first legal charge over the KUIN Campus;
- (b) deposits pledged with licensed banks as disclosed in Note 13;

## 17. Loans and borrowings (continued)

## 17.1 Security (continued)

## Term loan 2 (continued)

- (c) letter of comfort from Kedah State Government;
- (d) letter of support from the holding corporation;
- (e) assignment of project site rights; and
- (f) a first fixed charge over the Designated Accounts.

## Revolving credit

Revolving credit relates to facility from Affin Islamic Bank for working capital purpose. Revolving credit is secured by a fixed and floating charge over the assets of a subsidiary

## 17.2 Finance lease liabilities - group / Company

Finance lease liabilities are payable as follows :

	2014			2013		
	Future minimum lease payments RM	interest RM	Present value of minimum lease payments RM	Future minimum lease payments RM	interest RM	Present value of minimum lease payments RM
<b>group</b>						
Less than 1 year	1,001,598	44,353	957,245	1,204,611	93,158	1,111,453
Between 1 and 5 years	354,242	19,836	334,406	1,021,090	30,144	990,946
	1,355,840	64,189	1,291,651	2,225,701	123,302	2,102,399
<b>Company</b>						
Less than 1 year	-	-	-	18,192	1,420	16,772
Between 1 and 5 years	-	-	-	19,692	552	19,140
	-	-	-	37,884	1,972	35,912

## 18. Trade and other payables

	Note	group		Company	
		2014 RM	2013 RM	2014 RM	2013 RM
<b>Trade</b>					
Trade payables		122,308,916	132,742,192	341,354	76,094
Progress billing		7,533,932	-	-	-
Amount due to contract customers	18.1	161,255	2,629,282	-	-
		130,004,103	135,371,474	341,354	76,094
<b>Non-trade</b>					
Other payables and accruals	18.3	221,686,760	48,418,030	206,745,391	10,366,682
Refundable deposits		1,280,238	1,309,339	995,637	974,139
Amount due to related companies	18.2	29,763	29,763	9,971,497	3,989,081
Dividend payable		15,506	15,540	15,506	15,540
		223,012,267	49,772,672	217,728,031	15,345,442
		353,016,370	185,144,146	218,069,385	15,421,536

## 18. Trade and other payables (continued)

## 18.1 Amount due from/to contract customers

	2014 RM	2013 RM
Construction contract costs incurred to date	551,046,844	609,292,190
Attributable profits	32,430,797	50,565,188
	583,477,641	659,857,378
Less : Progress billings	(573,303,971)	(619,283,371)
	10,173,670	40,574,007
Represented by :		
Amount due from contract customers (Note 10)	10,334,925	43,203,289
Amount due to contract customers	(161,255)	(2,629,282)
	10,173,670	40,574,007

The cost incurred to date on construction contracts included the following charges made during the financial year :

	2014 RM	2013 RM
Depreciation (Note 3)	182,286	152,509
Hire of plant and machinery	1,165,479	244,346
Rental of premises	29,685	55,118
Interest expense (Note 21)	14,499	2,064,550
Employee benefit expenses	729,178	592,412

## 18.2 Amount due to related companies

The non-trade amounts due to related companies are unsecured, interest-free and payable on demand.

## 18.3 other payables and accruals

Included in other payables and accruals of the Group and the Company is an amount of RM202,020,000 (2013 : Nil), payable to ultimate holding company for acquisition of land during the financial year as disclosed in Note 33. The repayment of the amount will be settled in accordance with the corporate exercise disclosed in Note 33.

## 19. Revenue

	group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Sales of development properties and land	165,472,595	104,371,240	20,792,000	-
Revenue from sand quarry, road paving and premix aggregate	85,000,812	100,672,830	-	-
Revenue from construction contracts	70,761,096	67,797,816	-	-
Revenue from golf resort and hotel operations	3,907,663	4,605,003	-	-
Sales of oil palm fresh fruit bunches	2,514,004	3,260,997	1,987,522	2,521,857
Management fees from subsidiaries	-	-	792,000	792,000
Dividend income from subsidiaries	-	-	20,100,000	17,500,000
Others	1,222,615	294,306	-	-
	328,878,785	281,002,192	43,671,522	20,813,857

## 20. Costs of sales

	group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Cost of development properties and land sold	135,261,719	86,130,524	13,693,627	-
Sand quarry, road paving and premix aggregate costs	64,114,305	91,322,648	-	-
Construction contract costs	61,573,273	53,701,899	-	-
Cost of golf resort and hotel operations	2,631,202	4,161,286	-	-
Cost of oil palm fresh fruit bunches sold	1,177,671	1,599,661	891,194	1,312,386
Others	1,785,578	303,710	-	-
	266,543,748	237,219,728	14,584,821	1,312,386

## 21. Finance costs

	group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Interest expense on :				
- Bank loans and bank overdrafts	1,109,159	586,680	-	-
- Obligations under finance lease	109,044	146,156	1,173	2,489
Profit payable on Islamic loans	17,371,287	17,350,933	487,603	1,384,644
Less : Interest expense capitalised in	18,589,490	18,083,769	488,776	1,387,133
- construction contract costs (Note 18.1)	(14,499)	(2,064,550)	-	-
- property development costs (Note 11.1)	(804,774)	(550,154)	-	-
	17,770,217	15,469,065	488,776	1,387,133

## 22. Profit before tax

Profit before tax is arrived at :

	group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
After charging :				
Auditors' remuneration				
- Statutory audit	242,000	174,500	75,000	45,000
- Other services	160,000	35,500	160,000	10,000
Depreciation of :				
- property, plant and equipment (Note 3)	4,949,241	4,670,742	867,293	905,595
- investment property (Note 4)	-	-	172,177	172,177
Property, plant and equipment written off (net of adjustments)	31,921	1,438	-	722
Impairment loss on investments in subsidiaries (Note 5)	-	-	100,000	500,000
Loss on disposal of other investments	-	45,118	-	-
Loss on re-estimation of present value on non-current receivables	-	11,800,587	-	-
Operating lease				
- minimum lease payments for :				
- land and buildings	107,494	208,370	128,370	128,370
- plant and machinery	20,198	5,095	-	-
- office equipment	19,440	16,128	19,440	16,178
Office rental	-	10,350	96,178	3,000
Allowance for impairment on :				
- trade receivables	6,852,721	167,433	566,985	1,394,277
- other receivables	-	72,091	-	-

## 22. Profit before tax (continued)

	group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Bad debts written off	2,708,951	-	-	-
Share of loss of unincorporated joint venture	2,503	1,405	-	-
Royalties and tributes	911,080	1,113,149	-	-
and after crediting :				
Government grant	185,950	1,164,732	-	-
Rental income from other property	954,761	588,229	1,258,013	723,445
Rental income from machinery	7,000	39,395	-	-
Gain on disposal of property, plant and equipment	199,048	38,832	-	28,619
Interest income	1,912,288	3,075,596	1,005,797	1,593,055
Unwinding of discount on non-current receivables	23,861,226	25,367,137	-	-
Dividend income from other investments	6,392	21,811	-	-
Changes in fair value of other investments	-	17,836	-	-
Project management fees	40,475	-	40,475	-
Bad debts recovered	354,736	1,582,211	4,989	-
Reversal of impairment loss of trade receivables	-	2,245,224	-	-

## 23. Employee benefits

	group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Personnel expense (including key management personnel)				
Wages and salaries	16,039,945	13,323,750	3,497,731	2,095,389
Social security costs	289,191	145,655	24,855	15,257
Contributions to defined contribution plan	2,095,210	1,999,442	366,561	237,377
Other benefits	2,175,979	1,734,399	679,892	226,642
	20,600,325	17,203,246	4,569,039	2,574,665

## 24. Key management personnel compensation

The key management personnel compensation are as follows:

	group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Executive directors :				
Fees	36,000	-	36,000	-
Salaries and other emoluments	600,358	609,917	521,458	602,917
	636,358	609,917	557,458	602,917
Non-Executive directors :				
Fees	400,317	185,000	117,000	123,000
Other emoluments	238,850	236,800	208,500	190,250
	639,167	421,800	325,500	313,250
Total directors' remuneration	1,275,525	1,031,717	882,958	916,167
Estimated monetary value of benefits-in- kind	6,425	9,750	6,425	9,750
Total directors' remuneration including benefits-in-kind	1,281,950	1,041,467	889,383	925,917
Senior management of the Group : Salaries and other emoluments	1,899,938	1,303,819	1,077,370	555,162
	3,181,888	2,345,286	1,966,753	1,481,079

## 25. Tax expense

Recognised in profit or loss

	group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Income tax expense	9,702,198	8,175,024	609,817	3,696,771

Major components of income tax expense include :

	group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
<b>Current tax expense</b>				
- Current year	10,763,310	9,386,088	-	4,236,503
- (Over)/Under provision in prior years	(372,163)	(148,183)	109,513	(72,537)
<b>Deferred tax expense</b>				
- Origination and reversal of temporary differences	(1,205,936)	(528,417)	93,234	(465,838)
- Under/(Over) provision in prior years	516,987	(534,464)	407,070	(1,357)
	(688,949)	(1,062,881)	500,304	(467,195)
<b>Total income tax expense</b>	<b>9,702,198</b>	<b>8,175,024</b>	<b>609,817</b>	<b>3,696,771</b>

## 25. Tax expense (continued)

Reconciliation of tax expense

	group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Profit before tax	33,862,477	29,314,815	19,081,593	9,983,346
Tax calculated using Malaysian tax rate at 25%	8,465,619	7,328,704	4,770,398	2,495,837
Non-deductible expenses	1,362,618	1,401,562	859,640	1,274,828
Non-taxable income	(49,975)	(257,086)	(5,025,000)	-
Effect of deferred tax assets not recognised	293,616	411,751	-	-
Effect of deferred tax assets previously not recognised	(515,447)	(27,260)	(511,804)	-
Under/(Over) provision in prior years	144,824	(682,647)	516,583	(73,894)
Others	943	-	-	-
<b>Income tax expense recognised in profit or loss</b>	<b>9,702,198</b>	<b>8,175,024</b>	<b>609,817</b>	<b>3,696,771</b>

## 26. Earnings per share

The calculation of basic earnings per ordinary share at 31 December 2014 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows :

	group	
	2014 RM	2013 RM
Profit for the year attributable to owners		
Number of ordinary shares issued at 1 January/ 31 December	24,167,717	21,143,267
Basic earnings per ordinary share (sen)	72,815,856	72,815,856
	33.19	29.04

## 27. Dividends

	Total amount RM	Date of payment
<b>2014</b> Final single tier dividend of 7.00 sen per share for financial year 2013	5,097,110	20 May 2014
<b>2013</b> Final single tier dividend of 7.00 sen per share for financial year 2012	5,097,110	11 July 2013

At the forthcoming Annual General Meeting, a first and final single-tier dividend in respect of the financial year ended 31 December 2014, of 3.50 sen on 303,854,977 ordinary shares, totalling RM10,634,924 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2015.

## 28. Commitments

	group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
<b>Property, plant and equipment</b>				
Authorised but not contracted for	4,901,000	1,807,000	2,693,900	-
Contracted but not provided for	1,560,000	1,632,000	-	-

## 29. Related party disclosures

For the purpose of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel includes all the Directors of the Group, and certain members of senior management of the Group.

(a) In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year :

## 29. Related party disclosures (continued)

	group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
<b>Subsidiaries :</b>				
Rental income	-	-	255,216	255,216
Dividend income	-	-	20,100,100	17,500,000
Management fees	-	-	792,000	792,000
Rendering of services	-	-	162,000	126,000
Interest charged	-	-	582,403	832,562
Rental expenses	-	-	134,370	131,370
<b>Ultimate holding company :</b>				
Progress billings charged	5,186,021	8,923,176	-	-
Rental of quarry land	50,000	50,000	-	-
Tributes charged	163,062	199,227	-	-
Acquisition of land	202,020,000	-	202,020,000	-
<b>Related party -subsidiaries of ultimate holding company :</b>				
Insurance paid	1,454,306	1,215,629	407,942	543,247
Property management fee	89,444	92,011	89,444	92,011
Estate agency fee	229,732	204,128	229,732	204,128
<b>government-related financial institutions :</b>				
Interest income	282,103	351,691	-	-
<b>State government-related entities :</b>				
Quit rent and assessment				
Water	1,119,915	1,124,241	59,836	59,836
	102,685	67,264	7,273	6,453
<b>Federal government-related entities :</b>				
Sewerage				
Electricity	57,900	12,765	-	10,291
	1,671,442	971,279	167,228	117,704

## 29. Related party disclosures (continued)

### (b) Transaction with Directors and key management personnel

There were no transactions with the Directors and key management personnel other than the remuneration package paid to them in accordance with the terms and conditions of their appointment as disclosed in Note 24.

## 30. Financial instruments

### 30.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows :

- (a) Loans and receivables ("L&R");
- (b) fair value through profit and loss ("FVTPL"); and
- (c) financial liabilities measured at amortised cost ("FL").

	Carrying amount RM	L&R RM	FVTPL RM
<b>Financial assets 2014 group</b>			
Other investments	2,546,837	-	2,546,837
Trade and other receivables (excluding amount due from contract customers, prepayments and accrued billings)	429,693,205	429,693,205	-
Deposits with licensed banks	25,994,352	25,994,352	-
Cash and bank balances	66,305,945	66,305,945	-
	524,540,339	521,993,502	2,546,837
<b>Company</b>			
Other investments	2,373,800	-	2,373,800
Trade and other receivables (excluding prepayments)	63,424,273	63,424,273	-
Cash and bank balances	3,093,807	3,093,807	-
	68,891,880	66,518,080	2,373,800

## 30. Financial instruments (continued)

### 30.1 Categories of financial instruments (continued)

	Carrying amount RM	L&R RM	FVTPL RM
<b>Financial assets 2013 group</b>			
Other investments	5,381,811	-	5,381,811
Trade and other receivables (excluding amount due from contract customers, prepayments and accrued billings)	397,211,300	397,211,300	-
Deposits with licensed banks	47,851,205	47,851,205	-
Cash and bank balances	53,737,438	53,737,438	-
	504,181,754	498,799,943	5,381,811
<b>Company</b>			
Other investments	5,177,168	-	5,177,168
Trade and other receivables (excluding prepayments)	48,454,255	48,454,255	-
Deposits with licensed banks	9,644,295	9,644,295	-
Cash and bank balances	889,193	889,193	-
	64,164,911	58,987,743	5,177,168

### 30. Financial instruments (continued)

#### 30.1 Categories of financial instruments (continued)

	Carrying amount RM	FL RM
<b>Financial liabilities 2014 group</b>		
Loans and borrowings	311,439,533	311,439,533
Trade and other payables (excluding progress billings and amount due to contract customers)	345,321,183	345,321,183
	656,760,716	656,760,716
<b>Company</b>		
Trade and other payables	218,069,385	218,069,385
<b>2013 group</b>		
Loans and borrowings	343,192,424	343,192,424
Trade and other payables (excluding amount due to contract customers)	182,514,864	182,514,864
	525,707,288	525,707,288
<b>Company</b>		
Loans and borrowings	15,035,912	15,035,912
Trade and other payables	15,421,536	15,421,536
	30,457,448	30,457,448

### 30. Financial instruments (continued)

#### 30.2 Net gains and losses arising from financial instruments :

	group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Net gains/(losses) arising on :				
- fair value through profit or loss - held for trading	-	17,836	-	-
- Loans and receivables	16,566,578	20,230,057	443,801	198,778
- Finance liabilities measured at amortised cost	(18,589,490)	(18,083,769)	(488,776)	(1,387,133)

#### 30.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments :

- Credit risk
- Liquidity risk
- Interest rate risk

#### 30.4 Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including other investments, short term deposits and cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with counterparties of high credit rating and good business track record.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

#### Receivables

##### Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

##### Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring individual receivables balances on an ongoing basis.

At the reporting date, approximately 22% (2013: 13%) of the Group's trade receivables were due from a group of customers which are past due but not impaired. The Directors of the Company are of the opinion that no allowance for impairment is necessary as the balances are still considered fully recoverable.

### 30. Financial instruments (continued)

#### 30.4 Credit risk (continued)

##### Receivables (continued)

###### *Credit risk concentration profile (continued)*

The non-current and current trade amount due from a related party of the Group is amount due from the Kedah State Government for the Kolej Universiti Insaniah (KUIN) project completed during 2013. The Group has granted deferred payment terms to the receivables. The Directors of the Company are of the opinion that no allowance for impairment is necessary as the payments follows repayment schedule.

Other than the above and the amounts due from related companies as disclosed in Note 10, the Group and Company have no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

###### *Financial assets that are neither past due nor impaired*

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. Cash and cash equivalents and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.

###### *Impairment losses*

The Group maintains an ageing analysis in respect of trade receivables (excluded amount due from customers on construction contract, accrued billings and retention sum) only. The ageing of receivables as at the end of the reporting period was :

	<b>gross RM</b>	<b>individual impairment RM</b>	<b>Net RM</b>
<b>2014</b>			
Not past due	315,096,689	-	315,096,689
Past due less than 30 days	58,617,662	-	58,617,662
Past due 31 - 60 days	8,287,809	-	8,287,809
Past due 61 - 90 days	6,217,518	-	6,217,518
Past due more than 90 days	25,136,482	(11,724,482)	13,412,000
	413,356,160	(11,724,482)	401,631,678
<b>2013</b>			
Not past due	322,089,878	-	322,089,878
Past due less than 30 days	17,392,269	-	17,392,269
Past due 31 - 60 days	9,079,873	-	9,079,873
Past due 61 - 90 days	6,981,332	-	6,981,332
Past due more than 90 days	19,051,615	(5,567,305)	13,484,310
	374,594,967	(5,567,305)	369,027,662

### 30. Financial instruments (continued)

#### 30.4 Credit risk (continued)

##### Receivables (continued)

###### *Impairment losses (continued)*

The movements in the allowance for impairment losses of trade receivables during the financial year were :

	<b>group</b>	
	<b>2014 RM</b>	<b>2013 RM</b>
At 1 January	5,567,305	7,659,710
Impairment loss recognised	6,852,721	167,433
Impairment loss reversal	-	(2,245,224)
Write off	(695,544)	(14,614)
At 31 December	11,724,482	5,567,305

The allowance account in respect of receivable is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

##### Investments and other financial assets

Investments are allowed only in liquid securities and only with counterparties that have a credit rating equal to or better than the Group.

The maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position. Management does not expect any counterparty to fail to meet its obligations. The Group does not have overdue investments that have not been impaired.

The investments and other financial assets are unsecured.

##### inter company balances

The Company provides unsecured advances to subsidiaries within the Group. The Company monitors the results of the subsidiaries regularly.

##### Financial guarantees

###### *Risk management objectives, policies and processes for managing the risk*

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries and jointly controlled entity. The Company monitors on an ongoing basis the results of the subsidiaries and jointly controlled entity and repayments made by the subsidiaries and jointly controlled entity.

### 30. Financial instruments (continued)

#### 30.4 Credit risk (continued)

##### Financial guarantees (continued)

##### Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM360,250,000 (2013 : RM360,250,000) representing the outstanding banking facilities to certain subsidiaries as at the end of the reporting period.

As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

#### 30.5 Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash, cash convertible investments and committed credit lines to meet its working requirements.

##### Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

#### 30. Financial instruments (continued)

	Carrying amount RM	Contractual interest rates %	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
<b>2014 group</b>							
Non-derivative financial liabilities							
Term loans	296,147,882	5.35 - 5.90	407,707,918	45,297,789	43,677,606	121,764,735	196,967,788
Revolving credit	14,000,000	5.30 - 5.45	14,000,000	14,000,000	-	-	-
Finance lease liabilities	1,291,651	2.39 - 6.60	1,355,840	1,001,598	212,349	141,893	-
Trade and other payables	345,321,183	-	345,321,183	345,321,183	-	-	-
	656,760,716		768,384,941	405,620,570	43,889,955	121,906,628	196,967,788
<b>Company</b>							
Non-derivative financial liabilities							
Trade and other payables	218,069,385	-	218,069,385	218,069,385	-	-	-
<b>2013 group</b>							
Non-derivative financial liabilities							
Term loans	332,090,025	5.35 - 6.00	466,681,179	58,973,261	45,297,789	126,452,622	235,957,507
Revolving credit	9,000,000	5.30 - 5.40	9,000,000	9,000,000	-	-	-
Finance lease liabilities	2,102,399	2.39 - 6.60	2,225,701	1,204,611	928,518	92,572	-
Trade and other payables	182,514,864	-	182,514,864	182,514,864	-	-	-
	525,707,288		660,421,744	251,692,736	46,226,307	126,545,194	235,957,507
<b>Company</b>							
Non-derivative financial liabilities							
Term loans	15,000,000	6.00	15,000,000	15,000,000	-	-	-
Finance lease liabilities	35,912	5.67	37,884	18,192	18,192	1,500	-
Trade and other payables	15,421,536	-	15,421,536	15,421,536	-	-	-
	30,457,448		30,459,420	30,439,728	18,192	1,500	-

### 30. Financial instruments (continued)

#### 30.6 interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's interest rate risk arises primarily from interest-earning financial assets and interest-bearing financial liabilities. Borrowings and deposits at floating rates expose the Group to cash flow interest rate risk. Borrowings and receivables at fixed rates expose the Group to fair value interest rate risk. The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

#### *Exposure to interest rate risk*

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was :

	group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
<b>Fixed rate instrument</b>				
Financial assets				
- Amount due from a related party	308,796,065	311,715,359	-	-
- Deposits placed with licensed banks	25,994,352	47,851,205	-	9,644,295
	334,790,417	359,566,564	-	9,644,295
Financial liabilities				
- Finance lease liabilities	1,291,651	2,102,399	-	35,912
- Term loan	-	15,000,000	-	15,000,000
	1,291,651	17,102,399	-	15,035,912
<b>Floating risk instrument</b>				
Financial liabilities				
- Term loan	296,147,882	317,090,025	-	-
- Revolving credit	14,000,000	9,000,000	-	-
	310,147,882	326,090,025	-	-

### 30. Financial instruments (continued)

#### 30.6 interest rate risk (continued)

#### *Interest rate risk sensitivity analysis*

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedged accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

#### *Sensitivity analysis for interest rate risk*

At the reporting date, if interest rates had been 50 basis points lower/higher, will all other variables held constant, the Group's post-tax profit or loss would have been RM1,163,054 (2013 : RM1,222,837) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

#### 30.7 Fair value information

The carrying amounts of cash and bank balances, receivables and payables approximate fair values due to the relatively short term nature of these financial instruments.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

## 30. Financial instruments (continued)

## 30.7 Fair value information (continued)

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM	Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM		
<b>group</b>										
<b>2014</b>										
<b>Financial assets</b>										
Trade and other receivable (non-current)	-	-	-	-	-	-	286,521,531	286,521,531	286,521,531	286,521,531
Other investments	2,546,837	-	-	2,546,837	-	-	-	-	2,546,837	2,546,837
<b>2013</b>										
<b>Financial assets</b>										
Trade and other receivable (non-current)	-	-	-	-	-	-	253,967,412	253,967,412	253,967,412	253,967,412
Other investments	5,381,811	-	-	5,381,811	-	-	-	-	5,381,811	5,381,811
<b>Company</b>										
<b>2014</b>										
<b>Financial assets</b>										
Other investments	2,373,800	-	-	2,373,800	-	-	-	-	2,373,800	2,373,800
<b>2013</b>										
<b>Financial assets</b>										
Other investments	5,177,168	-	-	5,177,168	-	-	-	-	5,177,168	5,177,168

## 30. Financial instruments (continued)

### 30.7 Fair value information (continued)

#### Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

#### Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

#### Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly

#### Derivatives

The fair value of forward exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

#### Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. In respect of the liability component of convertible notes, the market rate of interest is determined by reference to similar liabilities that do not have a conversion option. For other borrowings, the market rate of interest is determined by reference to similar borrowing arrangements.

#### Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year. (2013: no transfer in either directions)

#### Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

#### *Non-current trade and other receivables not carried at fair value*

The non-current and current trade amount due from a related party of the Group is amount due from the Kedah State Government for the Kolej Universiti Insaniah (KUIN) project. The Group has granted deferred payment terms and the receivables are recognised based on their net present values discounted at a rate of 5.96% (2013 : 5.96%) per annum, which the management does not expect the fair value to differ significantly from its carrying amount.

#### Sensitivity analysis

At the reporting date, if interest rates had been 50 basis points lower/higher, will all other variables held constant, the Group's post-tax profit or loss would have been RM1,074,456 (2013 : RM952,378) higher/lower.

## 31. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2014 and 2013.

## 32. Segment information

The Group is organised into four major business segments for each of the strategic business units, the Chief Operating Decision Maker ("CODM") (ie. The Group's Managing Director) reviews internal management reports at least on a quarterly basis.

- (i) Property development - the development of residential and commercial properties
- (ii) Quarrying and road paving work - granite quarry operator and civil engineering contractor
- (iii) Construction - building and general contractor
- (iv) Operation of golf resort and hotel - golf resort owner and operator and hotel operation

Other non-reportable segments comprise operations related trading of consumables and investment holding. None of these segments met the quantitative thresholds for reporting segments in 2014 and 2013.

#### Segment profit

Performance is measured based on segment from profit as included in the internal management reports that are reviewed by the CODM. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

#### Segment assets

The total of segment asset is measured based on all assets of a segment, as included in the internal management reports that are reviewed by the CODM. Segment total asset is used to measure the return on assets of each segment.

#### Segment liabilities

Segment liabilities is measured based on all liabilities of a segment, as included in the internal management reports that are reviewed by CODM.

#### Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment and land held for development.

## 32. Segment information (continued)

	Property development RM'000	Quarrying and road paving RM'000	Construction RM'000	operation of golf resort and hotel RM'000	Total reportable segments RM'000	other non-reportable segments RM'000	Elimination RM'000	Consolidated RM'000
<b>2014</b>								
<b>Revenue</b>								
External sales	166,133	85,001	70,761	4,996	326,891	1,987	-	328,878
Inter-segment sales	131	12,701	46,797	1,634	61,263	20,892	(82,155)	-
Total revenue	166,264	97,702	117,558	6,630	388,154	22,879	(82,155)	328,878
<b>Segment profit / (loss)</b>	18,937	11,907	11,773	(986)	41,631	11,981	(19,750)	33,862
<b>included in the measure of segment profit are:</b>								
- finance income (including unwinding of discount on non-current receivables)	565	568	24,475	-	25,608	1,006	(841)	25,773
- Finance costs	791	78	17,187	18	18,074	-	(304)	17,770
<b>2014</b>								
<b>Assets</b>								
Segment assets	595,204	72,844	424,945	17,332	1,110,325	10	(150,669)	959,666
<b>included in the measure of segment assets is:</b>								
Additions to non-current assets other than financial instruments and deferred tax assets								
- Property, plant and equipment	1,126	2,287	405	218	4,036	2,406	-	6,442
- Land held for development	211,017	-	-	-	211,017	-	-	211,017
<b>Liabilities</b>								
Segment liabilities	348,247	27,131	369,674	10,852	755,904	79	(88,668)	667,315
<b>other information</b>								
Tax expense	2,932	3,127	3,034	-	9,093	609	-	9,702
Depreciation of property, plant and equipment	1,261	2,657	338	550	4,806	-	325	5,131

## 32. Segment information (continued)

	Property development RM'000	Quarrying and road paving RM'000	Construction RM'000	operation of golf resort and hotel RM'000	Total reportable segments RM'000	other non-reportable segments RM'000	Elimination RM'000	Consolidated RM'000
<b>2013</b>								
<b>Revenue</b>								
External sales	105,239	100,673	67,798	4,770	278,480	2,522	-	281,002
Inter-segment sales	131	11,629	58,647	1,702	72,109	18,292	(90,401)	-
Total revenue	105,370	112,302	126,445	6,472	350,589	20,814	(90,401)	281,002
Segment profit / (loss)	13,230	8,615	13,996	(255)	35,586	9,981	(16,252)	29,315
<b>included in the measure of segment profit are:</b>								
- finance income (including unwinding of discount on non-current receivables)	416	602	26,175	-	27,193	1,593	(344)	28,442
- Finance costs	862	113	13,915	25	14,915	1,387	(833)	15,469
<b>2013</b>								
<b>Assets</b>								
Segment assets	407,981	77,540	458,926	16,697	961,144	13	(155,799)	805,358
<b>included in the measure of segment assets is:</b>								
Additions to non-current assets other than financial instruments and deferred tax assets								
- Property, plant and equipment	219	3,582	442	127	4,370	508	-	4,878
- Land held for development	2,195	-	-	-	2,195	-	-	2,195
<b>Liabilities</b>								
Segment liabilities	181,154	26,612	408,495	8,980	625,241	88	(93,268)	532,061
<b>other information</b>								
Tax expense	3,628	2,568	3,224	(252)	9,168	3,697	(4,690)	8,175
Depreciation of property, plant and equipment	1,066	3,000	314	443	4,823	-	-	4,823

### 32. Segment information (continued)

#### geographical segments

No information on geographical segment is presented as the Group's business is operated solely in Malaysia.

#### Major customers

During the year, there were no revenue from one single customer that contributed to more than 10% of the Group's revenue.

### 33. Significant events

#### Acquisition of lands, Right issue, increase in authorised share capital and Amendment to Memorandum & Articles of Association

On 14 July 2014, the Company announced that the Company had on 13 July 2014, entered into a Heads of Agreement ("HOA") with its ultimate holding company, Perbadanan Kemajuan Negeri Kedah ("PKNK") in relation to the acquisition of land owned by PKNK measuring approximately 1,200 acres (485 hectares) in aggregate for a total purchase consideration of approximately RM204,000,000.

On 4 September 2014, the Company announced that the Company had on 4 September 2014, entered into the Sale and Purchase Agreement ("SPA") with PKNK for the Acquisition. The revision in the purchase consideration from RM204,000,000 to RM202,000,000 is a result of the decision of PKNK and the Company to exclude a plot of land located in Mukim of Jabi, District of Pokok Sena from the transaction subsequent to the signing of the HOA.

In conjunction with the above mentioned acquisitions, the Company proposes to implement the following:

- (i) a rights issue
- (ii) increase in authorised share capital of the Company, and
- (iii) amendment to Memorandum & Articles of Association of the Company.

#### (i) Rights issue

The Company undertakes a renounceable rights issue to the entitled ordinary shareholders of the Company to raise gross proceeds of up to RM95 million, together with a bonus issue which enable the Company to raise funds to part finance the abovementioned acquisition of land.

#### (ii) increase in authorised share capital of the Company

In order to accommodate the new shares to be issued pursuant to the rights issue, the Company proposes to increase its authorised share capital from the existing RM100,000,000 comprising 100,000,000 ordinary shares to RM400,000,000 comprising 400,000,000 ordinary shares.

#### (iii) Amendment to Memorandum & Articles of Association of the Company

In order to accommodate the increase in the authorised share capital, the Company had amended Clause 5 of its Memorandum and Articles of Association to indicate that its authorised share capital will be of RM400,000,000 comprising 400,000,000 ordinary shares.

On 23 November 2014, the shareholders of the Company had approved all above mentioned proposals in an Extraordinary General Meeting.

### 33. Significant events (continued)

Subsequent to the financial year, the proposals (i), (ii), (iii) and acquisition of land have been completed following the listing of and quotation for 72,815,856 rights shares, 72,815,856 bonus shares and 85,407,409 consideration shares on the Main Market of Bursa Securities on 28 January 2015. Consequently, the Company's issued and paid up share capital increased to 303,854,977 ordinary shares of RM1 each.

### 34. Subsequent event

#### Acquisition of a wholly-owned subsidiary

On 25 January 2015, the Company acquired the entire issued and paid up share capital of Aman Lagenda Sdn Bhd ("ALSB") for a total consideration of RM2.00. The intended principal business activities of ALSB are real estate management and property development.

### 35. Supplementary financial information on the breakdown of realised and unrealised profits or losses

The breakdown of the retained earnings of the Group and of the Company as at 31 December 2014, into realised and unrealised profits, pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements, are as follows:

	2014		2013	
	group RM	Company RM	group RM	Company RM
Total retained earnings of the Company and its subsidiaries				
- realised	203,138,736	51,938,422	185,718,363	38,063,452
- unrealised	(374,138)	133,807	(2,197,215)	634,111
	202,764,598	52,072,229	183,521,148	38,697,563
Less : Consolidation adjustments	(8,352,560)	-	(8,179,717)	-
Total retained earnings	194,412,038	52,072,229	175,341,431	38,697,563

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. *Determination of Realised and Unrealised Profit or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by Malaysian Institute of Accountants on 20 December 2010.

## Statement by Directors pursuant to Section 169(15) of the Companies Act, 1965

In the opinion of the Directors, the financial statements set out on pages 78 to 164 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2014 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out in Note 35 on page 165 to the financial statements has been compiled in accordance with the Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors :

.....  
Dato' Izham bin Yusoff

.....  
Dato' Abdul Rahman bin Ibrahim

Alor Setar,

Date : 9 March 2015

## Statutory declaration pursuant to Section 169(16) of the Companies Act, 1965

I, Fakhruzi bin Ahmad, the officer primarily responsible for the financial management of Bina Darulaman Berhad, do solemnly and sincerely declare that the financial statements set out on pages 76 to 163 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed at Alor Setar in the State of Kedah Darul Aman on 9 March 2015.

.....

Before me :

**Mohamad ismail Sheikh Mohamad**  
(No. K095)

Commissioner for Oaths  
Kedah Darul Aman

## Independent auditors' report to the members of Bina Darulaman Berhad (Company No. 332945 - X) (Incorporated in Malaysia)

### Report on the Financial Statements

We have audited the financial statements of Bina Darulaman Berhad, which comprise the statements of financial position as at 31 December 2014 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 76 to 162.

#### *Directors' Responsibility for the Financial Statements*

The Directors of the Company are responsible for the preparation of the financial statements so as to give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2014 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

### Report on other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries, have been properly kept in accordance with the provisions of the Act.
- b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- c) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

### other Reporting Responsibilities

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information set out in Note 35 on page 165 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements and is not required by the Financial Reporting Standards in Malaysia. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material respects, in accordance with the Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

### other Matters

The financial statements of the Group and of the Company as at and for the year ended 31 December 2013 were audited by another auditor who expressed an unmodified opinion on those statements on 28 February 2014.

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**KPMg**  
Firm Number: AF 0758  
Chartered Accountants

Date : 9 March 2015

Penang

**Tai Yoon Foo**  
2948/05/16 (J)  
Chartered Accountant

# LIST OF LANDED PROPERTIES

## List of Landed Properties

Owned by Bina Darulaman Berhad Group

No.	Title / Location	Brief Description / Existing Use	Land Area	Tenure	Age of Building (year)	Net Book Value RM	Revaluation RM	Date / Year of acquisition / Purchase
<b>BiNA DARULAMAN BERHAD</b>								
1.	Lot 120, Section 34, Bandar Alor Setar Kedah Darul Aman	Land	8,095 sq meter	Leasehold Expiring 2083	-	5,062,500	-	2002
2.	Lot 120, Section 34, Bandar Alor Setar Kedah Darul Aman	10-Storey Office Building	8,095 sq meter	Leasehold Expiring 2083	10	8,936,992	-	2004
3.	GM 178050 Lot 8867, Bandar Darulaman, Daerah Kubang Pasu, Kedah Darul Aman	8-Storey Serviced Apartments	6,003.9 sq meter	Freehold	8	7,403,610	-	2005
4.	GM 178050 Lot 8867, Bandar Darulaman, Daerah Kubang Pasu, Kedah Darul Aman	Land	6,003.9 sq meter	Freehold	-	700,000	-	2005
5.	HS (D) 1175, PT 1716 Bandar Kuah Langkawi Kedah Darul Aman	Land for Development	1,890 sq meter	Leasehold Expiring 2073	-	21,386	-	2013
6.	HS (D) 1176, PT 1717 Bandar Kuah Langkawi Kedah Darul Aman	Land for Development	1,890 sq meter	Leasehold Expiring 2073	-	21,386	-	2013
7.	HS (D) 1177, PT 1718 Bandar Kuah Langkawi Kedah Darul Aman	Land for Development	22,890 sq meter	Leasehold Expiring 2073	-	251,898	-	2013
8.	HS (D) 1178, PT 1719 Bandar Kuah Langkawi Kedah Darul Aman	Land for Development	3,240 sq meter	Leasehold Expiring 2073	-	36,131	-	2013
9.	HS (D) 1179, PT 1720 Bandar Kuah Langkawi Kedah Darul Aman	Land for Development	2,220 sq meter	Leasehold Expiring 2073	-	25,048	-	2013
10.	HS (D) 1180, PT 1721 Bandar Kuah Langkawi Kedah Darul Aman	Land for Development	4,070 sq meter	Leasehold Expiring 2073	-	45,329	-	2013

No.	Title / Location	Brief Description / Existing Use	Land Area	Tenure	Age of Building (year)	Net Book Value RM	Revaluation RM	Date / Year of acquisition / Purchase
11.	HS (D) 69188-69197, PT 2333- 2342 Mukim Sungai Ular Kulim Kedah Darul Aman	Land for Development	151.41 hectares	Freehold	-	38,204,000	-	2014
12.	HS (D) 2979, PT 2516 Bandar Pokok Sena Pokok Sena Kedah Darul Aman	Land for Development	51.45 hectares	Freehold	-	16,351,000	-	2014
13.	HS (D) 126043, PT 2416 HS (D) 126045, PT 2418 HS (D) 126050, PT 2423 HS (D) 34392, PT 65003 Bandar Amanjaya Kuala Muda Kedah Darul Aman  HS (D) 90453, PT 48856 Bandar Sungai Petani Kuala Muda Kedah Darul Aman	Land for Development	93.07 hectares	Freehold	-	45,947,000	-	2014
14.	GRN 11523, 1659 Mukim Hosba Kubang Pasu Kedah Darul Aman	Land for Development	79.85 hectares	Freehold	-	56,030,000	-	2014
15.	HS (D) 1149 & 1150, PT 2042 & 2043 Mukim Ulu Melaka Langkawi Kedah Darul Aman  HS (D) 1151, PT 2044 Mukim Ulu Melaka Langkawi Kedah Darul Aman	Land for Development  Vacant Commercial Land	79.30 hectares  12.26 hectares	Leasehold Expiring in 2111	-	45,468,000	-	2014
<b>BiNA &amp; KUARI (K) SDN BHD</b>								
1.	No. 127 Taman Tunku Hosna Jalan Tanjung Bendahara 05300 Alor Setar Kedah Darul Aman	Commercial land with a 3-storey shop office	130 sq meter	Freehold	19	132,985 (Land Cost) 138,550 (Building & Renovations)	-	1996

No.	Title / Location	Brief Description / Existing Use	Land Area	Tenure	Age of Building (year)	Net Book Value RM	Revaluation RM	Date / Year of acquisition / Purchase
2.	No. 128 Taman Tunku Hosna Jalan Tanjung Bendahara 05300 Alor Setar Kedah Darul Aman	Commercial land with a 3-storey shop office	130 sq meter	Freehold	19	132,985 (Land Cost) 138,550 (Building & Renovations)	-	1996
3.	HS(M) 70/1986 PT 70 Bandar Alor Setar Daerah Kota Setar Kedah Darul Aman	Vacant Commercial Land	130 sq meter	Freehold	-	143,673	-	1999
4.	8 bungalow lots at Kulim Golf & Country Resort HS(D) 369/1996, PT591, Mukim Padang China, Daerah Kulim, Kedah Darul Aman. HS(D) 1424, PT1730-Plot no.B718 HS(D) 1425, PT1731-Plot no.B719 HS(D) 1426, PT1732-Plot no.B720 HS(D) 1427, PT1733-Plot no.B721 HS(D) 1428, PT1734-Plot no.B722 HS(D) 1429, PT1735-Plot no.B723 HS(D) 1319, PT1625-Plot no.A613 HS(D) 1238, PT1544-Plot no.A532	Bungalow Lots	6,315 sq ft 6,002 sq ft 6,292 sq ft 6,114 sq ft 6,094 sq ft 6,459 sq ft 6,243 sq ft 7,065 sq ft	Freehold	-	1,090,000	-	31/01/2010
<b>KEDAH HoLDiNgS SDN BHD</b>								
1.	Lot No. 118 (Second floor) Lot No. 139 (Second floor) Lot No. 146 (first floor) Lot No. 149 (Second floor) Lot No. 152 (first floor) Lot No. 153 (Second floor) Lot No. 154 (Second floor) Lot No. 157 (first floor) Lot No. 157 (Second floor) Kompleks Kanchut Alor Setar Kedah Darul Aman	Office Lots	930 930 1,060 2,105 1,060 930 930 1,060 930 sq feet	Leasehold Expiring in 2083	27	1,050,323	-	1984
<b>DARULAMAN REALTY SDN BHD</b>								
1.	HS(D) 17297 PT. 7263 HS(D) 17298 PT. 7264 HS(D) 17299 PT. 7265 HS(D) 17300 PT. 7266 Lot 891, Bandar Darulaman	Agriculture	4.08 acres	Freehold	-	4	-	16/05/1983
2.	GRN 42482 Lot 910, Bandar Darulaman	Agriculture	1.13 acres	Freehold	-	1	-	16/05/1983

No.	Title / Location	Brief Description / Existing Use	Land Area	Tenure	Age of Building (year)	Net Book Value RM	Revaluation RM	Date / Year of acquisition / Purchase
3.	GRN 42483 LOT 911, Bandar Darulaman HS(D) 17909 PT. 1825 HS(D) 17910 PT. 1826 HS(D) 17911 PT. 1827 HS(D) 17912 PT. 1828 HS(D) 17913 PT. 1829 HS(D) 17914 PT. 1830	Building	0.61 acres	Freehold	-	1	-	16/05/1983
4.	GRN 42484 Lot 909, Bandar Darulaman	Agriculture	2.32 acres	Freehold	-	1	-	16/05/1983
5.	GRN 42485 Lot 892, Bandar Darulaman	Building	0.55 acres	Freehold	-	1	-	16/05/1983
6.	HS(D) 1174 PT. 4691, Mukim Naga	Agriculture	4.60 acres	Freehold	-	1	-	16/05/1983
7.	HS(D) 384 PT. 3993 – HS(D) 390 PT. 3999 (Suasana Indah) Plot 42 – Plot 48, Mukim Naga	Building	0.83 acres	Freehold	-	1,025,458	-	16/05/1983
8.	HS(D) 577 PT. 4186, Plot 235, Mukim Naga	Residential	27.21 acres	Freehold	-	363,464	-	16/05/1983
9.	HS(D) 578 PT. 4187, Plot 236, Mukim Naga	Residential	15.36 acres	Freehold	-	179,864	-	16/05/1983
10.	HS(D) 579 PT. 4188, Plot 237, Mukim Naga	Agriculture	43.98 acres	Freehold	-	332,842	-	16/05/1983
11.	HS(D) 580 PT. 4189, Plot 238, Mukim Naga	Agriculture	132.14 acres	Freehold	-	1,816,054	-	16/05/1983
12.	HS(D) 581 PT. 4190, Plot 239, Mukim Naga	Agriculture	0.34 acres	Freehold	-	1	-	16/05/1983
13.	Geran 5035 PT. 1237, Mukim Jitra, Daerah Kubang Pasu	Agriculture	43.12 acres	Freehold	-	470,059	-	16/05/1983
14.	SP 6986 PT. 440, Mukim Jitra, Daerah Kubang Pasu	Residential	4.92 acres	Freehold	-	49,827	-	16/05/1983
15.	SP 6987 PT. 441, Mukim Jitra, Daerah Kubang Pasu	Residential	84.74 acres	Freehold	-	291,700	-	16/05/1983
16.	HS(D) 3356 PT. 2059 HS(D) 3164 PT. 2061 HS(D) 3170 PT. 2092 HS(D) 3172 PT. 2094, Bandar Darulaman HS(D) 16284 Lot 281, Bandar Darulaman	Agriculture / Building  Agriculture	213.06 acres  13.60 acres	Freehold	-	1,923,278  1	-  -	16/05/1983  16/05/1983

No.	Title / Location	Brief Description / Existing Use	Land Area	Tenure	Age of Building (year)	Net Book Value RM	Revaluation RM	Date / Year of acquisition / Purchase
17.	HS(D) 20188 PT. 4112 HS(D) 20189 PT. 4113 HS(D) 20191 PT. 4153 HS(D) 20192 PT. 4154 Bandar Darulaman	Residential	1.85 3.27 0.17 0.04 acres	Freehold	-	-	-	16/05/1983
18.	Lot 3105, 3106 & 3127 Mukim Sg. Petani, Daerah Kuala Muda	Agriculture	258.51 acres	Freehold	-	10,410,799	-	15/11/1995
19.	Lot 3107 & 3203, Mukim Sg. Petani, Daerah Kuala Muda	Residential	155.08 acres	Freehold	-	5,601,719	-	15/11/1995
20.	Geran No. 65187, Lot 3271 Mukim Sg. Petani, Daerah Kuala Muda	Mixed Development	20.00 acres	Freehold	-	1,735,025	-	13/04/1996
21.	HS(D) 1071/90, PT. 17696 Mukim Sg. Petani, Daerah Kuala Muda	Mixed Development	1.44 acres	Freehold	-	1	-	13/04/1996
22.	PT 6933 PT 6934 PT 6935 Kuala Ketil Industrial Estate II, Lot 3979 Mukim Tawar, Daerah Baling	Agriculture Agriculture Agriculture	491.52 15.62 2.5 acres	Freehold	-	15,206,548	-	30/05/1996
23.	Geran 178049, Lot 8866, Mukim Bandar Darulaman, Daerah Kubang Pasu.	Club House	8.14 acres	Freehold	21	6,331,837	-	1983
<b>DARULAMAN gOLF RESoRT BERHAD</b>								
1.	Geran 42474, Lot 898, Mukim Bandar Darulaman, Daerah Kubang Pasu	Golf Course	179.98 acres	Freehold	-	7,638,832	-	1983

## Analysis of Shareholdings

As at 4 February 2015

Authorised Share Capital :	RM 400,000,000
Paid-up Share Capital :	RM 303,854,977
Type of Shares :	Ordinary share of RM1.00 each
No. of Shareholders :	2,272
Voting Rights :	One vote for every share

SIZE OF HoLDiNgS	No. oF HoLDERS	%	No. oF SHARES	%
1 - 99	10	0.44	246	0.00
100 - 1,000	119	5.24	79,814	0.03
1,001 - 10,000	1,391	61.22	5,350,590	1.76
10,001 - 100,000	628	27.64	20,234,733	6.66
100,001 - 1,000,000	104	4.58	27,401,700	9.02
OVER 1,000,000	20	0.88	250,787,894	82.54
<b>TOTAL</b>	<b>2,272</b>	<b>100.00</b>	<b>303,854,977</b>	<b>100.00</b>

### SUBSTANTIAL SHAREHoLDERS

NAME	No. oF SHARES	PERCENTAgE oF SHARE CAPITAL (%)
1. PERBADANAN KEMAJUAN NEGERI KEDAH	204,444,388	67.28
	<hr/>	
	204,444,388	67.28

## List of Top 30 Shareholders

As at 4 February 2015

No.	NAME	SHAREHoLDiNgS	%
1.	PERBADANAN KEMAJUAN NEGERI KEDAH	204,444,388	67.28
2.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR GENERAL TECHNOLOGY SDN BHD (PB)	7,786,200	2.56
3.	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHUANG NEE WANG KIM LIEN	4,506,900	1.48
4.	NG WAI YUAN	4,119,974	1.36
5.	SIVA KUMAR A/L M JEYAPALAN	3,600,000	1.18
6.	TA NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHUANG, SHOW - CHUAN	3,600,000	1.18
7.	Jf APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO KWEE HOCK	3,255,200	1.07
8.	CHUANG, SHOW - CHUAN	3,129,600	1.03
9.	SYARIKAT MALURI SDN BHD	1,851,832	0.61
10.	CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD – AMANAH SAHAM KEDAH	1,606,700	0.53
11.	ANG HIOH	1,581,900	0.52
12.	RESON SDN BHD	1,567,000	0.52
13.	Jf APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO SIEW LAI (MARGIN)	1,553,400	0.51
14.	ONN PING LAN	1,315,900	0.43
15.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SIAW TECK SIONG (E-PDG)	1,291,800	0.43
16.	CHENG HON SANG	1,277,000	0.42
17.	ANG HIOH	1,124,700	0.37
18.	ONN PING LAN	1,093,500	0.36
19.	HUANG PHANG LYE	1,056,900	0.35
20.	YEO KHEE HUAT	1,025,000	0.34
21.	CIMSEC NOMINEES (ASING) SDN BHD EXEMPTAN FOR CIMB SECURITIES (SINGAPORE) PTE LTD (REMISIERS ACCOUNT)	912,800	0.30
22.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR YEONG SING ONG	867,300	0.29
23.	TEH SENG HOCK	820,000	0.27
24.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TUNG AH KIONG	796,400	0.26
25.	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MAH SIEW SEONG	780,000	0.26
26.	M & A NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHUAN AIK (PNG)	700,000	0.23
27.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG HAR CHAI	653,300	0.22
28.	FONG CHEONG KOK	582,000	0.19
29.	MEENAMBAL A/P vIJAYAKUMAR	550,000	0.18
30.	ONN KOK PUAY (WENG GUOPEI)	516,000	0.17
	<b>ToTAL</b>	<b>257,965,694</b>	<b>84.90</b>

## PROXY FORM

NUMBER OF SHARES

--

I/We \_\_\_\_\_

of \_\_\_\_\_

being member/members of the abovementioned Company hereby appoint the Chairman of the meeting or

Mr/Mrs/Mdm/Miss \_\_\_\_\_

of \_\_\_\_\_

as my/our proxy to vote for me/us on my/our behalf at the 20th Annual General Meeting of the Company to be held on **Thursday, 9 April 2015, at 11.00 a.m. at The Majestic Hotel Kuala Lumpur, 5, Jalan Sultan Hishamuddin, 50000 Kuala Lumpur** or any adjournment thereof, as indicated below:

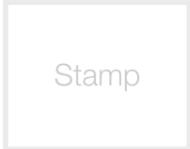
Ordinary Resolutions		For	Against
Resolution 1	To approve a first and final single tier dividend of 3.5 sen per ordinary share in respect of the financial year ended 31 December 2014.		
Resolution 2	To approve the payment of Directors' Fee for the financial year ended 31 December 2014.		
Resolution 3	To re-elect the following Directors retiring pursuant to Article 86 of the Company's Articles of Association and who, being eligible, offer themselves for re-election.		
Resolution 4	i. Dato' Abdul Rahman Bin Ibrahim ii. Datuk Wan Azhar Bin Wan Ahmad		
Resolution 5	To re-appoint Messrs. KPMG as Auditors of the Company for the ensuing year and to authorize the Directors to fix their remuneration.		

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2015

\_\_\_\_\_  
Signature/Common Seal of Shareholder(s)**Notes**

- With regards to deposited securities, only members whose names appear in the Record of Depositors as at 3 April 2015 shall be eligible to attend and vote at the meeting.
- A member of the Company entitled to attend and vote at the meeting is entitled to appoint up to two proxies to attend and vote in his stead. A member shall specify the shareholding proportion where two proxies are appointed. A proxy need not be a member of the Company.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation either under its common seal or under the hand of an officer or attorney duly authorised in writing.
- The instrument appointing a proxy together with the power of attorney or other authority, shall be deposited at the Company's Registered Office at Level 9, Menara BDB, 88, Lebuhraya Darulaman, 05100 Alor Setar, Kedah Darul Aman not less than forty eight (48) hours before the time set for holding the meeting or at any adjournment thereof.
- For the purpose of determining who shall be entitled to attend this meeting the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd ("Depository") in accordance with Rules of the Depository, to issue Record of Depositors and make available to the Company pursuant to Article 52(iii) of the Company's Articles of Association and Main Market Listing Requirements of Bursa Malaysia Securities Berhad.





*The Company Secretary*

**BINA DARULAMAN BERHAD**  
Level 9 & 10, Menara BDB, No. 88, Lebuhraya Darulaman,  
05100 Alor Setar, Kedah Darul Aman

