



Progressing Responsibly

CORPORATE VISION & MISSION



Vision

To be a proud partner of the Kedah State Government in its efforts towards realizing developed status by effectively contributing through township development, infrastructure, construction and tourism.

Mission

To be recognised as a conglomerate committed to discharging its obligations as a corporate citizen.

CORPORATE OBJECTIVES

- To maximize returns to shareholders by maximizing growth rate in net earnings
- To ensure that subsidiaries achieve leadership positions in their respective industries
- To create a conducive environment for the Group's employees to realize their potential
- To enhance group performance through diversification in high growth areas
- To contribute positively towards social and environmental needs of the society in which we operate

Syarikat Bina & Kuari Kedah Sdn Bhd

A Granite Quarry Operator and Class "A" Civil Engineering Contractor

Darulaman Realty Sdn Bhd

Township and Property Developer

Kedah Sato Sdn Bhd

A Class "A" Building and General Contractor

Kedah Holdings Sdn Bhd

Commercial Property Developer

Darulaman Golf Resort Berhad

Operates and Manages Darulaman Golf & Country Club

BDB Construction Sdn Bhd

A Building and General Contractor

BDB Quarry Sdn Bhd

Quarry Operator and Supplier

BDB Hotels Sdn Bhd

Managed by The Regency Darulaman Golf Resort

CORPORATE PROFILE

Bina Darulaman Berhad (BDB) is an investment holding company. Its subsidiaries are leading names in Kedah for township development, construction, road works, quarry, golf and leisure.

As the only public-listed government-linked company in Kedah, BDB is continuing to set benchmarks in all its core businesses with embedded values of social and environmental responsibility.

INVESTMENT HOLDING



**BINA
DARULAMAN
BERHAD**

CONSTRUCTION



Kedah Sato Sdn Bhd
(100%) (PKK – Class A;
CIDB Grade- G7)

KSSB has a track record that spans more than 30 years. From infrastructure facilities, civil works, water supply and treatment plants, pipelines, dam and reservoirs, airport buildings and runways, to bridges in Kedah, the Company has successfully completed projects totalling more than RM1 billion since 1982. Almost all the iconic buildings in Kedah were built by KSSB.

As a testimony to its capabilities, KSSB has been entrusted by the Kedah State Government to design, build and finance the permanent campus of Kolej Universiti Insaniah in Kuala Ketil.

QUARRY & ROAD WORKS



**Syarikat Bina dan
Kuari Kedah Sdn Bhd**
(100%) (PKK – Class A;
CIDB Grade- G7)

With more than 30 years' experience in road construction, BINAK is a Class A contractor that is recognised as one of the most reputable contractors for road works in northern Malaysia.

The Company has completed many landmark projects such as TEKIH (Trans Eastern Kedah Interland Highway), the North-South Expressway (Tikam Batu and Bukit Kayu Hitam stretch) and many roads and bridges in Kedah Darul Aman and neighbouring states.



BDB Quarry Sdn Bhd
(100%)

BOSB is the operator of the 240 acre granite quarry situated in Bukit Perak, Pendang, Kedah Darul Aman. It is involved in the development and operations of this quarry which has an annual capacity of 1.8 million tonnes (aggregates) and 600,000 tonnes (pre-mix).

PROPERTY DEVELOPMENT



**Darulaman Realty
Sdn Bhd (100%)**

Darulaman Realty Sdn Bhd is a leading name in Kedah for township development.

To date, the Group has completed more than 6,000 housing units in three new townships known as Bandar Darulaman in Jitra, Darulaman Utama in Kuala Ketil and Darulaman Perdana in Sungai Petani.

It is now entrusted with the creation of a satellite township in Pokok Sena near Alor Setar to be known as "Bandar Tunku Puteri".



**Kedah Holdings
Sdn Bhd (100%)**

KHSB specializes in property development and property investment. Its focus is in the construction of high end residential and commercial properties.

Among its projects are Kompleks Alor Setar (240 units three storey shop houses) at Lebu Raya Darul Aman, Alor Setar, Kulim Heights Apartment in Kulim Hi-Tech Park (118 units), Taman Nusantara (86 units double storey semi-detached houses) at Jalan Kuala Kedah, Alor Setar and Taman Lelasari II (19 units double storey bungalow houses) at Jalan Langgar.

GOLF & TOURISM



**Darulaman Golf
Resort Berhad (98.6%)**

DGRB owns and manages Darulaman Golf and Country Club (DGCC) which is home to a sprawling international standard 18-hole golf course.

The Club also provides a wide range of facilities like 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 a full range of leisure, sporting and accommodation facilities.



**BDB Hotels
Sdn Bhd (100%)**

The hotel overlooks the picturesque 18-hole golf course and offers 113 suites and chalets. The hotel is also ideal for business meetings and has a conference hall that can accommodate 300 delegates.

Guests can relax in the surroundings of a natural wetland and enjoy activities like canoeing, horseback riding, golfing and other recreation facilities shared with its sister company DGRB.



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NOTICE OF 16TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 16th Annual General Meeting of Bina Darulaman Berhad ("the Company") will be held at Centre of Learning , Level 4, Menara Bina Darulaman Berhad, 88, Lebuhraya Darulaman, 05100 Alor Setar, Kedah Darul Aman on Wednesday, 8 June 2011 at 11.00 a.m. to transact the following businesses:-

AGENDA

As Ordinary Business

1. To receive and adopt the Audited Financial Statements for the year ended 31 December 2010 together with the Reports of the Directors and Auditors thereon. **(Resolution 1)**
2. To approve a first and final dividend of 7 sen less Malaysian tax at 25% for the financial year ended 31 December 2010. **(Resolution 2)**
3. To approve the payment of Directors' Fee for the financial year ended 31 December 2010 and any increment thereof. **(Resolution 3)**
4. To consider and if thought fit, pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965.
 - (i) **Proposed Re-appointment of Y.Bhg. Dato' Paduka Hj. Mohd Saad bin Endut as Director of the Company Pursuant to Section 129(6) of the Companies Act 1965**

"THAT pursuant to Section 129(6) of the Companies Act 1965, Y.Bhg. Dato' Paduka Hj. Mohd Saad bin Endut, who is over the age of seventy (70) years be and is hereby re-appointed as Director of the Company to hold office until the next Annual General Meeting of the Company". **(Resolution 4)**
 - (ii) Prof. Dato' Din Merican although eligible does not seek for re-election.
5. To re-elect the following Directors who retire in accordance with the Company's Articles of Association:-

Article 86(i)

 - i. Dr. Abdul Wahab bin Ismail **(Resolution 5)**
 - ii. YB Senator Ir. Zamri bin Yusuf **(Resolution 6)**

Saiful Izham bin Ramli although eligible does not seek for re-election.
6. To re-appoint Messrs Ernst & Young as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **(Resolution 7)**

NOTICE OF 16TH ANNUAL GENERAL MEETING (cont'd)

7. Special Resolution

Proposed Amendment of Article 100(iii) of the Articles of Association of the Company.

THAT Article 100 (iii) be inserted as the new Article to be in line with the amendments in the Listing Requirements of Bursa Malaysia Securities Berhad in relation to e-Dividend and that the said Article shall be read as follows:-

New Article 100 (iii)

"Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post direct to the registered address of the holder or person entitled thereto or by direct crediting the shareholders' dividend entitlement into their bank accounts as provided to the Bursa Malaysia Depository Sdn Bhd ("Depository") from time to time. Every such cheque or warrant or direct crediting of funds shall be made payable to the order of the person to whom it is sent or to his executors, administrators or assignees in consequence of the death or bankruptcy of the holder and the payment of any such cheque or warrant or direct crediting of the shareholders' dividend entitlement to their bank accounts shall operate as a good discharge to the Company in respect of the shareholders' dividend entitlement."

(Resolution 8)

8. To transact any other ordinary business of which due notice shall have been received.

NOTICE OF DIVIDEND PAYMENT

NOTICE IS HEREBY GIVEN THAT, a first and final dividend of 7 sen less Malaysian tax at 25% in respect of the financial year ended 31 December 2010, if approved by the shareholders, will be paid on 20.7.2011 to Depositors whose names appear in the Record of Depositors on 21.6.2011.

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

- a) Shares transferred into the Depositor's Securities Account before 4.00 p.m on 21.6.2011 in respect of ordinary transfer;
- b) 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,

KHAIRULMUNA BINTI ABD GHANI
(LS 0008190)
Company Secretary

Alor Setar

16 May 2011

NOTICE OF 16TH ANNUAL GENERAL MEETING (cont'd)

Notes :

1. A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. 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.
3. The instrument appointing a proxy together with the power of attorney or other authority, shall be deposited at the Company's Registered Office at Aras 9, Menara Bina Darulaman Berhad, 88, Lebuhraya Darulaman, 05100 Alor Setar, Kedah Darul Aman not less than forty eight (48) hours before the time set for holding this meeting or at any adjournment thereof.

Explanatory Notes on Special Resolution

The proposed Resolution 8 is to amend the Company's Articles of Association to be in line with the amendments to the Listing Requirements of the Bursa Malaysia Securities Berhad in relation to the implementation of e-Dividend.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING OF THE COMPANY

1. Directors who are standing for re-election or re-appointment at the 16th Annual General Meeting of the Company are as follows:-

- a. Dr. Abdul Wahab bin Ismail
- b. YB Senator Ir. Zamri bin Yusuf

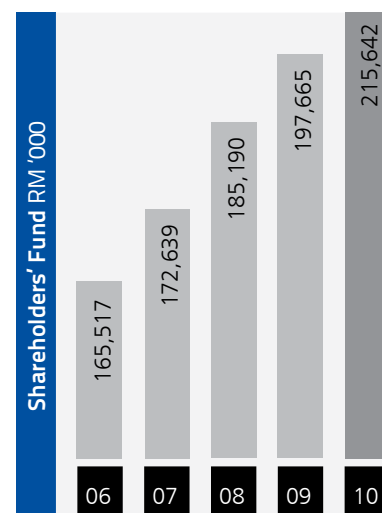
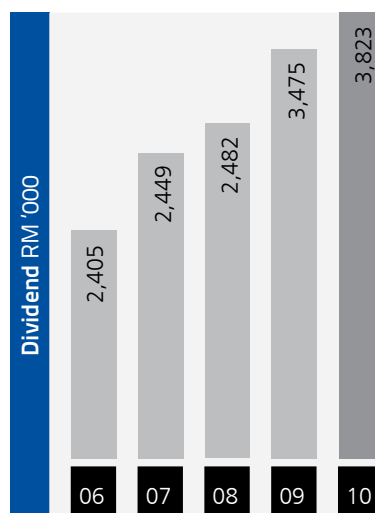
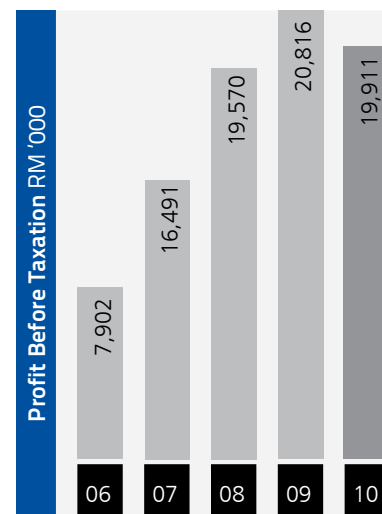
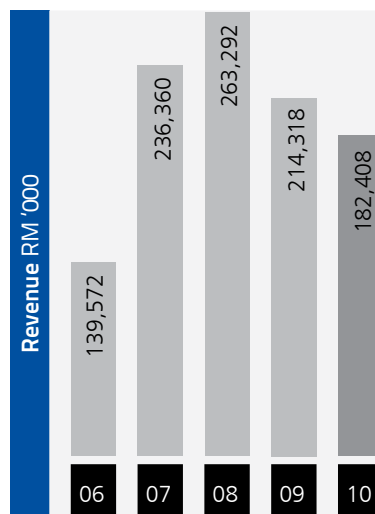
Re-appointment of Y.Bhg Dato' Paduka Hj Mohd Saad bin Endut pursuant to Section 129(6) of the Companies Act, 1965

2. The profiles of the Directors who are standing for re-election or re-appointment are set out on pages 11 to 13 of the Annual Report.

FIVE YEARS GROUP FINANCIAL HIGHLIGHTS

RM '000	2006	2007*	2008	2009*	2010
Revenue	139,572	236,360	263,292	214,318	182,408
Profit Before Taxation	7,902	16,491	19,570	20,816	19,911
Net Profit	4,512	9,251	14,961	14,725	13,653
Share Capital	65,903	66,196	66,196	66,196	72,816
Earning Per Share (sen)	6.86	14.02	22.6	22.25	19.66
Shareholders' Fund	165,517	172,639	185,190	197,665	215,642
Net Tangible Asset Per Share (RM)	2.51	2.61	2.79	2.98	2.96
Gross Dividend Per Share (sen)	5	5	5	7	7
Dividend Paid (net)	2,405	2,449	2,482	3,475	3,823

* Restated



FINANCIAL CALENDAR

31.12.2010
Financial Year End

ANNOUNCEMENT OF RESULTS

24.05.2010
First Quarter

26.07.2010
Second Quarter

26.10.2010
Third Quarter

28.02.2011
Fourth Quarter

20.05.2010
Published Annual Report And Financial Statements

13.06.2010
Annual General Meeting

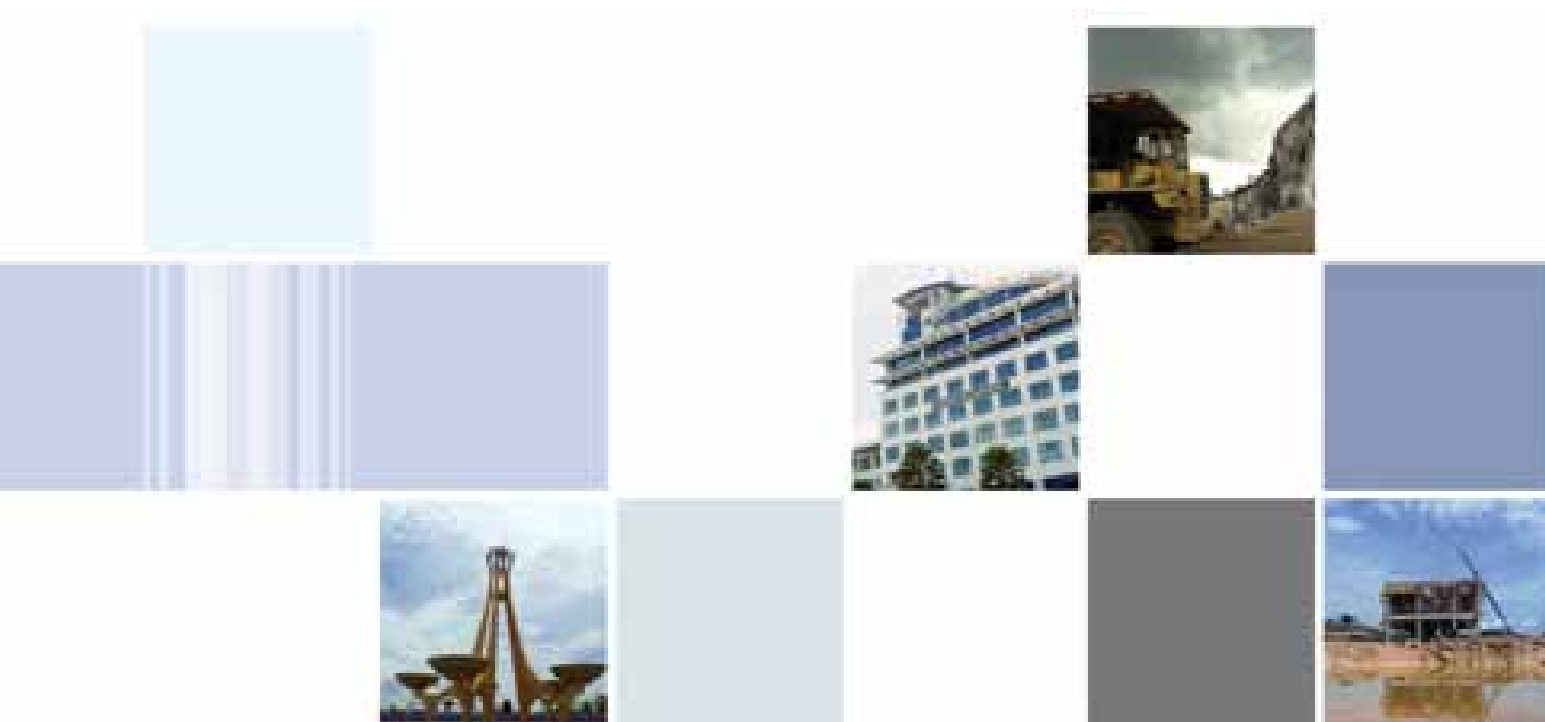
DIVIDEND

- First & Final

14.06.2010
Announcement Date

30.06.2010
Record Date

19.07.2010
Payment Date



BOARD OF DIRECTORS

Dato' Paduka Hj. Mohd Saad bin Endut
Chairman
Non-Independent Non Executive Director

Dato' Jahubar Sathik bin Abdul Razak
Group Managing Director
Executive Director

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



Datuk Mohd Nasir bin Ahmad
Independent Non-Executive Director

Dr. Abdul Wahab bin Ismail
Independent Non-Executive Director

YB Senator Ir. Zamri bin Yusuf
Independent Non-Executive Director

Prof
Indep



f. Dato' Din Merican
Independent Non-Executive Director

Sr. Che Had bin Dhali
Non-Independent Non-Executive Director

Saiful Izhah bin Ramli
Independent Non-Executive Director

Khairulmuna bt Abd Ghani
Company Secretary



PROFILE OF DIRECTORS

DATO' PADUKA HJ. MOHD SAAD BIN ENDUT

Chairman
Non-Independent Non Executive Director

DATO' PADUKA HJ. MOHD SAAD BIN ENDUT, a Malaysian, aged 74, is the Chairman of Bina Darulaman Berhad (BDB). He was appointed to the Board on 1 July 2001. He holds a Bachelor of Arts majoring in economics from University of Sydney, Australia.

Dato' Paduka Hj. Mohd Saad bin Endut has 30 illustrious years with Kedah Civil Service having served the State Government in 1962 upon graduating. During the span of 30 years, Dato' Paduka Hj. Mohd Saad served in various capacities and fields ranging from general and land administration, local council, economic planning and finance. He capped his career by being in the echelon of the civil service holding the post of Kedah State Secretary before retiring in 1992.

Dato' Paduka Hj. Mohd Saad attained 73 years of age on 18 December 2009 and pursuant to Section 129(6) of the Companies Act, 1965, he retires and he has offered himself for re-appointment as a director of the Company at the forthcoming Annual General Meeting (AGM) to hold office until the subsequent AGM.

Dato' Paduka Hj. Mohd Saad does not have any family relationship with any other Director and or any major shareholder of the Company and has no conflict of interest with the Company. He has no conviction for offences within the past ten years.

Dato' Paduka Hj. Mohd Saad attended all the nine Board Meetings of the Company held in the financial year ended 31 December 2010.

DATO' JAHUBAR SATHIK BIN ABDUL RAZAK

Group Managing Director
Executive Director

DATO' JAHUBAR SATHIK BIN ABDUL RAZAK, a Malaysian aged 55, is the Group Managing Director (GMD). He was appointed to the Board on 3 April 2008.

Dato' Sathik is a Fellow of the Association of Chartered Certified Accountants (UK), Chartered Accountant of the Malaysian Institute of Accountants and a Member of the Malaysian Institute of Certified Public Accountants. He also holds an MBA from the Ohio University graduating first in his class.

He commenced his professional life as an audit assistant with one of the largest international accounting firms. He then worked for some large Malaysian corporations involved in property development, construction and commercial banking in senior management and CEO positions. The pinnacle of his employment career was when he listed Bina Darulaman Berhad on the main board of the KLSE (now Bursa Malaysia) in 1996.

He then ventured into management and financial consulting during which time he served on the Boards of several private limited companies and a PLC as an Independent Director and Chairman of its Audit Committee.

In April 2008, he was invited to return to Kedah to reassume the position of Group Managing Director of Bina Darulaman Berhad Group of Companies. Currently he also sits on the EXCO and Audit Committee of PKNK.

On 16 January 2010, he was conferred the award of D.S.D.K by KDYMM Tuanku Sultan of Kedah which carries the title Dato'.

Dato' Sathik 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 for any offences within the past ten years.

Dato' Sathik attended all the nine Board Meetings of the Company held in the financial year ended 31 December 2010.

DATO' ABDUL RAHMAN BIN IBRAHIM

Non-Independent Non-Executive Director

DATO' ABDUL RAHMAN BIN IBRAHIM, a Malaysian aged 56, is a Non-Independent Non-Executive Director of Bina Darulaman Berhad. He was appointed to the Board on 23 August 2006. He holds a Bachelor of Economics (Hons) from University of Malaya and MBA from Santa Clara University, USA.

Dato' Abdul Rahman started his career as Assistant Economist, Bank Negara Malaysia in 1977 soon after graduating in 1977 and left the bank in 1979 to join Kedah State Development Corporation (KSDC) as Assistant Project Officer. He worked his way up the career ladder in KSDC holding various responsible positions having served as Tourism and Special Project Manager, Business Development Manager, Corporate Planning Manager and General Manager (Operations). He was appointed as Chief Executive Officer of KSDC on 1 July 2006 a position which he holds till to date.

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

Dato' Abdul Rahman attended eight out of nine Board Meetings of the Company held in the financial year ended 31 December 2010.

**DATUK MOHD NASIR
BIN AHMAD**

Independent Non-Executive Director

DATUK MOHD NASIR BIN AHMAD, a Malaysian aged 56, is an Independent and Non-Executive Director of Bina Darulaman Berhad. He was appointed to the Board on 27 February 2009 and as Chairman of Audit Committee on the same date. In year 2010, Datuk Mohd Nasir bin Ahmad was also appointed as Chairman of Risk Management Committee until to date.

Datuk Mohd Nasir is an accountant by profession. He is a Fellow of the Association of Chartered Certified Accountants (United Kingdom) and a member of the Malaysian Institute of Accountants. He also holds a Master of Business Administration (Finance) from Universiti Kebangsaan Malaysia.

Datuk Mohd Nasir commenced his career as a Trainee Accountant rising to Manager in various departments of the Finance Division of Tenaga Nasional Berhad and moved on to join several notable Malaysian corporations. He first became the Financial Controller/Company Secretary of Malaysia Transformer Manufacturing Sdn Bhd (MTM), a subsidiary of Tenaga Nasional Berhad in January 1993. He was next appointed as Chief Executive of MTM in June 1994 and Managing Director in February 1997.

In year 2000, he became the Chief Executive Officer of Syarikat Permodalan Kebangsaan Berhad until year 2001.

He was appointed as Chief Executive Officer of Perbadanan Usahawan Nasional Berhad on 1 June 2001, a position which he holds till to date.

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 for any offences within the past ten years.

Datuk Mohd Nasir attended all the nine Board Meetings of the Company for the financial year ended 31 December 2010.

**DR. ABDUL WAHAB
BIN ISMAIL**

Independent Non-Executive Director

DR. ABDUL WAHAB BIN ISMAIL, a Malaysian aged 56, is an Independent and Non-Executive Director of Bina Darulaman Berhad, appointed to the Board on 30 June 2008.

Dr. Abdul Wahab is an engineer by profession. He started his career as tutor in 1978 at University Kebangsaan Malaysia, Bangi Selangor and also served as lecturer in the same university in year 1982.

In year 1984 he left the university and joined several prominent corporate companies such as Proton Berhad as Manager, Sapura Holding Sdn Bhd with his last post as Group Managing Director of Sapura Motors Berhad.

In 1992 he was one of the pioneer members responsible for the development of Ingress Group of Companies and currently he holds the position of Group Advisor as well as member of the Board of Directors of several subsidiary companies of the Ingress Group.

He holds a Doctor of Philosophy in Mechanical Engineering (Ph.D) from the University of Leeds, United Kingdom.

Dr. Abdul Wahab 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 for any offences within the past ten years.

Dr. Abdul Wahab attended seven out of nine Board Meetings of the Company held in the financial year ended 31 December 2010.

**YB SENATOR IR. ZAMRI
BIN YUSUF**

Independent Non-Executive Director

YB SENATOR IR. ZAMRI BIN YUSUF, a Malaysian aged 45, is an Independent and Non-Executive Director of Bina Darulaman Berhad, appointed to the Board on 30 June 2008. He holds B.SC Civil Engineering, Marquette University, Milwaukee, Wisconsin, USA.

YB Senator Ir. Zamri is an engineer by profession. He started his career as a technical engineer with MMC-GTM Bina Sama Sdn Bhd and several public companies with the post held as Assistant Resident Engineer for Perunding Jurutera Satu Sdn Bhd, Resident Engineer of HLA Associate Sdn Bhd and served as Associate Director (Northern Region) of Adroit Consulting Engineer since 2004-2007.

He then left the corporate field to be actively involved in politics and was appointed as Senator in Dewan Negara. He is also a director of state owned company namely Permodalan Kedah Berhad.

YB Senator Ir. Zamri 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 for any offences within the past ten years.

YB Senator Ir. Zamri attended all the nine Board Meetings of the Company held in the financial year ended 31 December 2010.

PROF. DATO' DIN MERICAN

Independent Non-Executive Director

PROF. DATO' DIN MERICAN, a Malaysian aged 72, is an Independent and Non-Executive Director of Bina Darulaman Berhad, appointed to the Board on 24 July 2008.

Prof. Dato' Din Merican served in Government as a foreign service officer and central banker and then moved on to industry and commerce. He is with the University of Cambodia as Visiting Professor (Global Strategy) (since 2002) and Senior Research Fellow of the Phnom Penh based Cambodian Institute for Cooperation and Peace (since 1996). He was until recently a member of the Advisory Board of Asia Economic Forum of the University of Cambodia and was on a brief attachment in a consulting capacity with PT Bakrie Brothers in Jakarta, Indonesia (1991).

At present, Prof. Dato' Din Merican is consultant to the Penang Halal Hub Project and an Independent Director of Bina Darulaman Berhad, a public company listed on the Bursa Malaysia Securities Berhad. Recently, he became Associate Fellow, Malaysia Institute of Economic Research (MIER) and Visiting Senior Research Fellow of Penang-based Socio-Economic Research Institute (SERI). On January 16th, 2011, he was conferred Darjah Dato' Setia DiRaja Kedah (DSDK) by KDYMM Sultan of Kedah Darul Aman on the occasion of KDYMM Tuanku's 83rd birthday.

He received his tertiary education from the University of Malaya in Economics, and did postgraduate studies at The George Washington School of Business, George Washington University, Washington D.C in the States on Kedah State and Bank Negara Malaysia scholarships. He was also at the INSEAD (European Business School), Fontainebleau, France (1989), sponsored by Sime Darby Berhad where he was Director of Planning and Corporate Affairs and Regional Director for Malaysia and Singapore.

Prof. Dato' Din attained 72 years of age on 23 May 2011 and pursuant to Section 129(6) of the Companies Act 1965, he retires and does not offer himself for re-appointment.

Prof. Dato' Din Merican 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 for any offences within the past ten years.

Prof. Dato' Din Merican attended all the nine Board Meetings of the Company held in the financial year ended 31 December 2010.

SR. CHE HAD BIN DHALI

Non-Independent Non-Executive Director

SR. CHE HAD BIN DHALI, a Malaysian aged 45, is a Non-Independent and Non-Executive Director of Bina Darulaman Berhad, appointed to the Board on 3 April 2008.

Che Had holds a degree in Bachelor of Survey (Hons) Property Management from University Technology Malaysia (UTM) and a Master Degree in Business Administration from University Utara Malaysia (UUM). As a Registered Valuer, a Registered Estate Agent and a Licensed Auctioneer for the States of Kedah and Perlis, he is also a member of the Institute of Surveyors Malaysia (ISM), the Royal Institute of Chartered Surveyor (RICS), the Association of Valuers & Property Consultants in Private Practice (PEPs) and the Malaysian Institute of Estate Agents (MIEA).

He started his career in the valuation and asset consultancy services with an international company Jones Lang Wootton and another company before joining Jurunilai Bersekutu in 1992. Che Had is the Registered Estate Agent for the IM Global Property Consultants and currently stationed in its Alor Setar branch.

Che Had 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 for any offences within the past ten years.

Che Had attended eight out of nine Board Meetings of the Company held in the financial year ended 31 December 2010.

SAIFUL IZHAM BIN RAMLI

Independent Non-Executive Director

SAIFUL IZHAM BIN RAMLI, a Malaysian aged 40, is an Independent and Non-Executive Director of Bina Darulaman Berhad, appointed to the Board on 13 June 2010.

Saiful holds a Bachelor of Laws (Hons) from University of Sheffield Hallam, United Kingdom and completed his Certificate of Legal Practice from University of Malaya and obtained his Diploma in Syariah Legal Practice from International Islamic University Malaysia.

He served several legal firms between 1998 to 2000 before leaving therefore to set up his own legal practice.

Saiful 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 for any offences within the past ten years.

Saiful attended four Board Meetings of the Company since his date of appointment on 13 June 2010 in the financial year ended 31 December 2010.

SENIOR MANAGEMENT TEAM



Standing from left to right: Tahir bin Md. Zin, Fakhruzi bin Ahmad, Ahmad Bokhar bin Khalid, Khairulmuna bt Abd Ghani, Noor Rosli bin Mohd Ali, Syed Yussof bin Syed Othman, Syed Saful Yusri bin Syed Ahmad Fuzi, Zainudin bin Zainul, Hanafi bin Hamzah, Mohd Sobri bin Hussein, Rosman Hadi bin Mohamad Sayoti.

Seated: Dato' Jahubar Sathik bin Abdul Razak.

Group Managing Director

Dato' Jahubar Sathik bin Abdul Razak

Senior Management Team

1. **Noor Rosli bin Mohd Ali**
General Manager, Operations
2. **Tahir bin Md. Zin**
General Manager, Risk & Special Projects
3. **Khairulmuna bt Abd Ghani**
Deputy General Manager, Group Corporate Services & Legal / Company Secretary
4. **Fakhruzi bin Ahmad**
Senior Manager, Group Accounts & Finance
5. **Syed Saful Yusri bin Syed Ahmad Fuzi**
Manager, Human Resource & Administration
6. **Rosman Hadi bin Mohamad Sayoti**
Manager, Group Corporate Assurance

Head of Subsidiaries

1. **Mohd Sobri bin Hussein**
General Manager of Kedah Sato Sdn Bhd
2. **Syed Yussof bin Syed Othman**
General Manager of Syarikat Bina dan Kuari Kedah Sdn Bhd
3. **Zainudin bin Zainul**
General Manager of Darulaman Realty Sdn Bhd and Darulaman Golf Resort Berhad
4. **Hanafi bin Hamzah**
Deputy General Manager of BDB Quarry Sdn Bhd
5. **Ahmad Bokhar bin Khalid**
Deputy General Manager of Kedah Holdings Sdn Bhd

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Paduka Hj. Mohd Saad bin Endut

Chairman

Non-Independent Non Executive Director

Dato' Jahubar Sathik bin Abdul Razak

Group Managing Director

Executive Director

Dato' Abdul Rahman bin Ibrahim

Non-Independent Non-Executive Director

Datuk Mohd Nasir bin Ahmad

Independent Non-Executive Director

Dr. Abdul Wahab bin Ismail

Independent Non-Executive Director

YB Senator Ir. Zamri bin Yusuf

Independent Non-Executive Director

Prof. Dato' Din Merican

Independent Non-Executive Director

Sr. Che Had bin Dhali

Non-Independent Non-Executive Director

Saiful Izham bin Ramli

Independent Non-Executive Director

AUDIT COMMITTEE

Chairman

Datuk Mohd Nasir bin Ahmad

Members

Dato' Abdul Rahman bin Ibrahim

YB Senator Ir. Zamri bin Yusuf

Prof. Dato' Din Merican

RISK MANAGEMENT COMMITTEE

Chairman

Datuk Mohd Nasir bin Ahmad

Members

Dato' Abdul Rahman bin Ibrahim

Dr. Abdul Wahab bin Ismail

YB Senator Ir. Zamri bin Yusuf

NOMINATION & REMUNERATION COMMITTEE

Chairman

Dato' Abdul Rahman bin Ibrahim

Members

Dato' Jahubar Sathik bin Abdul Razak

Sr. Che Had bin Dhali

Saiful Izham bin Ramli

COMPANY SECRETARY

Khairulmuna bt Abd Ghani

(LS 0008190)

REGISTERED OFFICE

Aras 9, Menara Bina Darulaman Berhad

88, Lebuhraya Darulaman

05100 Alor Setar

Kedah Darul Aman

Tel: (04) 730 0303

Fax: (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: (03) 7784 3922

Fax: (03) 7784 1988

AUDITORS

ERNST & YOUNG (Firm No. AF 0039)

Chartered Accountants

Level 23A, Menara Millenium

Jalan Damanlela, Pusat Bandar Damansara

50490 Kuala Lumpur

Tel: (03) 749 58000

Fax: (03) 209 59076

PRINCIPAL BANKS

Affin Islamic Bank Berhad

Bank Islam Malaysia Berhad

SOLICITORS

Messrs Vazeer Akbar Majid & Co.

Messrs Abdullah Chan

STOCK EXCHANGE LISTING

Listed on the Main Board of

Bursa Malaysia Securities Berhad

since 2 February 1996

CHAIRMAN'S STATEMENT



Dato' Paduka Hj. Mohd Saad bin Endut
Chairman
Non-Independent Non-Executive Director

CHAIRMAN'S STATEMENT (cont'd)

On behalf of the Board of Directors of Bina Darulaman Berhad, I am pleased to report another year of respectable performance of the Group for the year ended 31 December 2010.

BUSINESS ENVIRONMENT

The Malaysian economy's recovery, which started in mid-2009 continued into 2010 with a GDP growth of 7.2%. Whereas several developed economies suffered from sovereign debt and tentative growth issues, developing Asia provided the cushion with better economic fundamentals and stronger domestic demand.

In March 2010, The Malaysian Government announced a New Economic Model designed to move Malaysia from a middle-income country (approximately US \$7000 per capita) into a high-income country of US \$15,000 per capita by 2020. The role of the Government is to change from being an orchestrator to a facilitator by promoting greater private sector participation and investment in the economy. Accordingly the government devised its Economic Transformation Programme to attract investments (more domestic compared with FDIs as in the past) and ensure sustainability. However being a nation heavily exposed to international trade, performances of Malaysia's key trading partners to a large extent will dictate the pace of economic growth in the future. And the Country's economic performance will have bearing on the businesses of the BDB Group of Companies.

CHAIRMAN'S STATEMENT (cont'd)

OPERATING RESULTS

For the year under review, the Group recorded revenue of RM182.4 million which is lower compared to the RM214.3 million recorded in the previous year. The Group Profit Before Tax of RM19.9 million however is comparable to the RM20.8 million registered in 2009.

The Group's Construction Division recorded a revenue of RM71.2 million, a decrease of 2% from the previous year. Its Profit Before Tax however stood at RM9.8 million which is higher than the RM8.8 million registered in 2009.

The Group's Property Division registered an improved performance contributing to revenue and Profit Before Tax of RM32.0 million and RM1.6 million respectively.

The Quarry and Road building Division contributed RM72.5 million and RM11.1 million respectively to Group revenue and Profit Before Tax.

The Golf and Hotel subsidiaries continued to record losses but these were within forecasts. The management continued to streamline and improve the performance of these two subsidiaries.

Overall the BDB Group continued to sustain its financial performance in 2010. Its net assets rose by 9% to RM215.6 million in 2010 as compared with RM197.7 million in 2009. The net assets per share as at 31 December 2010 is RM2.96 based on the paid-up capital of RM72.8 million.

DIVIDEND

The company continues to manage its resources prudently to enhance shareholder value. Gearing is still low. Based on the availability of cash in hand and taking into account requirements for project funding and other commitments, the Board of Directors, as a statement of appreciation to the shareholders for their continued support, is pleased to recommend the payment of a first and final dividend of 7 sen per share (gross). The date of payment shall be as stipulated in the notice to the shareholders. It is a matter of great pride to the Board, that your company has never failed to pay dividends to its shareholders since it was listed in 1996.

OUTLOOK

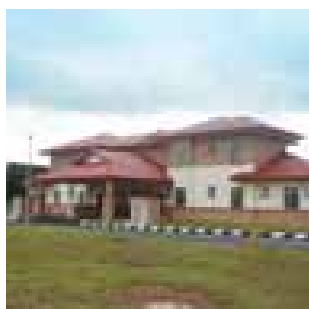
The Malaysian economy grew by 7.2% in 2010. For the year 2011, MIER is projecting a growth of 5.2% year on year before rising to 5.5% in 2012.

The Group's business is directly related to the health of the nation's economy and we, like everyone else, are hoping for strong domestic demand to support government policy measures.

Prices of commodities particularly oil and building materials are uncomfortably high. This will have negative impact on the operating costs of our construction and quarry divisions. Whereas access to financing at attractive rates is crucial for our property division.



CHAIRMAN'S STATEMENT (cont'd)



OUTLOOK (cont'd)

Moving forward, the Group expects to continue to focus on its core businesses for the foreseeable future. The quarry and road works division is very much reliant on government initiated projects, be it Federal or State. The Group's Property Division is expected to turn in better performance in the coming years through development activities in new growth areas. As for the Construction Division, in addition to completing jobs in hand, it is expected to seek out opportunities outside the borders of Kedah.

CORPORATE PROPOSALS

On 26 November 2010 the company successfully completed a private placement exercise of 10% of its paid up capital as approved by the shareholders at the last AGM. As a result the paid up capital of the company as at 31 December 2010 increased to RM 72,815,856 from RM 66,196,256.

CORPORATE GOVERNANCE

The BDB Group is committed to the principle of good corporate governance. This is reflected in all our business dealings. Through good governance the company aims to enhance sustainable stakeholders' value.

RELATED PARTY TRANSACTIONS

Except for those disclosed in Note 33 to the Financial Statements, there were no material contracts involving either the major shareholders or any of the Directors.

CORPORATE RESPONSIBILITY

True to its objectives, the Group will continue to be a corporate citizen committed to discharging its responsibilities to the environment and the communities in which we operate.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to take this opportunity to record our appreciation and thanks to the management and staff for their hard work, dedication, loyalty and commitment to the Group. Good and dedicated personnel remain our most valuable assets. Efforts will not be spared in training to enhance skills and providing better working environment.

I would also like to take the opportunity to acknowledge the continued confidence and support given to the BDB Group by our shareholders, bankers, regulatory authorities and agencies, business partners and valued customers.

Last but not least, I thank my colleagues on the Board for their invaluable views, suggestions and contributions.

DATO' PADUKA HJ. MOHD. SAAD BIN ENDUT

D.H.M.S., D.S.D.K., J.S.M., B.C.K., J.P

(DATO' INDERA SENGGARA)

Chairman

GROUP MANAGING DIRECTOR'S REVIEW OF OPERATIONS



Dato' Jahubar Sathik bin Abdul Razak
Group Managing Director
Executive Director

GROUP MANAGING DIRECTOR'S REVIEW OF OPERATIONS (cont'd)

OVERVIEW

The Year 2010 was as challenging as the previous two years. This tough operating environment reflected itself in lower revenue of RM 182.4 million compared to RM 214.3 million in 2009. All core activities of the Group recorded lower revenues.

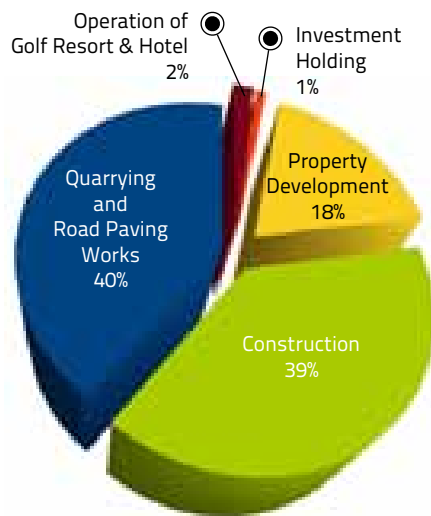
However through efficient management of resources and costs throughout the Group, the Profit Before Tax stood at a commendable RM 19.9 million compared with RM 20.8 million in 2009.

Whatever the circumstances, the Company is unwavering in its commitment to enhancing shareholders' value and is looking forward to pay a dividend of 7 sen per share (gross) for the financial year ended 31 December 2010.

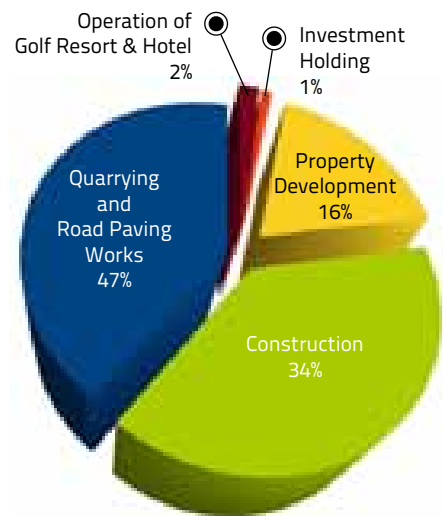
GROUP MANAGING DIRECTOR'S REVIEW OF OPERATIONS (cont'd)

GROUP PERFORMANCE

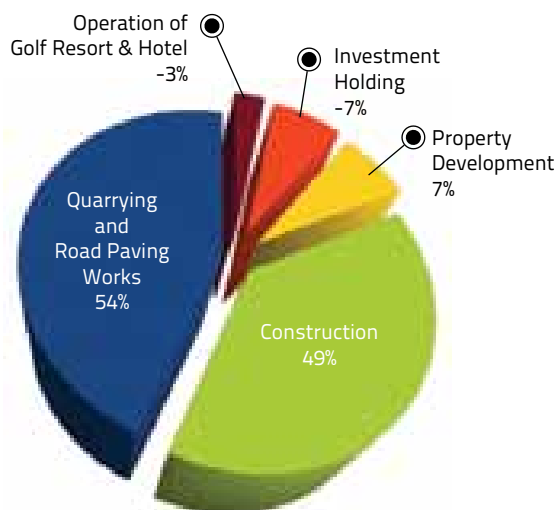
Revenue by Division - 2010



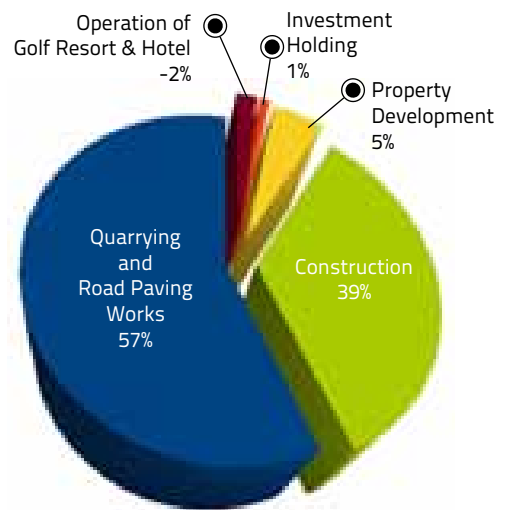
Revenue by Division - 2009



Profit before Tax - 2010

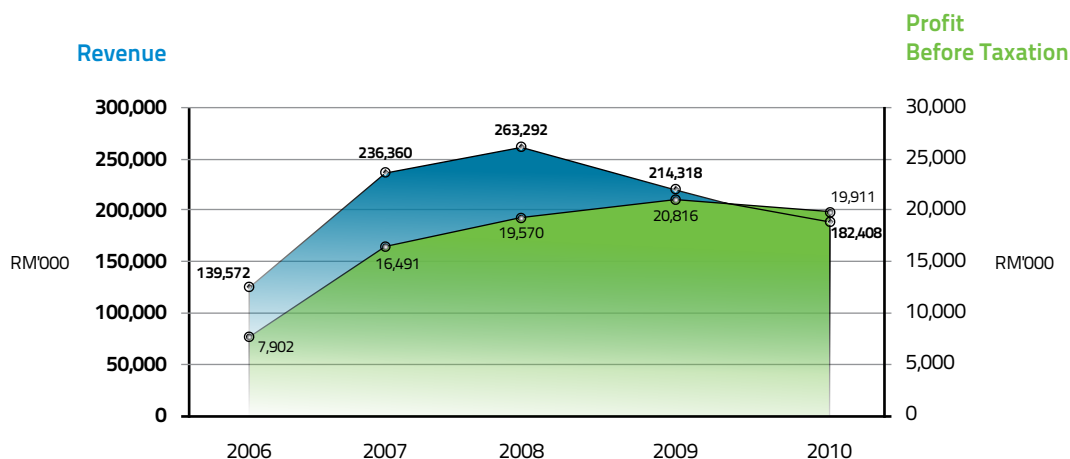


Profit before Tax - 2009



GROUP MANAGING DIRECTOR'S REVIEW OF OPERATIONS (cont'd)

GROUP PERFORMANCE (cont'd)



CONSTRUCTION

Eventhough the country's construction sector registered positive growth, our Group did not benefit from Federal projects during the year. An extremely competitive tender bidding environment and the delayed roll out of Government projects in the Northern Region exacerbated the situation.



Our Construction Division delivered Institut Kemahiran Belia Negara (IKBN), Pedu, 118 Units Apartment at Kulim Golf and Country Club and several housing projects for the Group in the year. Then it focused entirely on ensuring that the RM 330 million permanent campus of Kolej Universiti Insaniah (KUIN) in Kuala Ketil, Kedah, progressed as per schedule. Being the single largest project undertaken by the Division to date on a private finance initiative, it was of paramount importance to all the stakeholders of BDB that KUIN is delivered within time, budget and quality. We are well on our way to do just that.



For the year the Division contributed RM 71.2 million to Group revenue and RM 9.8 million to PBT. Eventhough lower in revenue, the profit margin however was preserved due to management efforts in controlling costs as well as in delivering all projects undertaken within scheduled time.

GROUP MANAGING DIRECTOR'S REVIEW OF OPERATIONS (cont'd)

PROPERTY

Once again the Bandar Darulaman township was the prime driver of the property division. Demand for our products in this township in Kubang Pasu which is near Alor Setar was good compared to the dampness experienced by developers in the State.

Darulaman Perdana in Sungai Petani however did not meet expectations given the oversupply situation there.

The Division contributed RM 32.0 million to revenue and RM 1.6 million to PBT. In compliance with current accounting Standards, recognition of sale of land to the State for the KUIN project has been deferred to 2013. This to some extent affected the financial performance of the Property Division.



ROAD AND QUARRY

During the year our Roads and Quarry Division handed over its portion of The Trans Eastern Kedah Interland Highway (TEKIH) to Jabatan Kerja Raya (JKR). Currently we are working towards achieving an amicable settlement of the final contract account.

The Division continued to benefit from State Road maintenance contracts accelerated by the floods that hit the State in November 2010.

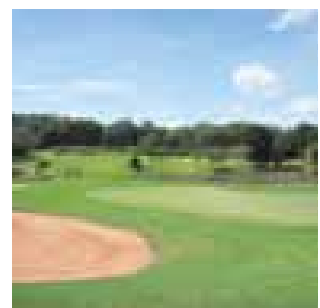
Quarry production was however below budget due to slower demand and lack of new major road construction jobs.

For the year, the Division contributed RM 72.5 million to Group revenue, compared with RM 101.6 million in 2009 and RM 11.1 million in PBT compared with RM 11.5 million last year.



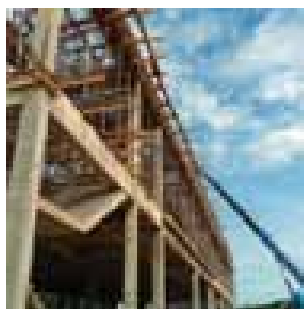
GOLF AND HOTEL

Both DGRB and BDB Hotels recorded net losses within manageable limits. DGCC is the most prestigious tournament course in the North. Darulaman Suites on the other hand is the preferred venue for seminar functions.



GROUP MANAGING DIRECTOR'S REVIEW OF OPERATIONS (cont'd)

PROSPECTS



CONSTRUCTION

Works on the KUIN project is progressing well and is now ahead of schedule. This project will keep the Division busy until end of 2012.

The Construction Division will also benefit from internalizing construction works for the Group's property division.

The Division is also actively pursuing construction projects within the Country either on its own or in collaboration with associates.

The Group in joint venture with a reputable high rise property developer from Penang is intending to launch Alor Setar's first condominium. The Division will undertake the construction of the project on a cost plus basis.



The Group is also well positioned to take advantage of government sponsored projects in the State when they are rolled out given our reputation for timely completion with quality.

PROPERTY

Bandar Darulaman is still the spearhead and most significant contributor to the Property Division. However our land bank in Kuala Ketil may be used to build landed accommodation for KUIN students. Contribution from Taman Insaniah, as the project is to be known, is expected to be significant.

Formalities to take over 400 acres of Government land in Pokok Sena are in the final stages. In addition to enlarging the Division's land bank, Pokok Sena is expected to provide steady stream of income over the medium term future.



The Division is also constantly on the look out for strategic land bank and joint venture partners.

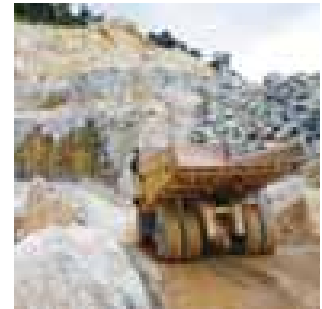
GROUP MANAGING DIRECTOR'S REVIEW OF OPERATIONS (cont'd)

ROADS AND QUARRY

The Roads and Quarry Division is expected to dominate State Road maintenance works. With more than 30 years of experience, it is also well positioned to undertake new road construction works.

New plant and machinery are being added to the already existing ones. Our granite quarry with estimated life span of 100 years has the capacity to sufficiently cater for in-house and external demands. Our skilled workforce always ensure that roads built by us are delivered on time and of high quality.

Like its construction counterpart, the Roads and Quarry Division is also active in tender submissions both within and outside Kedah.



GOLF & HOTEL

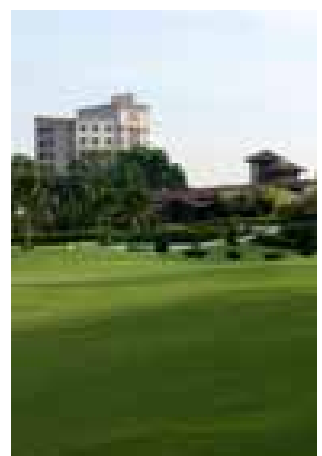
The golf course and club house, known as Darulaman Golf and Country Club (DGCC), was built in 1994 to be a catalyst for the sustained development of Bandar Darulaman. It has achieved that objective. However like most other golf clubs in the country, it has not been able to register net profits. One reason being the relatively small golfing community around Alor Setar and Kubang Pasu despite DGCC being a rather complete resort with many attractions for adults and children alike.

The hotel known as Darulaman Suites is one of those complementing facilities. Originally built as service apartments in 2006, it was converted to a hotel due to poor take up rate of the apartments. It performs well during festive seasons. Efforts are now underway to have respectable occupancy rates throughout the year.



CORPORATE PROPOSALS

The Company undertook a Private Placement of new ordinary shares of RM1.00 each representing 10% of the issued and paid up capital of the Company pursuant to Section 132D of the Companies Act 1965. As a result, the Company's paid up capital now stood at RM 72,815,856. The Private Placement, in addition to providing funds for working capital was also intended to add liquidity to our shares.



GROUP MANAGING DIRECTOR'S REVIEW OF OPERATIONS (cont'd)

CORPORATE GOVERNANCE



To ensure sustainability of our business, the Group established Risk Management Committees at the Board and Management levels in the year under review with clearly defined policies and procedures to address all risks and enhance control measures to provide responses in times of crisis.

The Group is continuously strengthening its internal control systems to monitor and improve on the management and execution of all its projects.

The Board of Directors also meet regularly (it met nine times in 2010) to ensure greater transparency as well as in depth discussions of issues prior to adoption and implementation.

CONCLUSION

Overall, the Group's performance was commendable given the very competitive and challenging market environment.

Hikes in interest rates will have negative impact on the Group. Tightening of access to mortgage loans will have a bearing on our Property Division. Whereas any further uncertainty and rise in commodity prices will make it tough for the construction and quarry divisions.

In addition to strengthening our core businesses through efficient allocation of resources and aligning of strategies with our competencies, the Group is well positioned to sustain current growth. It is also on the look out for diversification opportunities that will bring long term benefits to its shareholders.

In view of the uneven economic recovery and uncertainties, we are cautiously optimistic that the Group's operating performance for the next financial year will be satisfactory.

DATO' JAHUBAR SATHIK BIN ABDUL RAZAK

D.S.D.K., A.M.K.

Group Managing Director



CORPORATE SOCIAL RESPONSIBILITY



Zakat handover to KDYMM Sultan of Kedah at Istana Anak Bukit



2nd Langkawi International Conference on Islamic Economics & Finance (LIFE) in Langkawi



Kedah's cycling team sponsored by the Company

Kolej Sultan Abdul Hamid, Alor Setar



Zakat to workers employed by the Group



Ground breaking ceremony for Low Cost Apartment at Bandar Darulaman officiated by YAB Dato' Seri Menteri Besar of Kedah

CORPORATE GOVERNANCE STATEMENT

INTRODUCTION

The Board of Directors of Bina Darulaman Berhad (“BDB”) is fully committed towards ensuring good corporate governance as set out in the Malaysian Code on Corporate Governance (Revised 2007) (“The Code”). The Code is practiced throughout the Group to safeguard and enhance shareholders’ investment and value.

Accordingly, the Board shall ensure the compliance of all the principles in Part 1 of The Code and the adoption of the Best Practices as recommended in Part 2 of The Code pursuant to paragraph 15.25 of the Bursa Malaysia Securities Berhad, Main Market Listing Requirements.

In all its meetings the Board is always proactive and committed to ensure that the principles of best practices of good governance are practiced through out the Group with integrity, transparency and professionalism.

Accordingly the Board is pleased to present the Corporate Governance statement and its compliance throughout the financial year ended 31 December 2010.

BOARD OF DIRECTORS

1. Composition of the Board

Of the nine (9) board members, three (3) are Non Independent Non Executive and five (5) are Independent and Non Executive and one (1) Executive Director. This meets the requirement that at least one third or nearing one third of the members are independent. Datuk Mohd Nasir bin Ahmad is the Senior Independent Non-Executive Director who will attend to any query concerning the Group besides the Chairman and the Group Managing Director.

2. Duties and responsibilities of the Board

The Board leads, provides strategic direction and manages the Group. The Directors are professionals in the field of engineering, finance, accounting, economics, legal practice, valuation and property services and experienced senior public administrators. Together, they bring a wide range of competencies, capabilities, technical skills and relevant business experience to ensure that the Group maintains its reputation for professional competence and business integrity.

The Non-Executive Directors bring independent judgment on issues of strategy, business performance, resources and standards of conduct. The Independent Non-Executive Directors provide independent and constructive views in ensuring that the strategies proposed by the management are fully studied and deliberated in the interest of the Group and also all stakeholders.

The Board is primarily responsible for the Group’s overall strategic plans for business performance, overseeing the proper conduct of business, succession planning, risk management, internal control and management information systems. While the Board is responsible for creating the framework and policies within which the Group should be operating, the management is accountable for the execution of the expressed policies and attainment of the Group’s expressed corporate objectives. This demarcation complements and reinforces the supervisory role of the Board.

The roles of the Chairman and Group Managing Director (“GMD”) are distinct and separate. The Non-Executive Chairman maintains regular discussions with the GMD and acts as the facilitator at Board meetings ensuring thorough evaluations of agendas and sound decisions. Y. Bhg Dato’ Paduka Hj. Mohd Saad bin Endut has been the Non-Executive Chairman of the Company since 2001.

The GMD has overall responsibility for the day-to-day management of the Company, its business and the implementation of the Board’s policies and decisions. He is responsible to ensure execution of the objectives, strategic goals and business plan as well as to explain, clarify and inform the Board on matters pertaining to the Group.

The division of responsibility between the Chairman and GMD ensures that accountability is given high priority.

A brief profile of each Director is presented on pages 11 to 13.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

3. Board Meetings

The Board conducts at least six (6) regularly scheduled meetings annually with additional meetings convened as and when necessary. During the financial year, nine (9) Board meetings were held.

The attendance record of each Director was as follows:-

SUMMARY OF ATTENDANCE AT BOARD OF DIRECTORS' MEETINGS FOR YEAR 2010

NO.	NAME OF DIRECTORS	DATE OF MEETING									ATTENDANCE
		31/01	21/02	28/04	23/05	13/06	25/07	19/09	24/10	26/12	
1.	Dato' Paduka Hj. Mohd Saad bin Endut	√	√	√	√	√	√	√	√	√	9/9
2.	Dato' Jahubar Sathik bin Abdul Razak	√	√	√	√	√	√	√	√	√	9/9
3.	Dato' Abdul Rahman bin Ibrahim	√	√	√	√	X	√	√	√	√	8/9
4.	Datuk Mohd. Nasir bin Ahmad	√	√	√	√	√	√	√	√	√	9/9
5.	Dr. Abdul Wahab bin Ismail	X	√	√	√	√	√	√	√	X	7/9
6.	YB Senator Ir. Zamri bin Yusuf	√	√	√	√	√	√	√	√	√	9/9
7.	Prof. Dato' Din Merican	√	√	√	√	√	√	√	√	√	9/9
8.	Sr. Che Had bin Dhali	√	√	√	X	√	√	√	√	√	8/9
9.	Dato' Wira Hj. Hassan bin Taib	√	√	√	√	-- Resigned With Effect From 13/06/10 --				4/4	
10.	Saiful Izham bin Ramli	- Appointed With Effect From 13/06/10 -				√	√	√	√	√	4/4

Besides these Board meetings, the Directors also held informal meetings and consultations frequently and freely to share expertise and experiences. They also participated actively in the Senior Management dialogue to develop medium term business plan for the Group.

Supply of Information

The Board is supplied with full and timely access to written reports and supporting information in advance of the meetings to enable the Directors to review the same and if necessary to obtain further clarification prior to meetings for better decision making.

The Directors are promptly notified of any corporate announcements released to Bursa Malaysia Securities Berhad and also restriction in dealings with securities of the Company at least one month prior to the quarterly financial results announcement.

The Board also exercises control over matters that require the Board's approval through the Directors' Circular Resolutions as permitted under the Company's Articles of Association.

All Directors have access to the advice and services of the Company Secretary who advises the Board on procedures for the management of its meetings. All other senior management personnel are always on stand-by during every Board and its Committee meetings to provide detailed briefing and clarifications on meeting agendas.

As and when required the Board also engages independent professionals at the Company's expense, to advise on issues of concern to facilitate the proper discharge of their statutory and fiduciary duties.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

COMMITTEES ESTABLISHED BY THE BOARD

The Board had delegated certain functions to the Committees it established to assist in the execution of some of its responsibilities. The Committees operate under clearly defined Terms of Reference. The Chairman of the respective Committees reports to the Board on the outcome of the Committees meetings and such reports and minutes are included in the Board papers.

Executive Committee ("EXCO")

The EXCO was discontinued with effect from 13 June 2010. In its place, a Risk Management Committee was established to provide effective support to the Board in managing projects and issues that are of significance to the Group.

Risk Management Committee ("RMC")

The RMC was established on 13 June 2010 immediately after the AGM. Majority of its members are Independent Directors. Even the GMD is not a member of RMC thus ensuring real independence. The RMC meets at least six (6) times for regular scheduled meetings annually. The RMC is chaired by Datuk Mohd Nasir bin Ahmad the Senior Independent Non-Executive Director. Other members are Dato' Abdul Rahman bin Ibrahim, Dr. Abdul Wahab bin Ismail and YB Senator Ir. Zamri bin Yusuf.

The Terms of Reference of the RMC are as follows :-

TERMS OF REFERENCE	
Objective	<ul style="list-style-type: none"> (a) To ensure that a risk management framework is embedded throughout BDB Group; (b) To ensure that the risk management framework is consistently adopted throughout the Group and is within the parameters established by the Board; and (c) To ensure compliance with external requirements such as the Bursa Malaysia Securities Berhad's Statement of Internal Control – Guidance for Directors of Public Listed Companies.
Authority & scope	<ul style="list-style-type: none"> (a) Whilst the Board still retains ultimate responsibility for risk management and for determining the appropriate level of risk appetite a Board Risk Management Committee ("RMC") is established to assist the Board in providing assurance concerning the Group's risk profile to the Board. (b) The Board has delegated authority to RMC with a remit that encompasses risk management activities within the Group including compliance with the risk management strategy. The RMC reports to the Board.
Composition	<ul style="list-style-type: none"> (a) The RMC shall be appointed by the Board and shall comprise not fewer than three (3) members. (b) The membership of the RMC should be approved by the Board and include a mixture of risk and business management knowledge and experience. (c) The members of the RMC shall elect a Chairman from amongst their number. (d) In the event of any vacancy in the RMC resulting in the number of members being reduced to below three (3), the Board shall, within three (3) months fill the vacancy. (e) Other Board members, Managing Director, Head of Business Units and/or other appropriate officers may attend meetings only upon the invitation of the Committee.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

TERMS OF REFERENCE	
Minutes & meetings	<p>(a) The RMC shall meet at least quarterly. However, additional meetings may be called at any time at the RMC Chairman's discretion.</p> <p>(b) The quorum for the meeting shall be two (2) members.</p> <p>(c) The Company Secretary shall act as Secretary of the RMC and shall be responsible, with the concurrence of the Chairman of the RMC, for drawing up and circulating the agenda and notice of meetings together with supporting explanatory documentation to all RMC members at least five (5) days prior to each meeting. If there is a unanimous consent by the members of the Board present in the meeting, a short notice shall suffice.</p> <p>(d) The minutes of each Committee meeting shall be circulated to the Committee's members and presented to the Board for its review.</p>
Roles & responsibilities	<p>(a) Re-establishing risk management context/structure:</p> <ul style="list-style-type: none"> • Formalise BDB Group's Risk Management Policy ('RMP') including clearly setting out the objectives, strategy and scope of risk management activities for the Group; and • Ensure that the Group's risk management strategy, framework and methodology have been implemented and consistently applied. <p>(b) Re-establishing risk management process:</p> <ul style="list-style-type: none"> • Ensure that a well structured & systematic process exists to ensure comprehensive identification, assessment & management of risks facing BDB; • Ensuring that the risk management strategy is clearly communicated to relevant personnel of the Group; and • Ensuring that appropriate training in risk awareness & risk management is conducted at key levels. <p>(c) Re-establishing monitoring and reporting mechanism:</p> <ul style="list-style-type: none"> • On quarterly basis, ensure that appropriate reporting and feedback is received from management with regards to risk management activity carried out; • Responsible for annual reporting on the Group Risk Profile (risks, controls and mitigating action plans) to the Board; and • Responsible for immediate reporting to the Board on any major changes to the risk profile requiring immediate attention/notification.

Management Risk Committee ("MRC")

TERMS OF REFERENCE	
Status	The Management Risk Committee ("MRC") is a committee constituted by the Heads of Business Unit of BDB.
Membership	<ol style="list-style-type: none"> 1. Group Managing Director 2. Head of Group Corporate Services & Legal 3. Head of Group Accounts & Finance 4. Head of Human Resources & Administration 5. Head of Group Corporate Assurance 6. Head of Kedah Sato Sdn. Bhd. 7. Head of BDB Construction Sdn. Bhd. 8. Head of Syarikat Bina dan Kuari Kedah Sdn. Bhd.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

TERMS OF REFERENCE	
Membership (cont'd)	9. Head of BDB Quarry Sdn. Bhd 10. Head of Darulaman Realty Sdn. Bhd. 11. Head of Kedah Holdings Sdn. Bhd. 12. Head of Darulaman Golf Resort Berhad 13. Head of BDB Hotels Sdn. Bhd.
Primary Purpose	The MRC is responsible for assisting the GMD in ensuring risk management is adequately carried out, as part of their responsibility in evaluating and making key strategic and operational decisions.
Responsibilities	Specific responsibilities include: Group Managing Director ("GMD") The GMD who acts as the Chairman of MRC and Chief Risk Officer of BDB is responsible for: <ul style="list-style-type: none"> • Overseeing the risk management activities of BDB; • Ensuring effective implementation of risk management activities and compliance with Risk Management Policy and Procedures; • Review of existing risk profile, action plans and identification of new risks as they occur; • Challenge significant changes to current Risk Profile and the completeness of Risk Profile; • Provide input to performance evaluation of Head of RMD with regards to his role in risk management; • Review the independence and objectivity of Head of RMD and his risk management team with regards to their role in risk management; • Review the adequacy of scope, functions and resources of RMD and ensure that RMD has the necessary authority to carry out its responsibilities with regards to the department's role in risk management; • Ensure that all action plans are acted upon and addressed; and • Ultimate sign-off on all risk information of BDB to the RMC. MRC The MRC assists the GMD in ensuring risk management is adequately carried out, as part of their responsibility in evaluating and making key strategic and operational decisions. Other responsibilities include: <ul style="list-style-type: none"> • Provide oversight for ERM implementation across BDB; • Recommends or advise on significant proposed changes to risk management policies and strategies for approval by the RMC; • Ensure BDB level risks are being reviewed and actions are appropriately followed up by the respective business units; • Challenge and Evaluate new strategic business risks including BDB matters (e.g. Regulatory, Business Development) and key operational risks; • Monitors the risk management exposure of BDB; <ul style="list-style-type: none"> - Reviews the BDB Risk Profile for effective management of risks; - Evaluates any new risks identified by Risk Coordinators and follow up on management action plans reported by Risk Coordinators; and - Responsible for ensuring that strategic business risks are considered at BDB level. • Together with other committees, management, RMD and external auditors, review any significant risks and exposures that exist and assess the steps management has taken to minimise such risk to BDB; • Benchmark risk management exposure of BDB against other industry players; • Review reports on compliance with risk management policies and recommend action where necessary; and • Ensure that the risk management process & culture are embedded throughout BDB.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

TERMS OF REFERENCE	
Decision-Making Authority	Specific operational decisions. No specific decision-making authority in other areas. The MRC will make recommendations to the GMD. The GMD is tasked to update the RMC on a quarterly basis on risk management matters.
Key relationships	<ul style="list-style-type: none"> • Group Managing Director ("GMD") • Head, Risk Management Department ("RMD")
Meetings (specific to Risk Management only)	The MRC shall meet at least four times each year and at such other time(s) as it deems necessary to fulfill its risk management responsibilities. Each member of the Committee is entitled to one (1) vote in deciding the matters deliberated in the meeting. The decision that gained the majority votes of the Committee shall be the decision of the Committee. In the event of an equality of votes, the Chairman of the Committee shall be entitled to a second or casting vote.
Reports	<ul style="list-style-type: none"> • On a quarterly basis, the MRC shall prepare a report on the risk profile of BDB and related action plans for submission and discussion at the Board RMC. • The MRC shall prepare a report each year concerning its activities in compliance with these terms of reference to be tabled to the RMC.

Risk Management Department ("RMD")

TERMS OF REFERENCE	
Accountability Objective	The Risk Management Department ("RMD") acts as the secretariat to the MRC.
Primary Roles & Responsibilities	<p>Specific responsibilities include:</p> <ul style="list-style-type: none"> • Propose BDB risk management strategies, policies and procedures aligned with the achievement of BDB's strategic objectives for Audit Committee's consideration; • Review and recommend changes to ERM framework where necessary; • Attends and participate at MRC meeting as risk management secretariat; • Consolidating risk information and monitoring the status of risk management activities across BDB; • Obtain GMD's approval on the BDB Risk Profile; • Actively provide ongoing support to the GMD and MRC, including facilitating strategic risk assessments at the BDB level; • Assist MRC in benchmarking risk exposure of BDB against other industry players; • Provide independent assessments of, and recommendations to, improve risk management capabilities; • Keep abreast of market best practices and latest developments in risk management to update BDB's Enterprise Risk Management Framework; • Assist MRC in championing risk awareness and training efforts in BDB; • Work with Human Resources Department to establish relevant training programs for staff of BDB towards enhancing their knowledge and skills in risk management; • Embedded risk management in key processes of BDB and ensure sustainability of the risk management program;
Other Reporting	<ul style="list-style-type: none"> • Quarterly reports on BDB level risks for submission to the Board RMC; • Quarterly updates to the RMC on risk management activities (and any initiatives) from the business units; and • Ad hoc reporting to GMD and MRC on any new BDB risks that might require immediate attention of senior management. • Advise the MRC. • Serve as secretariat to the MRC. • Assist the MRC in discharging its functions pertaining to risk management and compliance with regulatory requirements by ensuring appropriate risk management policies are implemented in BDB.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

Nomination & Remuneration Committee ("NRC")

The NRC was established on 16 January 2005. The NRC is chaired by Dato' Abdul Rahman bin Ibrahim. The other members of NRC are Dato' Jahubar Sathik bin Abdul Razak, Sr. Che Had bin Dhali and Saiful Izham bin Ramli.

The Terms of Reference of the NRC include the following:-

1. Proposing new nominees to the Board and assess director's performance on an ongoing basis. In making its recommendations, the NRC will consider the candidates:-
 - skills, knowledge, expertise and experience
 - professionalism
 - integrity; and
 - for the position of independent non-executive directors, the NRC will also evaluate the candidate's ability to discharge such responsibilities/functions as expected from independent non-executive directors.
 - make recommendations, on candidates for directorships proposed by the Executive Director ("ED") and within the bounds of practicality by any other senior executive or any director or shareholder.
 - recommend to the Board of Directors to fill the seats on board committees.
2. Assessing the effectiveness of the board as a whole, the committees of the board, and assessing the contribution of each individual director, including Independent Non-Executive Directors, as well as the ED.
3. To assist and recommend to the Board in reviewing the performance of senior management personnel for appointment and promotion.
4. To review and recommend as and when necessary the terms and benefits of the employees as contained in the Group Service Scheme.

The NRC will meet as required. Four (4) meetings, which were attended by all members, were held during the financial year. All recommendations of the NRC are subject to endorsement by the Board. The NRC was generally satisfied with the performance and effectiveness of the Board and Board Committees.

Audit Committee

The Audit Committee is chaired by Datuk Mohd Nasir bin Ahmad. The other members are Dato' Abdul Rahman bin Ibrahim, YB Senator Ir. Zamri bin Yusuf and Prof Dato' Din Merican. The Terms of Reference and summary of activities of the Audit Committee are set out on pages 41 to 44.

A. Appointments to the Board

The Nomination & Remuneration Committee is responsible for making recommendations to the Board for the Company and its Subsidiaries.

B. Re-election of Directors

The Company's Articles of Association require that one-third or the number nearest to one-third of the Directors shall retire from office at each Annual General Meeting ("AGM"). All retiring Directors can offer themselves for re-election. Directors who are appointed by the Board during the financial year are subject to retirement and re-election at the subsequent AGM following their appointment.

Information on the retiring Directors is disclosed in the Statement Accompanying the Notice of AGM.

C. Section 129 of the Companies Act, 1965

This Section requires Directors over the age of seventy (70) years to submit themselves for re-appointment at every Annual General Meeting ("AGM") in accordance with Section 129(6) of the Companies Act, 1965.

At the last AGM, Dato' Paduka Hj. Mohd Saad bin Endut and Prof Dato' Din Merican retired under this section and were duly re-appointed until this coming AGM.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

Audit Committee (cont'd)

D. Directors Training

The Board acknowledges that continuous education is vital for the Directors to enhance their skills and knowledge in discharging their duties and responsibilities effectively. Accordingly the Directors will continue to attend relevant courses and seminars held externally.

During the year, the training programmes, seminars and / or conferences attended by the Directors are summarized as below:-

	Dato' Paduka Hj. Mohd Saad bin Endut	Dato' Jahubar Sathik bin Abdul Razak	Datuk Mohd Nasir bin Ahmad	Sr.Che Had bin Dhali	Prof. Dato' Din Merican	YB Senator Ir. Zamri bin Yusuf	Saiful Izham bin Ramli	Dato' Abdul Rahman bin Ibrahim
Corporate Governance Guide : Towards Boardroom Excellence	√							
2 nd Annual Corporate Governance Summit 2010		√	√		√	√	√	
Annual Conference 2010 "Governance & Ethical Practices in the Boardroom"				√				
Mandatory Accreditation Programme (MAP) for Director of Public Listed Company							√	
2 nd Langkawi International Conference on Islamic Economics and Finance (LIFE 2010)		√					√	√

Corporate Social Responsibilities

The Group is fully committed to the environment and the communities in which it operates. During the year, the Group supported important social efforts undertaken by the Kedah State Government through donations for natural disaster victims.

The Group also financially supported the State owned Kolej Universiti Insaniah to organize the 2nd Langkawi International Conference on Islamic Economics & Finance (LIFE) in Langkawi. The Group also contributed to maintenance of school buildings. It also gave good support to the Old Boys' Association of Kolej Sultan Abdul Hamid (SAHOCA) in its efforts to build a new Assembly Hall for the oldest school in the State.

The Group paid zakat to Jabatan Zakat Negeri Kedah for distribution including to about 195 workers employed by the Group. This is in addition to the Group's support for Tabung Amanah Tunku Mahmud which is active in helping the poor and the destitute in Kedah. The Group also sponsored sports as well as charity activities organized by Yayasan Sultanah Bahiyah.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

Directors Remuneration

The details of Directors' Remuneration for the financial year ended 31 December 2010 are follows:

	Executive Director (RM)	Non-Executive Directors (RM)	Total (RM)
Directors' Remuneration (RM)			
Salaries and other emoluments **	258,000	179,250	437,250
Fees *	36,000	288,000	324,000
Benefits in Kind **	51,500	1,800	53,300
Total	345,500	469,050	814,550

* To be approved at the forthcoming Annual General Meeting

** To be determined by the Board

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
RM0 – RM50,000	-	7
RM50,001 – RM100,000	-	-
RM100,001 – RM150,000	-	1
RM150,001 – RM250,000	1	-
Total	1	8

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

SHAREHOLDERS

a. Dialogue With Investors

The Board and Management convey information about the Company's performance and other matters affecting shareholders' interests to the shareholders and potential investors through timely dissemination as follows:-

- Annual Report is released within six (6) months after the financial year end.
- The various timely disclosures and announcements made to Bursa Malaysia Securities Berhad including the release of financial results on quarterly basis.
- All announcements are electronically published at the Bursa website and the company's website <http://www.bdb.com.my>.
- Media Release

CORPORATE GOVERNANCE STATEMENT (CONT'D)

SHAREHOLDERS (cont'd)

b. Annual General Meeting ("AGM")

This is the proper avenue for the Shareholders to communicate on issues relating to the Company. The notice of AGM and the Annual Report are sent out at least 21 days before the AGM date in accordance with the Articles of Association of the Company.

The Board also encourages shareholders to participate in the question and answer session at the AGM. The Chairman and where appropriate the GMD will respond to the Shareholders' questions during the meeting. Where necessary the Chairman will undertake to provide a written answer to any significant question that cannot be readily answered during the meeting.

The Company appreciates all comments, feedbacks and suggestions, which can be sent to the e-mail address: **bina_darulaman@bdb.com.my**

Extraordinary General Meeting will be held as and when required.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board of Directors has the responsibility to present a true and fair assessment of the Group's position and prospects in the quarterly reports to the Bursa Malaysia Securities Berhad and the Annual Reports to shareholders.

Internal Control

The Group Statement of Internal Control is set out on pages 46 to 48.

Relationship with the Auditors

The Group has always maintained transparent relationship with the auditors in seeking professional advice and ensuring compliance with appropriate accounting and auditing standards.

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 on pages 42 to 43.

ADDITIONAL COMPLIANCE INFORMATION

1. **Approved Utilization of Funds**

During the financial year ended 31 December 2010, there were no proceeds raised by the Company from any corporate proposals which required Securities Commission's approval.

2. **Options Warrants or Convertible Securities Exercised**

The Company did not issued any convertible securities or warrants during the financial year ended 31 December 2010.

3. **American Depository Receipt ("ADR") or Global Depository Receipt ("GDR")**

The Company has not sponsored any ADR or GDR programme in the financial year ended 31 December 2010.

4. **Variation in Results**

There is no significant variance in the BDB audited financial results for the financial year ended 31 December 2010 from the unaudited results as previously announced.

5. **Profit Guarantee**

The Company has not issued any profit guarantees in the financial year ended 31 December 2010.

6. **Imposition of Sanctions and/or Penalties**

There were no public sanctions and/or penalty imposed on the Company and its subsidiaries; directors or management by any regulatory bodies during the financial year.

7. **Revaluation Policy on Landed Properties**

The Group does not have any revaluation policy except for investment properties.

8. **Non-Audit Fees**

An amount of RM40,000.00 was paid as non-audit fees to the external auditors and their affiliated companies for the financial year ended 31 December 2010.

9. **Material Contract**

There were no material contracts entered into by the Company and its subsidiaries involving directors and major shareholders' interest during the financial year under review except for the Sale and Purchase Agreement between our wholly owned subsidiary company, Darulaman Realty Sdn Bhd and Kedah State Government on 22 July 2010 for the sale of a piece of land in Kuala Ketil, District of Baling.

10. **Share Buy-Backs**

The Company has not purchased any of its own shares during the financial year ended 31 December 2010.

11. **Responsibility Statement for Preparing the Annual Audited Financial Statements**

The Board has seen and approved the annual audited financial statements for the financial year ended 31 December 2010 and collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making reasonable enquiries to the best of the knowledge and belief, there are no other facts, the omission of which would make any statement or information therein misleading.

The directors are also satisfied that all relevant approved accounting standards have been followed in the preparation of the financial statements.

12. **Statement of Compliance with the Principles and Best Practices of the Code**

This statement is made in accordance with a resolution of the Board of Directors dated 17 April 2011.

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 2010.

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 the Bursa Malaysia Securities Berhad ("Bursa Malaysia") Listing Requirements, 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 / Independent Non-Executive Director
2.	Dato' Abdul Rahman bin Ibrahim	Member / Non-Independent Non-Executive Director
3.	Y.B Senator Ir. Zamri bin Yusuf	Member / Independent Non-Executive Director
4.	Dato' Wira Hj. Hassan bin Taib (Resigned on 13.6.2010)	Member / Independent Non-Executive Director
5.	Prof. Dato' Din Merican (Appointed on 13.6.2010)	Member / Independent Non-Executive Director

2. CONSTITUTION

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

3. MEETINGS

During the year ended 31 December 2010, the Committee met five (5) times on 21 February 2010, 28 April 2010, 23 May 2010, 25 July 2010 and 24 October 2010.

Name		Number of Meetings	
		Held	Attend
1	Datuk Mohd Nasir bin Ahmad	5	5/5
2.	Dato' Abdul Rahman bin Ibrahim	5	5/5
3.	Y.B Senator Ir. Zamri bin Yusuf	5	5/5
4	Dato' Wira Hj. Hassan bin Taib	5	3/3
5.	Prof. Dato' Din Merican	5	2/2

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 among themselves who is an Independent Director. An alternate director shall not be appointed as a member of the Audit Committee.

REPORT OF THE AUDIT COMMITTEE (CONT'D)

4. TERMS OF REFERENCE OF THE AUDIT COMMITTEE (cont'd)

Membership (cont'd)

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 1st 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 1st Schedule of the Accountants Act 1967; or
- c. fulfils such other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad ("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"), Deputy General Manager Group Corporate Services & Legal/Company Secretary, Senior Manager Group Accounts & Finance, Manager Group Corporate Assurance and representatives of the external auditors. Other Board members and Senior Management may attend meetings at the invitation of the Audit Committee. At least twice (2) a year, the Audit Committee shall meet with the external auditors and internal auditors without any Executive Board or Officer of the Group being present. Additional meetings may be held upon request by any Audit Committee member, the Management, Internal or External Auditors.

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, Deputy General Manager Group Corporate Services & Legal/Company Secretary, Senior Manager Group Accounts & Finance, Manager Group Corporate Assurance and the external auditors in order to keep abreast of matter and issues affecting the Group. Key issues discussed are reported by the Chairman of the Audit Committee to the Board.

Secretary

The Deputy General Manager Group Corporate Services & Legal/Company Secretary shall act as secretary of 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.

REPORT OF THE AUDIT COMMITTEE (CONT'D)

4. TERMS OF REFERENCE OF THE AUDIT COMMITTEE (cont'd)

Authority

In view of its duties and functions, the Audit Committee has the following authority, as empowered by the Board, at cost of the Company, 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.

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 auditor 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;

REPORT OF THE AUDIT COMMITTEE (CONT'D)

4. TERMS OF REFERENCE OF THE AUDIT COMMITTEE (cont'd)

Duties (cont'd)

(viii) To do the following, in the 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 managements' 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 five (5) 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 annual audit;
- ii. the unaudited quarterly financial results / announcements of the Group 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 reappointment 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;

REPORT OF THE AUDIT COMMITTEE (CONT'D)

5. SUMMARY OF THE AUDIT COMMITTEE'S ACTIVITIES (cont'd)

- 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 the adequacy of the scope and coverage of work;
- 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 reports 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 the business units and project of the Group.

The Board and Audit Committee are assisted by Group Corporate Assurance Department (Internal Staff) and JAP Consulting 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 RM281,499.30.

Throughout the year, a total of eight (8) audit assignments and follow up audits were carried out and completed by the Group Corporate Assurance Department on the various business units and projects. Areas of audit encapsulate project monitoring, quality assurance/quality control, financials, asset management, human resource and administration matters, procurement, quarry management, environmental together with health and safety issues, planning management, sales and marketing.

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 management of the business units and project are responsible for ensuring that corrective actions are taken on reported weaknesses within the required time frame. Management is also responsible for ensuring a status report of actions plans taken and audit finding are sent to the internal auditors for review and subsequently presentation to the Audit Committee.

REPORT OF THE AUDIT COMMITTEE (CONT'D)

6. INTERNAL AUDIT FUNCTION (cont'd)

The audit encompassed the following activities:-

- ascertain the extent of compliance with established policies and procedures and statutory requirements;
- perform operational audits on business units and projects of the Groups to ascertain the soundness, adequacy and integrity of their system of internal controls and made recommendations for improvement where weaknesses exist;
- conduct follow up reviews to determine the adequacy, effectiveness and timeliness of action taken by management on audit recommendations and provided updates on their status to the Audit Committee;
- appraise the project management process, which includes among others, monitoring the progress of projects in tandem with the quality requirements, the materials requirement planning aspect, the claims and payment processes, compliance to Health, Safety, Security and Environmental issues, site administration, sufficiency of staffing including the delegation of job functions;
- ascertain the effectiveness of the Human Resource function in terms of meeting the management's expectation over the administration of the Human Resource and Admin Department and the timely communication of the existing policies and procedures, together with the changes thereto, to promote efficiency and to ensure standardization on staff matters for the Group;
- determine the extent to which the Company's and the Group's assets are accounted for and the effectiveness of the related security measures to minimize the Group's exposure to potential losses;
- appraise the reliability and usefulness of information developed within the Company and Group for management;
- prepare the annual audit plan for deliberation by the Audit Committee;
- act on suggestions made by external auditors and/or senior management on concerns over operations or control; and
- review the register of related party transactions and to ensure that the review procedures in respect of such transactions are adhered to.

STATEMENT OF INTERNAL CONTROL

This statement is made in accordance with the Malaysian Code on Corporate Governance and Paragraph 15.26 (b) of the Bursa Malaysia Securities Berhad ("Bursa Malaysia") Listing Requirements that stipulates the Board of Directors must make a statement in its Annual Report about the state of internal control in the Company as a Group. 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 and risk management as well.

The Board is responsible for identifying the nature and extent of major business risks faced by the Group, evaluating and managing the risks instead of attempting to eliminate these risks that would prevent the achievement of the Group's business objectives. The Board through its sub-committee namely the Risk Management Committee will continuously evaluate and manage risks faced by the Group and regularly review the planned actions, to ascertain the risks are mitigated and well managed.

In line with the Malaysian Code on Corporate Governance, the system of internal controls are designed to safeguard the assets of the Group and shareholders' investment, to ensure the maintenance of proper accounting records and to provide 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 of set regulation. In addition, the concept of reasonable assurance also recognizes that the cost of control procedures should not exceed the expected benefits.

KEY INTERNAL CONTROLS FEATURES

The key features of the Group's internal control can be summarized as follows:

- Clear definition to the terms of reference including functions, authorities and responsibilities of the various Board and Management Committees established in the Group, to assist the Board in discharging its duties. The Committees include the:
 - o Executive Committee (EXCO) – up to 13 June 2010
 - o Risk Management Committee – from 13 June 2010
 - o Audit Committee
 - o Nomination / Remuneration Committee
- The Executive Committee comprising of four (4) Board members has been given authority to assist the Board in making quick decisions on certain operational issues such as tender submissions, employee related matters and generally other business dealings.
- On 13 June 2010 the Risk Management Committee was established to replace the Executive Committee comprises four (4) Board members to assist the Board in assessing, evaluating and managing the potential risks associated with the operations and ensuring adequate risk mitigation plans have been developed and implemented effectively.
- Bina Darulaman Berhad 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 operate within an overall framework which is determined by the Board. This is supported by a well-defined organizational structure with a clear line of accountability.

STATEMENT OF INTERNAL CONTROL (CONT'D)

KEY INTERNAL CONTROLS FEATURES (cont'd)

- 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 and revenue proposals above certain limits is reserved to the Board. Other investment decisions are delegated for approval in accordance with authority limits established. The authority of the Directors are 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.
- Clearly and systematically documented internal procedures set-out in Bina Darulaman Berhad Group such as Policies, Procedures and Standard Operating Procedures to resolve operational deficiencies are made available to guide staff in their day-to-day work. All standards, policies and guidelines are revised regularly and updated when necessary with approval by the Board of Directors, and cases of non-compliance are reported to the Board by exception.
- A detailed budgeting process where operating units (subsidiaries) prepare their annual budgets, three (3) years Business Plan and performance reports for consideration by the Executive Committee before being presented to Board of Directors for approval. The Board has reviewed and approved the annual budgets and 3 years 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.
- The Board of Directors has initiated an ongoing process to ensure the achievement of the Group business objectives via a comprehensive information system where budgets, key business indicators and performance results on operations are in place to monitor performance. The system allows the management and Directors to review business unit's performance against budgets and performance indicator on monthly basis. Key variances are followed up by management and reported on quarterly basis to the Board of Directors.
- 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.
- Training and development programme, which are identified and scheduled for employees to acquire the necessary knowledge and competency to meet their performance and job expectations. Corporate values, which emphasize teamwork and ethical behaviour, have been fully communicated to the Groups' staff.
- The preparation of quarterly and full year financial results, as announced or otherwise published to shareholders. Performance analysis on financial performance and business objectives are regularly carried out to ensure significant differences are investigated into.
- Executive Director and senior management staff conduct regular site visits and communicate with employees of different levels to have first-hand knowledge of significant operational matters and risks.
- In respect of joint ventures entered into by the Group, the management of the joint ventures, which consist of representations from the Group and other joint venture partners, is responsible to oversee the administration, operation, performance and executive management of the joint venture. Financial and operational information of these joint ventures are provided regularly to the management of the Company.
- Internal compliance – Bina Darulaman Berhad monitors compliance with its internal financial controls through management reviews and reports which are internally reviewed by key personnel.
- Regular reporting of legal, accounting and other newer developments to the Board of Directors.
- Adoption and compliance to the Guidelines on Internal Audit Function.

STATEMENT OF INTERNAL CONTROL (CONT'D)

KEY INTERNAL CONTROLS FEATURES (cont'd)

The Internal Audit team also monitors and reports on the systems of financial and operational controls implemented by the Management and reports regularly to the Audit Committee which in turn, reviews the effectiveness of the system of internal controls.

The Internal Audit team independently focuses on the key areas of business risk. It works on a risk based approach audit plan agreed annually with the Audit Committee. The team advises executive and operational management on areas for improvement and subsequently reviews the extent to which its recommendations have been implemented.

The Audit Committee, by considering both internal and external Audit Reports, is able to gauge the effectiveness and adequacy of the internal control system in presenting the audit issues 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 monitoring process set out above. The Company has effectively complied with the provisions of the Malaysian Code on Corporate Governance and the Malaysian Code on Internal Control pursuant to the Listing Requirements of the Bursa Malaysia.

State of Internal Control during the Year Under Review

- For the year under review, the Board is of the view that the Group's system of internal controls was generally sound and effective. None of the control weaknesses identified have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Annual Report.
- This statement is made in accordance with the resolution of the Board of Directors on 17 April 2011.



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DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2010.

Principal activities

The principal activities of the Company are investment holding, provision of the management services, oil palm plantation and property development.

The principal activities of the subsidiaries are described in Note 16 to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year.

Results

	Group RM	Company RM
Profit for the year	13,652,899	3,773,646
Profit attributable to:		
Owners of the parent	13,662,834	3,773,646
Minority interests	(9,935)	-
	<u>13,652,899</u>	<u>3,773,646</u>

There were no material transfers to or from reserves or provisions during the financial year.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Dividend

The amount of dividends paid by the Company since 31 December 2009 was as follows:

In respect of the financial year ended 31 December 2009 as reported in the directors' report of that year:

	RM
Final dividend of 7 sen less 25% taxation, on 66,196,256 ordinary shares, declared on 20 May 2010 and paid on 19 July 2010	<u>3,475,303</u>

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2010, of 7% less 25% taxation on 72,815,856 ordinary shares, amounting to a dividend payable of RM3,822,832 (5.25 sen net per ordinary share) 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 2011.

DIRECTORS' REPORT (CONT'D)

Directors

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Dato' Paduka Hj. Mohd Saad bin Endut
 Dato' Haji Abdul Rahman bin Ibrahim
 Dato' Jahubar Sathik bin Abdul Razak
 Sr. Che Had bin Dhali
 YB Senator Ir. Zamri bin Yusuf
 Dr. Abd. Wahab bin Ismail
 Prof. Dato' Din Merican
 Datuk Mohd. Nasir bin Ahmad
 Saiful Izham bin Ramli (appointed on 13 June 2010)
 Dato' Wira Hj. Hassan bin Taib (resigned on 13 June 2010)

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Notes 8 and 10 to the financial statements or the fixed salary of a full-time employee of the Company or its related corporations) by reason of a contract made by the Company or a related corporation with any 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, except as disclosed in Note 33 to the financial statements.

Directors' interests

None of the directors in office at the end of the financial year had any interest in shares of the Company or its related corporations during the financial year.

Issue of shares

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM 66,196,256 to RM 72,815,856 by way of issuance of 6,619,600 ordinary shares of RM 1 each at an issue price of RM 1.20 per ordinary shares via private placement.

The new ordinary shares issued during the financial year ranked parri passu in all respects with the existing ordinary shares of the Company.

Options granted

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

Other statutory information

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowances for impairment and satisfied themselves that all known bad debts had been written off and that adequate allowances for impairment had been made for receivables; and
 - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

DIRECTORS' REPORT (CONT'D)

Other statutory information (cont'd)

- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) the amount write off for bad debts or the amount of the allowances for impairment in respect of the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
- (i) any charge on the assets of the Group and the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Subsequent events

Subsequent events are disclosed in Note 34 to the financial statements.

Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 17 April 2011.

Dato' Paduka Hj. Mohd Saad bin Endut

Dato' Jahubar Sathik bin Abdul Razak

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Dato' Paduka Hj. Mohd Saad bin Endut and Dato' Jahubar Sathik bin Abdul Razak, being two of the directors of Bina Darulaman Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 56 to 133 are drawn up in accordance with Financial Reporting Standards and 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 at 31 December 2010 and of the financial performance and cash flows for the year then ended.

The information set out in Note 40 to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 17 April 2011.

Dato' Paduka Hj. Mohd Saad bin Endut

Dato' Jahubar Sathik bin Abdul Razak

STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Dato' Jahubar Sathik bin Abdul Razak, being the director primarily responsible for the financial management of Bina Darulaman Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 56 to 133 are in my opinion 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 Dato' Jahubar Sathik bin Abdul Razak
at Alor Star in the State of Kedah Darul Aman
on 17 April 2011

Dato' Jahubar Sathik bin Abdul Razak

Before me,
Commissioner for Oaths

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 2010 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 56 to 133.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 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 judgment, 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 Company's preparation and fair presentation of the financial statements 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 Company's internal control. An audit also includes evaluating the appropriateness of the 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 have been properly drawn up in accordance with Financial Reporting Standards and 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 at 31 December 2010 and of their financial performance and cash flows for the year then ended.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BINA DARULAMAN BERHAD

(COMPANY NO. 332945 - X) (INCORPORATED IN MALAYSIA) (cont'd)

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 of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 16 to the financial statements.
- c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.
- d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

Other matters

The supplementary information set out in Note 40 on page 134 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysia Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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.

Ernst & Young
AF: 0039
Chartered Accountants

Kuala Lumpur, Malaysia
17 April 2011

Ahmad Zahirudin bin Abdul Rahim
No. 2607/12/12(J)
Chartered Accountant

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	Note	2010 RM	2009 RM
Continuing operations			
Revenue	4	182,408,181	214,318,360
Cost of sales	5	(148,291,554)	(180,153,247)
Gross profit		<u>34,116,627</u>	<u>34,165,113</u>
Other income	6	10,978,852	11,343,545
Other items of expense			
Marketing and distribution		(1,275,911)	(1,074,109)
Administrative expenses		(15,984,259)	(16,022,498)
Finance costs	7	(7,718,345)	(7,441,185)
Other expenses		(205,626)	(280,001)
Share of results of unincorporated joint venture		-	125,045
Profit before taxation	8	<u>19,911,338</u>	<u>20,815,910</u>
Income tax expense	11	(6,258,439)	(6,090,931)
Profit representing total comprehensive income for the year		<u><u>13,652,899</u></u>	<u><u>14,724,979</u></u>
Profit representing total comprehensive income attributable to:			
Owners of the parent		13,662,834	14,728,991
Minority interests		(9,935)	(4,012)
		<u><u>13,652,899</u></u>	<u><u>14,724,979</u></u>
Earnings per share from continuing operation attributable to owners of the parent (sen per share)			
Basic	12	<u><u>19.66</u></u>	<u><u>22.25</u></u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	Note	2010 RM	2009 RM
Continuing operations			
Revenue	4	9,877,776	10,567,981
Cost of sales	5	(1,296,182)	(1,016,542)
Gross profit		8,581,594	9,551,439
Other income	6	3,528,535	4,542,578
Other items of expense			
Marketing and distribution		(253,869)	(470,155)
Administrative expenses		(5,083,928)	(5,276,150)
Finance costs	7	(1,452,530)	(1,226,673)
Other expenses		(325,950)	-
Profit before taxation	8	4,993,852	7,121,039
Income tax expense	11	(1,220,206)	(2,295,470)
Profit representing total comprehensive income for the year		<u>3,773,646</u>	<u>4,825,569</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2010

	Note	2010 RM	2009 Restated RM	As at 1.1.2009 Restated RM
Assets				
Non-current assets				
Property, plant and equipment	13	64,890,786	60,013,334	55,579,270
Land held for property development	14	95,291,910	108,956,777	104,647,325
Investment properties	15	146,520	150,120	8,872,268
Interest in unincorporated joint venture	17	727,910	727,910	602,865
Investment securities	18	619,200	583,696	355,137
Deferred tax assets	26	49,424	951,145	465,654
Trade receivables	19	70,793,167	53,065,632	69,617,505
		<u>232,518,917</u>	<u>224,448,614</u>	<u>240,140,024</u>
Current assets				
Property development costs	14	22,201,173	8,952,868	17,323,299
Inventories	20	13,362,257	7,792,057	4,207,321
Trade and other receivables	19	113,590,267	101,668,111	110,742,959
Tax recoverable		3,647,979	1,627,063	1,560,668
Cash and bank balances	21	85,805,874	73,450,052	58,523,401
		<u>238,607,550</u>	<u>193,490,151</u>	<u>192,357,648</u>
Total assets		<u>471,126,467</u>	<u>417,938,765</u>	<u>432,497,672</u>
Equity and liabilities				
Current liabilities				
Income tax payable		344,873	615,750	532,978
Loans and borrowings	22	22,658,986	23,074,493	68,232,780
Trade and other payables	24	98,998,960	79,344,791	98,076,847
Dividend payable		21,043	20,048	22,875
		<u>122,023,862</u>	<u>103,055,082</u>	<u>166,865,480</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (cont'd)

AS AT 31 DECEMBER 2010

	Note	2010 RM	2009 Restated RM	As at 1.1.2009 Restated RM
Non-current liabilities				
Deferred tax liabilities	26	3,561,947	1,758,003	1,770,644
Loans and borrowings	22	121,816,038	107,368,764	70,575,811
		<u>125,377,985</u>	<u>109,126,767</u>	<u>72,346,455</u>
Total liabilities		<u>247,401,847</u>	<u>212,181,849</u>	<u>239,211,935</u>
Equity attributable to owners of the parent				
Share capital	27	72,815,856	66,196,256	66,196,256
Other reserves	28	17,072,415	15,901,907	15,901,907
Retained earnings	29	125,754,139	115,566,608	103,091,417
		<u>215,642,410</u>	<u>197,664,771</u>	<u>185,189,580</u>
Minority interests		8,082,210	8,092,145	8,096,157
Total equity		<u>223,724,620</u>	<u>205,756,916</u>	<u>193,285,737</u>
Total equity and liabilities		<u>471,126,467</u>	<u>417,938,765</u>	<u>432,497,672</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2010

	Note	2010 RM	2009 Restated RM	As at 1.1.2009 Restated RM
Assets				
Non-current assets				
Property, plant and equipment	13	16,868,944	17,599,962	18,732,953
Land held for property development	14	13,098,680	13,098,680	13,098,680
Investment properties	15	8,792,318	8,964,495	9,136,672
Investment in subsidiaries	16	56,954,509	57,507,531	57,357,531
Interest in unincorporated joint venture	17	661,103	661,103	661,103
		<u>96,375,554</u>	<u>97,831,771</u>	<u>98,986,939</u>
Current assets				
Trade and other receivables	19	66,911,249	67,400,163	73,560,226
Tax recoverable		2,030,470	678,916	331,826
Cash and bank balances	21	19,676,285	19,446,878	15,613,207
		<u>88,618,004</u>	<u>87,525,957</u>	<u>89,505,259</u>
Total assets		<u>184,993,558</u>	<u>185,357,728</u>	<u>188,492,198</u>
Equity and liabilities				
Current liabilities				
Loans and borrowings	22	15,071,684	67,809	62,089,139
Trade and other payables	24	16,138,773	25,148,947	28,720,660
Dividend payable		21,043	20,048	22,875
		<u>31,231,500</u>	<u>25,236,804</u>	<u>90,832,674</u>
Non-current liabilities				
Deferred tax liabilities	26	810,366	186,000	-
Loans and borrowings	22	45,124,639	60,196,322	264,131
		<u>45,935,005</u>	<u>60,382,322</u>	<u>264,131</u>
Total liabilities		<u>77,166,505</u>	<u>85,619,126</u>	<u>91,096,805</u>
Equity and liabilities				
Share capital	27	72,815,856	66,196,256	66,196,256
Other reserves	28	17,062,137	15,891,629	15,891,629
Retained earnings	29	17,949,060	17,650,717	15,307,508
		<u>107,827,053</u>	<u>99,738,602</u>	<u>97,395,393</u>
Total equity and liabilities		<u>184,993,558</u>	<u>185,357,728</u>	<u>188,492,198</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

Note	Attributable to owners of the parent						Total equity RM
	Share capital RM	Share premium RM	Foreign currency translation reserves RM	Retained earnings RM	Total RM	Minority interests RM	
	Non-distributable	Distributable					
At 1 January 2010	66,196,256	15,891,629	10,278	115,338,048	197,436,211	8,092,145	205,528,356
Effect of adopting FRS 139	-	-	-	228,560	228,560	-	228,560
At 1 January 2010, restated	66,196,256	15,891,629	10,278	115,566,608	197,664,771	8,092,145	205,756,916
Total comprehensive income	-	-	-	13,662,834	13,662,834	(9,935)	13,652,899
Transactions with owners							
Issuance of shares	6,619,600	1,323,920	-	-	7,943,520	-	7,943,520
Share issuance expenses	-	(153,412)	-	-	(153,412)	-	(153,412)
Dividends on ordinary shares	-	-	-	(3,475,303)	(3,475,303)	-	(3,475,303)
	6,619,600	1,170,508	-	(3,475,303)	4,314,805	-	4,314,805
At 31 December 2010	72,815,856	17,062,137	10,278	125,754,139	215,642,410	8,082,210	223,724,620
At 1 January 2009	66,196,256	15,891,629	10,278	103,091,417	185,189,580	8,096,157	193,285,737
Total comprehensive income	-	-	-	14,728,991	14,728,991	(4,012)	14,724,979
Transactions with owners							
Dividends on ordinary shares	-	-	-	(2,482,360)	(2,482,360)	-	(2,482,360)
At 31 December 2009	66,196,256	15,891,629	10,278	115,338,048	197,436,211	8,092,145	205,528,356

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	Note	----- Non-distributable -----		Distributable	Total
		Share capital RM	Share premium RM	Retained earnings RM	
At 1 January 2010		66,196,256	15,891,629	17,650,717	99,738,602
Total comprehensive income		-	-	3,773,646	3,773,646
Transactions with owners					
Issuance of shares		6,619,600	1,170,508	-	7,790,108
Dividends on ordinary shares	30	-	-	(3,475,303)	(3,475,303)
		<u>6,619,600</u>	<u>1,170,508</u>	<u>(3,475,303)</u>	<u>4,314,805</u>
At 31 December 2010		<u>72,815,856</u>	<u>17,062,137</u>	<u>17,949,060</u>	<u>107,827,053</u>
At 1 January 2009		66,196,256	15,891,629	15,307,508	97,395,393
Total comprehensive income		-	-	4,825,569	4,825,569
Transactions with owners					
Dividends on ordinary shares	30	-	-	(2,482,360)	(2,482,360)
At 31 December 2009		<u>66,196,256</u>	<u>15,891,629</u>	<u>17,650,717</u>	<u>99,738,602</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	2010 RM	2009 RM
Cash flows from operating activities		
Profit before taxation	19,911,338	20,815,910
Adjustments for:		
Depreciation of:		
- property, plant and equipment	4,727,369	5,351,358
- investment properties	3,600	8,917
Property, plant and equipment written off	75,920	34,140
Other investment written off	-	1
Share of profits in unincorporated joint venture	-	(125,045)
Gain on disposal of:		
- property, plant and equipment	(1,000,741)	(68,117)
- investment properties	-	(374,275)
Reversal of allowance for impairment	(1,226,754)	-
Bad debts recovered	(2,149,638)	-
Bad debts written off	1,116	-
Changes in fair value of investment securities	(35,504)	-
Dividend income	(26,386)	(27,763)
Interest income	(4,680,071)	(5,043,701)
Interest expense	7,718,345	7,441,185
Operating profit before working capital changes	23,318,594	28,012,610
(Increase)/decrease in property development	(13,248,305)	2,605,164
(Increase)/decrease in receivables	(12,609,548)	26,728,337
(Increase)/decrease in inventories	(5,570,200)	2,923,836
Increase/(decrease) in payables	19,654,169	(18,732,056)
Cash generated from operations	11,544,710	41,537,891
Interest paid	(7,718,345)	(7,441,185)
Taxes paid	(5,844,567)	(6,572,686)
Net cash (used in)/generated from operating activities	(2,018,202)	27,524,020
Cash flows from investing activities		
Issuance of shares	7,943,520	-
Share issuance costs	(153,412)	-
Purchase of property, plant and equipment	(9,237,628)	(1,525,042)
Proceeds from disposal of:		
- property, plant and equipment	1,418,220	691,687
- investment property	-	260,000
Additions to land held for property development	-	(5,052,757)
Dividend received	26,386	27,763
Interest received	4,680,071	5,043,701
Net cash generated from/(used in) investing activities	4,677,157	(554,648)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOW (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	2010 RM	2009 RM
Cash flows from financing activities		
Dividends paid to shareholders of the Company	(3,474,308)	(2,485,187)
Drawdown of term loan	29,691,000	60,000,000
Repayment of borrowings	(17,486,119)	(63,905,262)
Net changes in finance lease creditors	(1,141,570)	(141,100)
Withdrawal/(placement) of pledged deposits	2,044,046	(19,045)
Net cash generated from/(used in) financing activities	9,633,049	(6,550,594)
Net increase in cash and cash equivalents	12,292,004	20,418,778
Cash and cash equivalents at beginning of the year	68,599,493	48,180,715
Cash and cash equivalents at end of the year	80,891,497	68,599,493
Cash and cash equivalents comprise:		
Cash and bank balances (Note 21)	85,805,874	73,450,052
Bank overdrafts (Note 22)	(2,270,938)	(163,074)
	83,534,936	73,286,978
Less: Deposits pledged	(2,643,439)	(4,687,485)
	80,891,497	68,599,493

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CASH FLOW

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	2010 RM	2009 RM
Cash flows from operating activities		
Profit before taxation	4,993,852	7,121,039
Adjustments for:		
Depreciation of:		
- property, plant and equipment	1,136,270	1,194,473
- investment properties	172,177	172,177
Gain on disposal of property, plant and equipment	(8,144)	-
Bad debts written off	1,116	-
Property, plant and equipment written off	-	2,299
Provision for diminution in value of investment	303,022	-
Allowance for impairment	8,608	-
Dividend income	(7,000,000)	(7,400,000)
Interest income	(328,705)	(242,595)
Interest expense	1,452,530	1,226,673
Operating profit before working capital changes	730,726	2,074,066
Decrease in receivables	479,189	6,160,064
Decrease in payables	(7,260,174)	(3,571,713)
Cash (used in)/generated from operations	(6,050,259)	4,662,417
Interest paid	(1,452,530)	(1,226,673)
Taxes paid	(1,947,394)	(606,560)
Net cash (used in)/generated from operating activities	(9,450,183)	2,829,184
Cash flows from investing activities		
Purchase of property, plant and equipment	(69,944)	(63,782)
Proceeds from disposal of property, plant and equipment	9,348	-
Additional investment in subsidiaries	-	(150,000)
Proceeds from disposal of a subsidiary	250,000	-
Issuance of shares	7,943,520	-
Share issuance costs	(153,412)	-
Dividend received	5,250,000	5,550,000
Interest received	328,705	242,595
Net cash generated from investing activities	13,558,217	5,578,813
Cash flows from financing activities		
Dividends paid to shareholders of the Company	(3,474,308)	(2,485,187)
Drawdown of term loan	-	60,000,000
Net changes in finance lease creditors	(404,319)	-
Repayment of borrowings	-	(62,089,139)
Withdrawal/(placement) of pledged deposits	1,954,046	(26,046)
Net cash used in financing activities	(1,924,581)	(4,600,372)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CASH FLOW (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	2010	2009
	RM	RM
Net increase in cash and cash equivalents	2,183,453	3,807,625
Cash and cash equivalents at beginning of the year	17,492,832	13,685,207
Cash and cash equivalents at end of the year	19,676,285	17,492,832
 Cash and cash equivalents comprise:		
Cash and bank balances (Note 21)	19,676,285	19,446,878
Less: Deposits pledged	-	(1,954,046)
	19,676,285	17,492,832

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

1. Corporate information

Bina Darulaman Berhad (“the Company”) is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the Bursa Malaysia Securities Berhad. The registered office of the Company is located at 9th Floor, Menara Bina Darulaman Berhad, No 88, Lebuhraya Darulaman, 05100 Alor Star, Kedah Darul Aman.

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

The principal activity of the Company is investment holding, provision of management services, oil palm plantation and property development.

The principal activities of the subsidiaries are described on Note 16.

There have been no significant changes in the nature of the principal activities during the financial year.

The financial statements were approved by the Board of Directors on 17 April 2011.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and revised FRS which are mandatory for financial periods beginning on or after 1 January 2010 as described fully in Note 2.2.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2010, the Group and the Company adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2010.

- FRS 7 Financial Instruments: Disclosures
- FRS 8 Operating Segments
- FRS 101 Presentation of Financial Statements (Revised)
- FRS 123 Borrowing Costs
- FRS 139 Financial Instruments: Recognition and Measurement
- Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of and Investment in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to FRS 2 Share-based Payment – Vesting Conditions and Cancellations
- Amendments to FRS 132 Financial Instruments: Presentation

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. Summary of significant accounting policies(cont'd)

2.2 Changes in accounting policies (cont'd)

- Amendments to FRS 139 Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives
- Improvements to FRS issued in 2009
- IC Interpretation 9 Reassessment of Embedded Derivatives
- IC Interpretation 10 Interim Financial Reporting and Impairment
- IC Interpretation 11 FRS 2 – Group and Treasury Share Transactions
- IC Interpretation 13 Customer Loyalty Programmes
- IC Interpretation 14 FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

FRS 4 Insurance Contracts and TR i-3 Presentation of Financial Statements of Islamic Financial Institutions will also be effective for annual periods beginning on or after 1 January 2010. These FRS are, however, not applicable to the Group or the Company.

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group and the Company except for those discussed below:

FRS 7 Financial Instruments: Disclosures

Prior to 1 January 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 Financial Instruments: Disclosure and Presentation. FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Group and the Company have applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Group's and the Company's financial statements for the year ended 31 December 2010.

FRS 8 Operating Segments

FRS 8, which replaces FRS 114 Segment Reporting, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The Standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group concluded that the reportable operating segments determined in accordance with FRS 8 are the same as the business segments previously identified under FRS 114. The Group has adopted FRS 8 retrospectively. These revised disclosures, including the related revised comparative information, are shown in Note 38.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. Summary of significant accounting policies(cont'd)

2.2 Changes in accounting policies (cont'd)

FRS 101 Presentation of Financial Statements (Revised)

The revised FRS 101 introduces changes in the presentation and disclosures of financial statements. The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. The Standard also introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group and the Company have elected to present this statement as one single statement.

In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the classification of items in the financial statements.

The revised FRS 101 also requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital (see Note 37).

The revised FRS 101 was adopted retrospectively by the Group and the Company.

FRS 139 Financial Instruments: Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Group and the Company have adopted FRS 139 prospectively on 1 January 2010 in accordance with the transitional provisions. The effects arising from the adoption of this Standard has been accounted for by adjusting the opening balance of retained earnings as at 1 January 2010. Comparatives are not restated. The details of the changes in accounting policies and the effects arising from the adoption of FRS 139 are discussed below:

- **Equity instruments**

Prior to 1 January 2010, the Group classified its investments in equity instruments which were held for trading purposes as marketable securities. Such investments were carried at the lower of cost and market value, determined on an aggregate basis. Upon the adoption of FRS 139, these investments are designated at 1 January 2010 as financial assets at fair value through profit or loss and accordingly are stated at their fair values as at that date amounting to RM 583,696. The adjustments to their previous carrying amounts are recognised as adjustments to the opening balance of retained earnings as at 1 January 2010.

- **Impairment of trade receivables**

Prior to 1 January 2010, provision for doubtful debts was recognised when it was considered uncollectible. Upon the adoption of FRS 139, an impairment loss is recognised when there is objective evidence that an impairment loss has been incurred. The amount of the loss is measured as the difference between the receivable's carrying amount and the present value of the estimated future cash flows discounted at the receivable's original effective interest rate. As at 1 January 2010, the Group has remeasured the allowance for impairment losses as at that date in accordance with FRS 139 and the difference is recognised as adjustments to the opening balance of retained earnings as at that date.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. Summary of significant accounting policies(cont'd)

2.2 Changes in accounting policies (cont'd)

FRS 139 Financial Instruments: Recognition and Measurement (cont'd)

The following are effects arising from the above changes in accounting policies:

	Increase	
	As at	As at
	31 December	1 January
	2010	2010
	RM	RM
Consolidated statement of financial position		
Investment securities (non-current)		
- fair value through profit or loss	264,064	228,560
		Increase
		2010
		RM
Consolidated statement of comprehensive income		
Changes on fair value of investment securities		35,504
		Group
		Increase
		2010
		Sen per share
Earnings per share		
Basic		0.05

Amendments to FRS 117 Leases

Prior to 1 October 2009, for all leases of land and buildings, if title is not expected to pass to the lessee by the end of the lease term, the lessee normally does not receive substantially all of the risks and rewards incidental to ownership. Hence, all leasehold land held for own use was classified by the Group as operating lease and where necessary, the minimum lease payments or the up-front payments made were allocated between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represented prepaid lease payments and were amortised on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. Summary of significant accounting policies(cont'd)

2.2 Changes in accounting policies (cont'd)

Amendments to FRS 117 Leases (cont'd)

The amendments to FRS 117 Leases clarify that leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets. They also clarify that the present value of the residual value of the property in a lease with a term of several decades would be negligible and accounting for the land element as a finance lease in such circumstances would be consistent with the economic position of the lessee. Hence, the adoption of the amendments to FRS 117 has resulted in certain unexpired land leases to be reclassified as finance leases. The Group has applied this change in accounting policy retrospectively and certain comparatives have been restated. The following are effects to the consolidated statement of financial positions as at 31 December 2010 arising from the above change in accounting policy:

	Group 2010 RM	Company 2010 RM
Increase/(decrease) in:		
Property, plant and equipment	6,985,184	5,362,500
Prepaid land lease payments	(6,985,184)	(5,362,500)
	-	-

The following comparatives have been restated:

	As previously stated RM	Group Adjustments RM	As restated RM
Consolidated statement of financial position			
31 December 2009			
Property, plant and equipment	53,296,403	6,716,931	60,013,334
Prepaid land lease payments	6,716,931	(6,716,931)	-
	-	-	-
1 January 2009			
Property, plant and equipment	48,781,527	6,797,743	55,579,270
Prepaid land lease payments	6,797,743	(6,797,743)	-
	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. Summary of significant accounting policies(cont'd)

2.2 Changes in accounting policies (cont'd)

Amendments to FRS 117 Leases (cont'd)

	As previously stated RM	Company Adjustments RM	As restated RM
Statement of financial position			
31 December 2009			
Property, plant and equipment	12,162,462	5,437,500	17,599,962
Prepaid land lease payments	5,437,500	(5,437,500)	-
1 January 2009			
Property, plant and equipment	13,220,453	5,512,500	18,732,953
Prepaid land lease payments	5,512,500	(5,512,500)	-

2.3 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
FRS 1 First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 Business Combinations (Revised)	1 July 2010
Amendments to FRS 2 Share-based Payment	1 July 2010
Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 127 Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 138 Intangible Assets	1 July 2010
Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives	1 July 2010
IC Interpretation 12 Service Concession Arrangements	1 July 2010
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17 Distributions of Non-cash Assets to Owners	1 July 2010
Amendments to FRS 132: Classification of Rights Issues	1 March 2010
Amendments to FRS 1: Limited Exemption from Comparative	
FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 7: Improving Disclosures about Financial Instruments	1 January 2011
IC Interpretation 15 Agreements for the Construction of Real Estate	1 January 2012

Except for the changes in accounting policies arising from the adoption of the IC Interpretation 15 the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the IC Interpretation 15 are described below.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective (cont'd)

IC Interpretation 15 Agreements for the Construction of Real Estate

This Interpretation clarifies when and how revenue and related expenses from the sale of a real estate unit should be recognised if an agreement between a developer and a buyer is reached before the construction of the real estate is completed. Furthermore, the Interpretation provides guidance on how to determine whether an agreement is within the scope of FRS 111 Construction Contracts or FRS 118 Revenue.

The Group currently recognises revenue arising from property development projects using the stage of completion method. Upon the adoption of IC Interpretation 15, the Group may be required to change its accounting policy to recognise such revenues at completion, or upon or after delivery. The Group is in the process of making an assessment of the impact of this Interpretation.

2.4 Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Group. Control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Subsidiaries are consolidated using the purchase method of accounting.

Under the purchase method of accounting, the financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investment in subsidiaries are stated in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(ii) Jointly-controlled entities

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, where the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control. The Group recognises its interest in joint venture using proportionate consolidation. The Group combines its share of each of the assets, liabilities, income and expenses of the joint venture with the similar items, line by line, in its consolidated financial statements.

The joint venture is proportionately consolidated from the date the Group obtains joint control until the date the Group ceases to have joint control over the joint venture.

Joint ventures are accounted for in the consolidated financial statements using the equity method unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). The consolidated financial statements include the Group's share of the profit or loss of the equity accounted joint ventures, after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. Summary of significant accounting policies (cont'd)

2.4 Basis of consolidation (cont'd)

(ii) Jointly-controlled entities (cont'd)

When the Group's share of losses exceeds its interest in an equity accounted joint venture, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the joint venture.

Investments in joint ventures are stated in the Company's statement of financial position at cost less impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(iii) Changes in Group composition

Where a subsidiary issues new equity shares to minority interests for cash consideration and the issue price has been established at fair value, the reduction in the Group's interests in the subsidiary is accounted for as a disposal of equity interest with the corresponding gain or loss recognised in profit or loss.

When a group purchases a subsidiary's equity shares from minority interests for cash consideration and the purchase price has been established at fair value, the accretion of the Group's interests in the subsidiary is accounted for as a purchase of equity interest for which the purchase method of accounting is applied.

The Group treats all other changes in group composition as equity transactions between the Group and its minority shareholders. 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.

(iv) Minority Interest

Minority interest at the financial statement date, being the portion of the net identifiable assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the equity holders of the Company. Minority interest in the results of the Group are presented on the face of the consolidated statement of comprehensive income as an allocation of the total profit or loss for the year between minority interest and the equity holders of the Company.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated with all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. Summary of significant accounting policies (cont'd)

2.4 Basis of consolidation (cont'd)

(v) 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.

2.5 Goodwill

Goodwill acquired in a business combination is initially measured at cost, being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

2.6 Property, plant and equipment

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

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 conditions 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 and, for qualifying assets, borrowing costs are capitalised in accordance with the Group's accounting policy. Purchased software that is integral of 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.

Gains and losses on disposal of an item of property, plant and equipment are 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. Summary of significant accounting policies (cont'd)

2.6 Property, plant and equipment (cont'd)

The cost of replacing part 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.

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.

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%
Club house, golf course, chalets and buildings	2%
Instruments, plant and machinery and site equipment	10% - 20%
Furniture and fittings, electrical installations and office equipment	20% - 25%
Renovation	20%
Motor vehicles	20%

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

2.7 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.

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%. Freehold land is not depreciated.

Investment properties are derecognised when either they have been disposed off 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 for the purpose of disclosure in the financial statements without involvement of an independent valuer.

The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. Summary of significant accounting policies (cont'd)

2.8 Land held for property development

Land held for property development consists of land where 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.

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

2.9 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 cost 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 or loss is classified as progress billings within trade payables.

2.10 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 cost.

Where the outcome of a construction contract cannot reliably estimated, contract revenue is recognised to the extent of contract cost incurred that it is probably 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 profit (less recognised losses) exceeds 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. Summary of significant accounting policies (cont'd)

2.11 Impairment of non-financial assets

The carrying amounts of assets, other than investment properties, construction contract assets, property development costs, inventories and deferred tax assets, are reviewed at each financial statement date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For goodwill, intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated usually at each reporting date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

An asset's recoverable amount is the higher of the asset's or CGU's fair value less costs to sell and its value in use. 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in profit or loss in the period in which it arises.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2.12 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. Summary of significant accounting policies (cont'd)

2.13 Financial assets

Financial assets are recognised on the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in equity is recognised in profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

(i) Financial assets at fair value through profit and loss ("FVTPL")

Financial assets held for trading are classified as financial assets at FVTPL. Financial assets held for trading are derivatives (including separate embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at FVTPL are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at FVTPL include exchange differences and interest income.

The Group's financial assets classified under FVTPL include investment securities.

(ii) Loan and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

The Group and the Company's financial assets under loan and receivables include trade and other receivables, cash and bank balances.

(iii) Held-to-maturity investments

Financial assets with fixed and determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

The Group has not classified any financial assets as held-to-maturity.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. Summary of significant accounting policies (cont'd)

2.13 Financial assets (cont'd)

(iv) Available-for-sale financial assets

Available-for-sale ("AFS") financial assets are financial assets that are not classified in any of other categories. After initial recognition, AFS financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised directly in the fair value adjustment reserve in equity, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in equity is recognised in profit or loss when the financial asset is derecognised.

Investment in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

The Group has not classified any financial assets as AFS.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in equity is recognised in profit or loss.

2.14 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(a) Financial liabilities at fair value through profit or loss ("FVTPL")

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities as at FVTPL.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. Summary of significant accounting policies (cont'd)

2.14 Financial liabilities (cont'd)

(b) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.15 Financial guarantees

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.

Financial guarantees are recognised initially at fair value. Subsequent to initial recognition, financial guarantees are recognised as income in the statement of comprehensive income over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to profit or loss.

2.16 Impairment of financial assets

The Group assesses at each financial statement date whether there is any objective evidence that a financial asset is impaired.

(a) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. Summary of significant accounting policies (cont'd)

2.16 Impairment of financial assets (cont'd)

(a) Trade and other receivables and other financial assets carried at amortised cost (cont'd)

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(b) Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the 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. Such impairment losses are not reversed in subsequent periods.

(c) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

2.17 Cash and cash equivalents

For the purpose of the cash flow statements, cash and cash equivalents include cash on hand and at bank (including the accounts maintained pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966), deposit at call and short term highly liquid investments which have an insignificant risk of changes in value, net of outstanding bank overdrafts and pledged deposits.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. Summary of significant accounting policies (cont'd)

2.18 Leases

(a) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.25 (iv).

2.19 Borrowing costs

Borrowing costs 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 added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. 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.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.20 Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the financial statement date.

Deferred tax is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. Summary of significant accounting policies (cont'd)

2.20 Income tax (cont'd)

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the financial statement date. Deferred tax is recognised as income or an expense and included in the statement of comprehensive income for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of combination.

2.21 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 financial statement 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.

2.22 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 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.

2.23 Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. Summary of significant accounting policies (cont'd)

2.24 Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at the financial statement date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies are translated at exchange rates at the dates of the transactions except for those that are measured at fair value, which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss.

(ii) Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency (RM) of the consolidated financial statements are translated into RM as follows ;

- Assets and liabilities for each financial statement presented are translated at the closing rate prevailing at the financial statement date;
- Income and expenses are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

(iii) Net investment in foreign operations

Exchange differences arising from monetary items that in substance form part of the Company's net investment in foreign operations, are recognised in the Company's statement of comprehensive income. Such exchange differences are reclassified to equity in the consolidated financial statements. Deferred exchange differences are recognised in the consolidated statement of comprehensive income upon disposal of the investment.

2.25 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. Summary of significant accounting policies (cont'd)

2.25 Revenue recognition (cont'd)

(i) Sale of development properties (cont'd)

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) 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 2.10.

(iii) Sale of goods

Revenue is recognised net of discounts and upon transfer of significant risks and rewards of ownership to the buyer.

(iv) 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.

(v) Revenue from golf resort operations

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

(vi) Revenue from hotel operations

Revenue from rental of room 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

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

(x) Project management fee

The project management fee is computed based on an agreed percentage of sales and recognised in proportion to the project progress.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. Summary of significant accounting policies (cont'd)

2.26 Earning per share

The Group presents basic earning 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.

2.27 Segment reporting

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.

3. Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and of the Company's accounting policies, reported amounts of the assets, liabilities, income and expenses and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations on future events that are believed to be reasonable under the circumstances.

(a) Key sources of estimation uncertainty

(i) Classification between investment property and inventories and land held for property development.

The Group has developed certain criteria based on FRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

During the financial year, the Group has temporarily sub-let some shop lots, plantations estates and vacant land but has decided not to treat these properties as investment properties because it is not the Group's intention to hold these properties in the long-term for capital appreciation or rental income. Accordingly, these properties are still classified as properties held for sale under inventories and land held for property development respectively.

(ii) Operating lease commitments - the Group as lessor

The Group has entered into commercial property leases on properties held by the Group during the financial year. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

3. Significant accounting estimates and judgements (cont'd)

(a) Key sources of estimation uncertainty (cont'd)

(iii) Property development

The Group recognises 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 bear 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.

(iv) Construction contracts

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

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

(v) Useful lives of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these property, plant and equipment to be within 4 to 50 years. These are common life expectancies applied in the industry. Changes in the expected level of usage, technological and other developments could impact the economic useful lives of these assets. Therefore future depreciation charges could be revised. An increase or decrease in the average useful lives of these assets by one year from management estimates would result in material variance in depreciation charge for the year.

(vi) Impairment on receivables

The Group assesses at each financial statement whether there is any objective evidence that the financial assets is impaired. To determine whether there is objective evidence of impairment, the Group consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets individually.

(vii) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Total carrying value of unrecognised tax losses, unabsorbed capital allowances and taxable temporary differences of the Group and the Company are disclosed in Note 26.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

4. Revenue

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Construction contract revenue	91,434,611	102,622,569	-	-
Revenue from road paving works, premix, aggregate and sand quarry	53,423,599	69,607,079	-	-
Sales of development properties and land	28,680,097	32,938,107	-	-
Sales of oil palm fresh fruit bunches	3,026,687	3,665,435	2,097,776	2,171,981
Revenue from golf resort and hotel operations	4,324,022	3,560,996	-	-
Management fees from subsidiaries	-	-	780,000	996,000
Dividend income from subsidiaries	-	-	7,000,000	7,400,000
Others	1,519,165	1,924,174	-	-
	182,408,181	214,318,360	9,877,776	10,567,981

5. Cost of goods sold

Cost of goods sold represents the contract cost recognised as an expense, cost of development properties sold and cost of services provided in respect of:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Construction contract revenue	76,286,009	100,706,602	-	-
Revenue from road paving works, premix, aggregate and sand quarry	42,629,940	47,615,328	-	-
Sales of development properties and land	23,462,371	27,495,443	-	-
Sales of oil palm fresh fruit bunches	1,720,527	1,516,551	1,296,182	1,016,542
Revenue from golf resort and hotel operations	3,067,869	2,023,960	-	-
Others	1,124,838	795,363	-	-
	148,291,554	180,153,247	1,296,182	1,016,542

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

6. Other income

Other income includes the following:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Commission income	-	-	1,516,249	1,449,357
Rental income from investment property	20,304	-	-	120,000
Rental income from car	839,464	832,328	907,336	965,908
Net gain on disposal of property, plant and equipment	1,000,741	-	8,146	-
Interest income	4,680,071	5,043,701	328,705	242,595
Dividend income from quoted investments	26,386	27,763	-	-
Changes on fair value of investment securities	35,504	-	-	-
Project management fees	783,011	2,104,625	696,295	1,702,482
Bad debts recovered	2,149,638	766,508	9,704	61,786
	2,149,638	766,508	9,704	61,786

7. Finance costs

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Interest expense on:				
- Bank loans, bonds and bank overdrafts	3,771,327	3,159,468	1,439,999	1,209,727
- Obligations under finance lease	73,339	117,855	12,531	16,946
- Term loan	3,890,876	4,171,417	-	-
	7,735,542	7,448,740	1,452,530	1,226,673
Less: Interest expense capitalised in:				
Construction contract costs (Note 25)	(17,197)	(7,555)	-	-
Total finance costs	7,718,345	7,441,185	1,452,530	1,226,673

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

8. Profit before tax from continuing operations

The following items have been charged/(credited) in arriving at profit before tax from continuing operations:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Auditors' remuneration:				
- statutory audits	137,000	123,000	30,000	22,000
- other services	65,500	16,000	55,000	16,000
Employee benefits expense (Note 9)	14,967,114	14,049,959	1,838,416	1,933,375
Non-executive directors' remuneration (Note 10)	896,831	1,216,930	417,500	401,500
Depreciation of:				
- property, plant and equipment (Note 13)	4,727,369	5,443,331	1,136,270	1,194,473
- investment property (Note 15)	3,600	8,917	172,177	172,177
Property, plant and equipment written off	75,920	3,414	-	2,299
Impairment loss on investment in subsidiaries	-	-	303,022	-
Gain on disposal of:				
- property, plant and equipment	(1,000,741)	(68,117)	(8,144)	-
- investment property	-	(374,275)	-	-
Other investment written off	-	1	-	1
Operating lease - minimum lease payments for:				
- land and buildings	181,370	204,170	131,370	131,370
- plant and machineries	224,296	120,794	-	-
- office equipment	16,128	15,898	16,128	14,148
Office rental	131,880	30,000	-	-
(Reversal of)/allowance of impairment:				
- trade receivables	(1,328,801)	228,074	-	-
- other receivables	102,047	-	21,812	(61,695)
Royalties and tributes	836,148	1,393,051	-	-
Bad debts written off	1,116	5,491	1,116	-
Liquidated damages payable	-	428,754	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

9. Employee benefits expense

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Wages and salaries	11,743,034	11,107,278	1,450,287	1,455,299
Social security contributions	151,678	155,058	12,445	12,987
Contributions to defined contribution plan	1,637,153	1,554,267	202,325	188,898
Other benefits	1,435,248	1,233,356	173,359	276,191
	14,967,114	14,049,959	1,838,416	1,933,375

Included in employee benefits expense of the Group and the Company are executive directors' remuneration amounting to RM534,720 (2009: RM426,414) and RM534,720 (2009: RM416,914) respectively.

10. Directors' remuneration

The details of remuneration receivable by directors of the Company during the year are as follows:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Executive directors:				
Fees				
- current year	30,000	30,000	30,000	30,000
- underprovision in prior year	-	30,000	-	30,000
Salaries and other emoluments	504,720	366,414	504,720	356,914
	534,720	426,414	534,720	416,914
Non-Executive directors:				
Fees				
- current year	663,000	719,400	240,000	240,000
- underprovision in prior year	-	255,750	-	-
Other emoluments	233,831	241,780	177,500	161,500
	896,831	1,216,930	417,500	401,500
Total directors' remuneration	1,431,551	1,643,344	952,220	818,414
Estimated monetary value of benefit-in-kind	13,716	5,700	8,300	5,700
Total directors' remuneration including benefit-in-kind	1,445,267	1,649,044	960,520	824,114

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

10. Directors' remuneration (cont'd.)

The details of the remuneration receivable by directors of the Company during the year are as follows:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Directors of the Company				
Executive directors:				
Fees				
- current year	30,000	30,000	30,000	30,000
- underprovision in prior year	-	30,000	-	30,000
Salaries and other emoluments	355,500	265,500	355,500	256,000
Bonus	91,500	63,750	91,500	63,750
Defined contribution plan	57,720	37,164	57,720	37,164
Estimated monetary value of benefit-in-kind	6,500	2,400	6,500	2,400
	541,220	428,814	541,220	419,314
Non-Executive directors:				
Fees				
- current year	663,000	311,400	240,000	240,000
Other emoluments	233,831	177,000	177,500	161,500
Estimated monetary value of benefit-in-kind	7,216	3,300	1,800	3,300
	904,047	491,700	419,300	404,800

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

11. Income tax expense

Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2010 and 2009 are:

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Statement of comprehensive income:				
Current income tax				
- continuing operations:				
- Malaysian income tax	3,891,462	6,220,781	1,889,569	2,124,000
- (Over)/under provision in respect of previous years	(338,688)	368,282	(1,293,729)	(14,530)
	3,552,774	6,589,063	595,840	2,109,470
Deferred income tax				
- continuing operations (Note 26):				
- Origination and reversal of temporary differences	1,575,704	(479,097)	(91,781)	(18,000)
- Under/(over) provision in prior years	1,129,961	(19,035)	716,147	204,000
	2,705,665	(498,132)	624,366	186,000
Income tax expense recognised in profit or loss	6,258,439	6,090,931	1,220,206	2,295,470

Reconciliation between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2010 and 2009 are as follows:

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Profit before tax from continuing operations	19,911,338	20,815,910	4,993,852	7,121,039

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

11. Income tax expense (cont'd.)

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Tax at Malaysian statutory tax rate of 25% (2009: 25%)	4,977,834	5,203,978	1,248,463	1,780,260
Adjustments:				
Non-deductible expenses	718,345	389,381	549,325	325,740
Income not subject to taxation	(413,882)	-	-	-
Utilisation of previously unrecognised tax losses and unabsorbed capital allowance	(51,166)	-	-	-
Deferred tax assets not recognised	236,035	148,325	-	-
Under provision of deferred tax in respect of previous years	1,129,961	(19,035)	716,147	204,000
(Over)/under provision of income tax in respect of previous years	(338,688)	368,282	(1,293,729)	(14,530)
Income tax expense recognised in profit or loss	<u>6,258,439</u>	<u>6,090,931</u>	<u>1,220,206</u>	<u>2,295,470</u>

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2009: 25%) of the estimated assessable profit for the year.

12. Earnings/loss per share

Basic earnings per share is calculated by dividing the profit for the year attributable to shareholders by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2010	2009
Continuing operations:		
Profit attributable to ordinary equity holders of the Company (RM)	13,662,834	14,728,991
Weighted average number of ordinary shares Issued ordinary shares at 1 January/31 December	69,506,056	66,196,256
Basic earnings per share (sen)	<u>19.66</u>	<u>22.25</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

13. Property, plant and equipment

Group	* Land, buildings and estate development expenditure	Long term leasehold land	Instruments, plant and machinery and site equipment	Furniture, fittings, and renovations	Construction work-in-progress	Motor Vehicles	Total
	RM	RM	RM	RM	RM	RM	RM
Cost							
At 1 January 2009, restated	37,887,650	8,530,542	41,777,343	8,280,543	7,000	7,685,373	104,168,451
Additions	69,034	-	589,000	337,208	529,800	141,100	1,666,142
Disposals	(308,587)	-	(515,827)	(4,112)	-	(195,802)	(1,024,328)
Write off	-	-	(178,991)	(102,179)	(7,000)	(3,608)	(291,778)
Reclassification from investment properties (Note 15)	8,693,525	-	-	-	-	-	8,693,525
At 31 December 2009, restated	46,341,622	8,530,542	41,671,525	8,511,460	529,800	7,627,063	113,212,012
Transfers	-	529,800	-	-	(529,800)	-	-
Additions	1,622,660	-	6,849,369	670,422	95,177	860,592	10,098,220
Disposals	-	(111,796)	(5,006,635)	(358,094)	-	(290,025)	(5,766,550)
Written off	-	-	(971,980)	(9,785)	-	(35,465)	(1,017,230)
At 31 December 2010	47,964,282	8,948,546	42,542,279	8,814,003	95,177	8,162,165	116,526,452

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

13. Property, plant and equipment (cont'd)

	* Land, buildings and estate development expenditure RM	Long term leasehold land RM	Instruments, plant and machinery and site equipment RM	Furniture, fittings, and renovations RM	Construction work-in- progress RM	Motor Vehicles RM	Total RM
Accumulated depreciation							
At 1 January 2009, restated	5,208,426	1,640,826	30,161,292	5,887,329	-	5,599,335	48,497,208
Depreciation charge for the year (Note 8)	821,138	172,785	2,673,908	1,009,269	-	766,231	5,443,331
Disposals	(21,087)	-	(505,322)	(2,463)	-	(178,044)	(706,916)
Write off	-	-	(154,984)	(99,047)	-	(3,607)	(257,638)
Reclassification from investment properties (Note 15)	172,177	-	-	-	-	-	172,177
Depreciation capitalised in construction work-in progress (Note 25)	-	-	-	-	-	50,516	50,516
At 31 December 2009, restated	6,180,654	1,813,611	32,174,894	6,795,088	-	6,234,431	53,198,678
Depreciation charge for the year (Note 8)	303,429	179,186	2,519,793	931,390	-	793,571	4,727,369
Disposals	-	(29,435)	(4,946,591)	(140,234)	-	(232,811)	(5,349,071)
Written off	-	-	(933,447)	(7,863)	-	-	(941,310)
At 31 December 2010	6,484,083	1,963,362	28,814,649	7,578,381	-	6,795,191	51,635,666
Net carrying amount:							
At 31 December 2009	40,160,968	6,716,931	9,496,631	1,716,372	529,800	1,392,632	60,013,334
At 31 December 2010	41,480,199	6,985,184	13,727,630	1,235,622	95,177	1,366,974	64,890,786

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

13. Property, plant and equipment (cont'd)

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

Group	Freehold land RM	Office building RM	Golf course RM	Club house, chalets and other buildings RM	Estate development expenditure RM	Total RM
Cost						
At 1 January 2009	1,723,402	11,161,953	9,542,446	14,599,170	860,679	37,887,650
Additions	-	-	-	69,034	-	69,034
Disposals	-	-	-	(308,587)	-	(308,587)
Reclassification from investment properties (Note 15)	700,000	-	-	7,993,525	-	8,693,525
At 31 December 2009/1 January 2010	2,423,402	11,161,953	9,542,446	22,353,142	860,679	46,341,622
Additions	1,490,000	-	-	132,660	-	1,622,660
At 31 December 2010	3,913,402	11,161,953	9,542,446	22,485,802	860,679	47,964,282
Accumulated depreciation						
At 1 January 2009	-	1,145,769	-	3,460,181	602,476	5,208,426
Depreciation charge for the year	-	229,154	-	505,916	86,068	821,138
Disposals	-	-	-	(21,087)	-	(21,087)
Reclassification from investment properties (Note 15)	-	-	-	172,177	-	172,177
At 31 December 2009/ 1 January 2010	-	1,374,923	-	4,117,187	688,544	6,180,654
Depreciation charge for the year	-	62,699	-	154,662	86,068	303,429
At 31 December 2010	-	1,437,622	-	4,271,849	774,612	6,484,083
Net carrying amount:						
At 31 December 2009	2,423,402	9,787,030	9,542,446	18,235,955	172,135	40,160,968
At 31 December 2010	3,913,402	9,724,331	9,542,446	18,213,953	86,067	41,480,199

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

13. Property, plant and equipment (cont'd)

Company	Office Building RM	Long term leasehold land RM	Estate development expenditure RM	Plant and Machinery RM	Furniture, fittings, and renovations RM	Motor Vehicle RM	Total RM
Cost:							
At 1 January 2009	11,457,680	6,000,000	860,679	3,343,160	2,469,705	943,600	25,074,824
Additions	-	-	-	-	63,782	-	63,782
Write-off	-	-	-	-	(5,099)	-	(5,099)
At 31 December 2009, restated	11,457,680	6,000,000	860,679	3,343,160	2,528,388	943,600	25,133,507
Additions	-	-	-	-	69,944	336,511	406,455
Disposal	-	-	-	-	(24,116)	(97,000)	(121,116)
At 31 December 2010	11,457,680	6,000,000	860,679	3,343,160	2,574,216	1,183,111	25,418,846
Accumulated depreciation:							
At 1 January 2009	1,145,769	487,500	602,476	1,671,580	1,763,275	671,271	6,341,871
Depreciation charge for the year (Note 8)	229,151	75,000	86,068	334,316	331,535	138,403	1,194,473
Write-off	-	-	-	-	(2,800)	-	(2,800)
At 31 December 2009, restated	1,374,920	562,500	688,544	2,005,896	2,092,010	809,674	7,533,544
Depreciation charge for the year (Note 8)	229,153	75,000	86,067	334,316	277,484	134,250	1,136,270
Disposal	-	-	-	-	(22,914)	(96,998)	(119,912)
At 31 December 2010	1,604,073	637,500	774,611	2,340,212	2,346,580	846,926	8,549,902
Net carrying amount:							
At 31 December 2009	10,082,758	5,437,500	172,136	1,337,264	436,378	133,926	17,599,962
At 31 December 2010	9,853,607	5,362,500	86,068	1,002,948	227,636	336,185	16,868,944

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

13. Property, plant and equipment (cont'd)

Assets held under finance leases

During the financial year, the Group acquire property, plant and equipment with an aggregate cost of RM 860,592 (2009: RM 141,100) by means of finance lease and the cash outflow of acquisition of property, plant and equipment amounted to RM 9,237,628 (2009: RM 1,525,042).

Net carrying amounts of property, plant and equipment held under finance lease arrangements are as follows:

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Plant and machinery	980,000	1,284,983	-	-
Motor vehicles	790,926	461,988	33,473	138,394
	1,770,926	1,746,971	33,473	138,394

Details of the terms and conditions of the finance lease arrangements are disclosed in Note 23.

Assets pledged as security

Property, plant and equipment of the Group and of the Company with an aggregate carrying value of RM9,853,604 (2009: RM10,082,758) and RM9,853,604 (2009: RM10,082,758) are pledged as securities for borrowings.

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 RM25,386,218 (2009: RM26,035,559) and RM2,386,659 (2009: RM 1,284,160) respectively.

14. Land held for property development and property development costs

(a) Land held for property development

Group	Freehold	Leasehold	Total
	land	land	
	RM	RM	RM
Cost			
At 1 January 2010	94,874,479	14,082,298	108,956,777
Additions	166,607	-	166,607
Transfer to property development costs (Note 14(b))	(13,831,474)	-	(13,831,474)
At 31 December 2010	81,209,612	14,082,298	95,291,910

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

14. Land held for property development and property development costs (cont'd)

(a) Land held for property development (cont'd)

Group

	Freehold land RM	Leasehold land RM	Total RM
Cost			
At 1 January 2009	90,565,027	14,082,298	104,647,325
Additions	5,052,757	-	5,052,757
Transfer to property development costs (Note 14(b))	(743,305)	-	(743,305)
At 31 December 2009	<u>94,874,479</u>	<u>14,082,298</u>	<u>108,956,777</u>

Company

	2010 RM	2009 RM
Leasehold land		
At 1 January/31 December	<u>13,098,680</u>	<u>13,098,680</u>

(b) Property development costs

Group	Freehold land RM	Development costs RM	Total RM
At 31 December 2010			
Cumulative property development costs			
At 1 January 2010	2,009,773	72,841,447	74,851,220
Costs incurred during the year	-	24,309,931	24,309,931
Transferred from land held for development (Note 14(a))	11,876,390	1,955,084	13,831,474
Unsold units transferred to inventories	(239,161)	(5,859,543)	(6,098,704)
At 31 December 2010	<u>13,647,002</u>	<u>93,246,919</u>	<u>106,893,921</u>
Cumulative costs recognised in profit or loss			
At 1 January 2010	-	(65,898,352)	(65,898,352)
Recognised during the year	(3,527,447)	(15,266,949)	(18,794,396)
At 31 December 2010	<u>(3,527,447)</u>	<u>(81,165,301)</u>	<u>(84,692,748)</u>
Property development costs at 31 December 2010	<u>10,119,555</u>	<u>12,081,618</u>	<u>22,201,173</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

14. Land held for property development and property development costs (cont'd)

(b) Property development costs (cont'd)

Group	Freehold land RM	Development costs RM	Total RM
At 31 December 2009			
Cumulative property development costs			
At 1 January 2009	1,266,468	57,206,938	58,473,406
Costs incurred during the year	-	22,143,081	22,143,081
Transfer from land held for property development (Note 14(a))	743,305	-	743,305
Unsold units transferred to inventories	-	(6,508,572)	(6,508,572)
At 31 December 2009	<u>2,009,773</u>	<u>72,841,447</u>	<u>74,851,220</u>
Cumulative costs recognised in profit or loss			
At 1 January 2009	-	(41,150,107)	(41,150,107)
Recognised during the year	-	(24,748,245)	(24,748,245)
At 31 December 2009	-	<u>(65,898,352)</u>	<u>(65,898,352)</u>
Property development costs at 31 December 2009	<u>2,009,773</u>	<u>6,943,095</u>	<u>8,952,868</u>

Securities

Freehold land of the Group with carrying values of RM12,023,068 (2009: RM3,452,266) are pledged as securities for borrowings (Note 22).

Joint venture

Included in land held for property development is an amount of RM38,930,127 (2009: RM38,930,127) representing freehold land and development expenditure incurred for a joint venture project.

The joint venture agreement is with the ultimate holding corporation whereby the Group acquired a piece of land from the ultimate holding corporation 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 payable on percentage of completion basis.

The Group	80%
Ultimate holding corporation	20%

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

15. Investment properties

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
At 1 January	180,000	9,163,525	9,308,849	9,308,849
Disposal	-	(290,000)	-	-
Reclassification to property, plant and equipment (Note 13)	-	(8,693,525)	-	-
	180,000	180,000	9,308,849	9,308,849
Accumulated depreciation				
At 1 January	29,880	291,257	344,354	172,177
Disposal	-	(98,117)	-	-
Depreciation charge for the year (Note 8)	3,600	8,917	172,177	172,177
Reclassification to property, plant and equipment	-	(172,177)	-	-
At 31 December	33,480	29,880	516,531	344,354
Net carrying amount At 31 December	146,520	150,120	8,792,318	8,964,495
Fair value	150,000	183,000	150,000	9,216,000

16. Investment in subsidiaries

	Company	
	2010 RM	2009 RM
Unquoted shares, at costs	57,460,031	57,710,031
Impairment losses	(505,522)	(202,500)
	56,954,509	57,507,531

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

16. Investment in subsidiaries (cont'd)

Name	Country of incorporation	Principal activities	Proportion (%) of ownership interest	
			2010	2009
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
Syarikat Bina dan Kuari Kedah Sdn. Bhd.	Malaysia	Granite quarry operator and civil engineering contractor	100	100
Darulaman Golf Resort Berhad *	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	100	100
BDB Hotels Sdn. Bhd.	Malaysia	Hotel business	100	100
Darulaman Aset Sdn. Bhd.	Malaysia	Property management and consultancy	-	100
BDB Trading Sdn. Bhd.	Malaysia	General Trading and supplying of construction materials	100	100

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

16. Investment in subsidiaries (cont'd)

Name	Country of incorporation	Principal activities	Proportion (%) of ownership interest	
			2010	2009
Jitra Waterworld Sdn. Bhd.	Malaysia	Dormant	100	100
PT Darulaman **#	Indonesia	Dormant	100	100

* 1 unit of the total share capital of 100,000 ordinary shares of RM1 each is held by Darulaman Realty Sdn. Bhd.

** Held through Syarikat Bina Dan Kuari Kedah Sdn. Bhd. and BDB Quarry Sdn. Bhd. with 80% and 20% equity interest respectively.

Not audited by Ernst & Young

Disposal of subsidiary

The Group disposed of its 100% equity interest in Darulaman Asset Sdn. Bhd. on 15 January 2010 for a total consideration of RM250,000 via cash.

The disposal had the following effects on the financial position of the Group as at the end of the year:

	2010 RM	2009 RM
Property, plant and equipment	27,369	27,369
Trade receivables	55,535	55,535
Due from related companies	344,081	344,081
Other payables and accruals	(176,985)	(176,985)
Net assets disposed	250,000	250,000
Total disposal proceeds	250,000	
Gain on disposal	-	
Disposal proceeds settled by cash/ Cash inflow arising on disposals via cash	250,000	

17. Interest in unincorporated joint venture

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Capital advances	661,103	661,103	661,103	661,103
Share of profit	66,807	66,807	-	-
	727,910	727,910	661,103	661,103

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

17. Interest in unincorporated joint venture (cont'd)

The Group's aggregate share of the income, expenses, assets and liabilities of the unincorporated joint venture are as follow:

	2010 RM	2009 RM
Assets and liabilities		
Current assets	4,666,239	5,633,451
Current liabilities	(3,938,329)	(4,905,541)
Results		
Revenue	-	-
Other income	-	125,848
Expenses, including finance costs and taxation	-	(803)

The interests of the Group in jointly controlled entity are listed below:

Jointly controlled entity	Principal activities	Profit sharing rate (%)	
		2010	2009
TH Universal Builders - Bina Darulaman Berhad J.V. (held by the Company)	Design, construction, equipping, commissioning and maintenance of a new Sungai Petani Hospital. This project was completed in 2008 and the defect liability period expired on 30 April 2009	30%	30%

18. Investment securities

	Group	
	2010 Carrying amount RM	2009 Carrying amount* RM
Held for trading investment		
- Equity instruments (quoted in Malaysia)	619,200	583,696

* Prior to 1 January 2010, the current investments were carried at lower of cost and market value, determined on aggregate basis.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

19. Trade and other receivables

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Current				
Trade receivables				
Third parties	77,778,880	74,234,641	3,452,683	4,072,700
Amounts due from related companies	-	2,300,101	-	-
	77,778,880	76,534,742	3,452,683	4,072,700
Less: Allowance for impairment	(6,202,363)	(7,821,623)	-	-
	71,576,517	68,713,119	3,452,683	4,072,700
Construction contracts:				
Due from customers (Note 25)	23,792,568	17,856,456	-	-
Retention sums	4,579,660	4,752,367	-	-
	28,372,228	22,608,823	-	-
Trade receivables, net	99,948,745	91,321,942	3,452,683	4,072,700
Other receivables				
Third Party	-	-	150,819	-
Holding corporation	11,728	11,728	-	-
Amounts due from subsidiaries	-	-	61,721,675	59,950,322
Amounts due from related corporations	883,373	3,923,402	-	-
Prepayments	75,986	128,279	22,721	22,807
Refundable deposits	1,914,960	2,835,667	1,288,688	1,690,388
Sundry Receivables	11,241,726	3,834,797	368,808	1,749,483
	14,127,773	10,733,873	63,552,711	63,413,000
Less: Allowance for impairment				
- third parties	(486,251)	(387,704)	(72,333)	(85,537)
- related parties	-	-	(21,812)	-
	13,641,522	10,346,169	63,458,566	63,327,463
Total trade and other receivables	113,590,267	101,668,111	66,911,249	67,400,163
Non-current				
Trade receivable - third party	70,793,167	53,065,632	-	-
Total trade and other receivables (current and non-current)	184,383,434	154,733,743	66,911,249	67,400,163

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 60 days (2009: 30 to 60 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

19. Trade and other receivables (cont'd)

(a) Trade receivables (cont'd)

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables excluding construction contracts is as follows:

	Group 2010 RM
Neither past due nor impaired	80,637,130
1 to 30 days past due not impaired	26,507,741
31 to 60 days past due not impaired	7,741,474
61 to 90 days past due not impaired	9,263,799
91 to 120 days past due not impaired	14,234,628
More than 121 days past due not impaired	3,984,912
	61,732,554
Impaired	6,202,363
	148,572,047

Receivables that are past due but not impaired

Receivables that were past due but not impaired relate to customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no allowance for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancement over these balances.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Individually impaired		Total	
	2010	2009	2010	2009
	RM	RM	RM	RM
Group				
Trade receivables				
- nominal amounts	6,202,363	7,821,623	6,202,363	7,821,623
Less: Allowance for impairment	(6,202,363)	(7,821,623)	(6,202,363)	(7,821,623)
	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

19. Trade and other receivables (cont'd)

(a) Trade receivables (cont'd)

Movement in allowance accounts:

	Group	
	2010 RM	2009 RM
At 1 January	7,821,623	8,829,377
Charge for the year (Note 8)	896,360	228,074
Written off	(290,459)	(531,106)
Reversal	(2,225,161)	(704,722)
At 31 December	6,202,363	7,821,623

Other receivables that are impaired

Movement in allowance accounts:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
At 1 January	387,704	486,466	85,537	147,232
Charge for the year (Note 8)	111,748	-	21,812	-
Written off	(3,500)	(98,762)	-	-
Reversal of impairment losses	(9,701)	-	(13,204)	(61,695)
At 31 December	486,251	387,704	94,145	85,537

(b) Trade receivables - third parties

Included in the current/ non-current amount due from trade receivables - third parties of the Group is an amount of RM 54,315,632 (2009: RM 69,481,505) due from the state government for a construction project. The Company has granted deferred payment terms and the receivables are recognised based on their net present values discounted at a rate of 4.3% per annum.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

19. Trade and other receivables (cont'd)

(b) Trade receivables - third parties (cont'd)

The above amount is receivable as follows:

	2010	2009
	RM	RM
Within 1 year	25,000,000	25,000,000
1 to 2 years	25,000,000	25,000,000
2 to 5 years	7,500,000	26,250,000
	57,500,000	76,250,000
Less: Future finance income	(3,184,368)	(6,768,495)
	54,315,632	69,481,505

20. Inventories

	Group	
	2010	2009
	RM	RM
Cost		
Properties held for sale	10,573,898	6,190,764
Consumables and spares	869,847	1,111,087
Building materials	1,918,512	490,206
	13,362,257	7,792,057

During the year, the amount of inventories recognised as an expense in cost of sales of the Group was RM5,570,200 (2009: RM3,584,735).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

21. Cash and bank balances

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Cash at banks and on hand	24,043,100	27,043,354	2,587,945	10,608,618
Short term deposits with:				
Licensed banks	61,762,774	46,406,698	17,088,340	8,838,260
Cash and bank balances	85,805,874	73,450,052	19,676,285	19,446,878

Included in cash and bank balances of the Group are amounts of RM 10,458,088 (2009: RM7,532,686) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and are restricted from use in other operations

Included in cash at bank balances of the Group is RM39,919 (2009: RM 43,686) belonging to the purchasers of a project completed by a subsidiary for the purpose of management of common property.

Pledged security deposits

Included in fixed and short term deposits of the Group and the Company are fixed deposits amounting to RM 2,643,439 and RM Nil (2009: RM 4,687,485 and RM 1,954,046) respectively pledged as securities for bank guarantees and borrowings (Note 22).

22. Loans and borrowings

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Current				
Secured:				
Obligations under finance leases (Note 23)	540,835	578,087	71,684	67,809
Bank overdrafts	2,270,938	163,074	-	-
Term loans	19,847,213	22,333,332	15,000,000	-
	22,658,986	23,074,493	15,071,684	67,809
Non-current				
Secured:				
Obligations under finance leases (Note 23)	458,370	702,096	124,639	196,322
Term loans	121,357,668	106,666,668	45,000,000	60,000,000
	121,816,038	107,368,764	45,124,639	60,196,322
Total loans and borrowings	144,475,024	130,443,257	60,196,323	60,264,131

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

22. Loans and borrowings (cont'd.)

The remaining maturities of the loans and borrowings as at 31 December 2010 are as follows:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
On demand or within one year	19,847,213	22,333,332	15,000,000	-
More than 1 year and less than 2 years	38,333,336	38,333,332	30,000,000	15,000,000
More than 2 year and less than 5 years	83,024,332	68,333,336	15,000,000	45,000,000
	141,204,881	129,000,000	60,000,000	60,000,000

Security

The secured bank overdrafts and bankers' acceptance of the Group are secured by certain assets of the Group as disclosed in Note 13, 14 and 21.

The term loans of the Group are secured by the following:

- (a) first legal charge over the properties of the Group as disclosed in note 13 and 14;
- (b) deposits pledged with licensed banks as disclosed in note 21;
- (c) an "all monies" facilities agreement stamped to the amount of facilities advanced;
- (d) specific debenture on the project undertaken on the land financed by the term loans;
- (e) negative pledged;
- (f) letter of support from the holding corporation;
- (g) assignment of contract proceeds of RM70 million on Wisma Darul Aman project; and
- (h) a first fixed charge over the Designated Accounts.

The term loan of the Company is secured by the following:

- (a) Islamic facility agreement stamped for RM60,000,000;
- (b) lease and insurance assignment over Menara Bina Darulaman Berhad; and
- (c) first legal charge over the properties known as:
 - (i) Lot 119, Section 34, Town of Alor Setar, District of Kota Setar; and
 - (ii) Lot 120, Section 34, Town of Alor Setar, District of Kota Setar, Kedah.

The range of interest rates per annum as at the financial year end for the borrowings, were as follows:

	Group		Company	
	2010	2009	2010	2009
Bank overdrafts	6.80% - 7.05%	6.75% - 7.00%	-	-
Term loans	5.90% - 6.50%	5.90% - 8.15%	6.15%	6.15%

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

23. Finance lease liabilities

The Group has finance leases for certain items of plant and equipment and motor vehicles. These leases do not have terms of renewal.

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Future minimum lease payments:				
Not later than 1 year	585,731	642,884	80,340	80,340
Later than 1 year and not later than 2 years	204,994	508,862	70,830	80,340
Later than 2 years and not later than 5 years	291,733	218,263	61,580	114,218
Later than 5 years	1,500	19,692	1,500	19,692
Total minimum lease payments	1,083,958	1,389,701	214,250	294,590
Less: Future finance charges	(84,753)	(109,518)	(17,927)	(30,459)
Present value of finance lease liabilities	999,205	1,280,183	196,323	264,131
Analysis of present value of finance lease liabilities:				
Not later than 1 year	540,835	578,087	71,684	67,809
Later than 1 year and not later than 2 years	184,088	479,513	66,020	71,684
Later than 2 years and not later than 5 years	272,788	203,443	57,125	105,498
Later than 5 years	1,494	19,140	1,494	19,140
	999,205	1,280,183	196,323	264,131
Less: Amount due within 12 months (Note 22)	(540,835)	(578,087)	(71,684)	(67,809)
Amount due after 12 months (Note 22)	458,370	702,096	124,639	196,322

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

24. Trade and other payables

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Current				
Trade payables				
Third parties	71,984,142	62,183,222	106,950	-
Amounts due to:				
- related companies	-	-	8,704,901	15,871,552
- holding corporation	-	87,697	-	-
Amount due to customers (Note 25)	5,102,238	8,386,232	-	-
	77,086,380	70,657,151	8,811,851	15,871,552
Other payables				
Sundry payables and accruals	14,883,695	5,403,111	962,446	2,220,212
Refundable deposits	6,805,473	3,034,529	1,426,350	1,690,387
Amounts due to:				
- related companies	-	-	4,930,916	5,116,796
- holding corporation	223,412	250,000	7,210	250,000
	21,912,580	8,687,640	7,326,923	9,277,395
Total trade and other payables	98,998,960	79,344,791	16,138,773	25,148,947

(a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on 14 - 90 days (2009: 14 - 90 days).

(b) Other payables

These amounts are non-interest bearing. Other payables are normally settled on an average term of 30-90 days (2009: average term of 30-90 days).

(c) Amounts due to related companies and holding corporation

These amounts are unsecured, non-interest bearing and are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

25. Due from/(to) customers on contracts

	Group	
	2010 RM	2009 RM
Construction contract costs incurred to date	525,891,694	475,497,991
Attributable profits	43,093,524	48,239,786
	568,985,218	523,737,777
Less: Progress billings	(550,294,888)	(514,267,553)
	18,690,330	9,470,224
Due from customers on contracts (Note 19)	23,792,568	17,856,456
Due to customers on contracts (Note 24)	(5,102,238)	(8,386,232)
	18,690,330	9,470,224
Retention sums on construction contract included in trade receivables (Note 19)	4,579,660	4,752,367

The costs incurred to date on construction contracts include the following charges made during the financial year:

	Group	
	2010 RM	2009 RM
Depreciation of plant and equipment (Note 13)	-	50,516
Hire of plant and machinery	1,082,229	3,035,439
Interest expense (Note 7)	17,197	7,555
Employee benefit expenses	701,726	1,502,264
	701,726	1,502,264

26. Deferred tax

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
At 1 January	806,858	1,304,990	186,000	-
Recognised in profit or loss (Note 11)	2,705,665	(498,132)	624,366	186,000
At 31 December	3,512,523	806,858	810,366	186,000
Presented after appropriate offsetting as follows:				
Deferred tax assets	(49,424)	(951,145)	-	-
Deferred tax liabilities	3,561,947	1,758,003	810,366	186,000
	3,512,523	806,858	810,366	186,000

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

26. Deferred tax (cont'd.)

The components and movements in deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax assets of the Group:

	Unutilised losses and unabsorbed capital allowances RM	Others RM	Total RM
At 1 January 2009	(14,002)	(451,652)	(465,654)
Recognised in profit or loss	-	(485,491)	(485,491)
At 31 December 2009/1 January 2010	(14,002)	(937,143)	(951,145)
Recognised in profit or loss	-	901,721	901,721
At 31 December 2010	(14,002)	(35,422)	(49,424)

Deferred tax liabilities of the Group:

	Accelerated capital allowances RM
At 1 January 2009	1,770,644
Recognised in profit or loss	(12,641)
At 31 December 2009/ 1 January 2010	1,758,003
Recognised in profit or loss	1,803,944
At 31 December 2010	3,561,947

Deferred tax liabilities of the Company:

	Accelerated capital allowances RM
At 1 January 2009	-
Recognised in profit or loss	186,000
At 31 December 2009/1 January 2010	186,000
Recognised in profit or loss	624,366
At 31 December 2010	810,366

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

26. Deferred tax (cont'd)

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2010 RM	2009 RM
Unutilised tax losses	447,426	390,878
Unabsorbed capital allowances	7,496,171	6,788,410
Other deductible temporary difference	123,174	148,008
	8,066,771	7,327,296

The unutilised tax losses, unabsorbed capital allowances and other deductible temporary differences are available indefinitely for offsetting against future taxable profits of the respective entities within the Group.

Deferred tax assets have not been recognised in respect of these items due to the recent history of losses in certain subsidiaries, as it is uncertain whether future taxable income will be sufficient to allow the benefit to be realised.

27. Share capital

	Number of ordinary shares of RM1 each		Amount	
	2010	2009	2010 RM	2009 RM
Authorised share capital				
At 1 January and at 31 December	100,000,000	100,000,000	100,000,000	100,000,000
Issued and fully paid				
At 1 January	66,196,256	66,196,256	66,196,256	66,196,256
Created during the year	6,619,600	-	6,619,600	-
At 31 December	72,815,856	66,196,256	72,815,856	66,196,256

(a) 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

27. Share capital (cont'd)

(b) Ordinary shares issued for cash

During the financial year, the Company issued 6,619,600 new ordinary shares of RM 1 each through a private placement at an issue share price of RM 1.20 per ordinary share for cash, for additional working capital purposes. The share premium of RM 1,323,920 arising from the issuance of ordinary shares and the share issue costs of RM 153,412 have been included in the share premium account. The new ordinary shares rank parri passu in all respects with the existing ordinary shares of the Company.

28. Other reserves

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Non-distributable				
Share premium	17,062,137	15,891,629	17,062,137	15,891,629
Exchange fluctuation reserve	10,278	10,278	-	-
	17,072,415	15,901,907	17,062,137	15,891,629

29. Retained earnings

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividends paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

The Company did not elect for the irrevocable option to disregard the 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the 108 balance as at 31 December 2010 and 2009 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act 2007. As at 31 December 2010, the Company has sufficient credit in the 108 balance to pay franked dividends amounting to RM10,872,846 (2009: RM13,355,205) out of its retained earnings. The balance of the retained earnings of RM7,076,214 can be distributed as dividends under the single tier system.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

30. Dividends

	2010 RM	2009 RM
Recognised during the financial year:		
Dividends on ordinary shares:		
- Final dividend for 2009: 7% less 25% taxation on 66,196,256 ordinary shares for 5.25 sen (2008: 5% less 25% taxation on 66,196,256 ordinary shares for 3.75 sen) per share	3,475,303	2,482,360
Proposed but not recognised as a liability as at 31 December		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
- Final dividend for 2010: 5.25 sen (2009: 5.25 sen) per share	3,822,832	3,475,303

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2010, of 7% less 25% taxation on 72,815,856 ordinary shares, amounting to a dividend payable of RM3,822,832 (5.25 sen net per ordinary share) 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 2011.

31. Commitments

	Group	
	2010 RM	2009 RM
Approved and contracted for:		
Property, plant and equipment	1,620,817	-
Approved but not contracted for:		
Property, plant and equipment	3,140,935	11,235,000

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

32. Contingent liabilities - unsecured

Corporate guarantees

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Corporate guarantees given to banks for credit facilities granted to certain subsidiaries	-	-	400,000,000	72,000,000
Proportionate corporate guarantee given to a licensed bank for banking facilities granted to the jointly controlled entity	3,375,000	3,375,000	3,375,000	3,375,000
	3,375,000	3,375,000	403,375,000	75,375,000

Material litigation

On 20 October 2009, the Company was served with a suit by Heng Ghee Timber ("HGT") for alleged breach of a logging subcontract to extract timber. The claimant is claiming approximately RM22 million as damages. The Company, in turn, has filed a counter claim against HGT for an amount of RM30 million.

The claims are pending in the High Court. The Courts have since allowed the Company's Third Party Applications against two of its former officers.

No provision has been made for the above suit against the Company as the Directors, based on legal advice, are of the opinion that it is remote for the claim to crystallise.

33. 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

33. Related party disclosures (cont'd)

- (i) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Tributes charged by the holding corporation	154,483	249,323	-	-
Estate agency fee charged by a related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.	173,442	165,878	173,442	165,877
Rental expenses charged by subsidiaries	-	-	131,370	131,370
Rental income from subsidiaries	-	-	97,872	296,692
Dividend income from subsidiaries	-	-	7,000,000	7,400,000
Management fees received from subsidiaries	-	-	780,000	996,000
Commission income from subsidiaries	-	-	1,516,249	1,449,357
Rendering of services by subsidiaries	-	-	126,000	170,000
Advances to subsidiaries	-	-	32,126	389,728
Progress billings charged to holding corporation	3,731,929	10,023,988	-	-
Revenue from oil palm from related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.	928,911	1,621,814	-	-
Rental of quarry land to ultimate holding corporation	50,000	50,000	-	-
Sales to holding corporation	-	22,058	-	-
Sales to related party	1,533,546	2,775,369	-	-
Sales of a development property to a Director of a subsidiary *	-	257,150	-	-

- * The sale of a development property by a subsidiary to a Director of another subsidiary was made at a discount as stipulated in the Group Service Scheme established by the Board of Directors of the subsidiary. The Group Service Scheme has been established to enable Directors and staffs of the Company and related companies to purchase properties at a discount determined by the Board of Directors from time to time.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

33. Related party disclosures (cont'd)

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Short-term employee benefits	2,434,893	2,613,502	1,459,927	1,403,672
Defined contribution plan	147,398	125,593	73,674	64,205
	2,582,291	2,739,095	1,533,601	1,467,877
Included in the total compensation of key management personnel are:				
Directors remuneration (Note 10)	1,431,551	1,643,344	952,220	818,414

Included in directors' remuneration of the Group is an amount RM Nil (2009: RM71,400) representing professional fees paid to a Director of the Company.

34. Subsequent events

On 1 February 2011, the wholly owned subsidiary of the Company, Syarikat Bina Dan Kuari (Kedah) Sdn Bhd (BINAK) was served with a Writ of Summons by Bongsu Jaya (K) Sdn Bhd. The claimant is claiming damages arising allegedly from cancellation of offer to develop a piece of land in Mukim Terap, Daerah Kulim, Kedah. In addition to BINAK, the claimant is also suing six other defendants.

On 7 April 2011, the wholly owned subsidiary of the Company, Syarikat Bina Dan Kuari (Kedah) Sdn Bhd (BINAK) was served with Writ of Summons by Galiancon Sdn Bhd. The claimant is claiming its retention sum of RM519,276 arising from the Contract Agreement with BINAK dated 1 April 2004. BINAK is disputing the amount claimed.

BINAK is defending both the cases in Court.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

35. Financial instruments

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 2.13 to 2.14 describe how the class of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analysis the financial assets and liabilities in the balance sheet by the class of financial instrument to which they are assigned, and therefore by the measurement basis:

Group	Loans and receivables RM	FVTPL RM	Financial liabilities at amortised cost RM	Total RM
31.12.10				
Assets				
Investment securities	-	619,200	-	619,200
Financial assets				
included in receivables	184,307,448	-	-	184,307,448
Cash and bank balances	85,805,874	-	-	85,805,874
Total financial assets	270,113,322	619,200	-	270,732,522
Total non-financial assets				200,393,945
Total assets				<u>471,126,467</u>
Liabilities				
Borrowings	-	-	144,475,024	144,475,024
Trade payables	-	-	77,086,380	77,086,380
Financial liabilities				
included in payables	-	-	21,618,589	21,618,589
Total financial liabilities	-	-	243,179,993	243,179,993
Total non-financial liabilities				4,221,854
Total liabilities				<u>247,401,847</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

35. Financial instruments (cont'd)

(a) Classification of financial instruments (cont'd)

Company	Loans and receivables RM	Financial liabilities at amortised cost RM	Total RM
31.12.10			
Assets			
Financial assets included in receivables	66,888,528	-	66,888,528
Cash and bank balances	19,676,285	-	19,676,285
Total financial assets	86,564,813	-	86,564,813
Total non-financial assets			98,428,745
Total assets			<u>184,993,558</u>
Liabilities			
Borrowings	-	60,196,323	60,196,323
Trade payables		8,811,851	8,811,851
Financial liabilities included in payables	-	7,326,923	7,326,923
Total financial liabilities	-	76,335,096	76,335,096
Total non-financial liabilities			831,408
Total liabilities			<u>77,166,505</u>

(b) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

	Group		Company	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
2010				
Financial assets:				
Non-current				
- Trade receivables	70,793,167	70,787,182	-	-
Financial liabilities:				
Non-current				
- Term loan	121,357,668	121,132,696	45,000,000	44,942,760
- Obligation under finance lease	458,370	*	124,639	*

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

35. Financial instruments (cont'd)

(b) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value (cont'd)

	Group		Company	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
2009				
Financial assets:				
Non-current				
- Trade receivables	53,065,632	53,669,942	-	-
Financial liabilities:				
Non-current				
- Term loan	106,666,668	107,387,167	60,000,000	60,144,789
- Obligation under finance lease	702,096	*	196,322	*

* The carrying amount of these financial instruments are approximates its fair value as there is no significant difference between the historical interest rate at the point when liability was undertaken and the current prevailing market interest rate.

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables (current)	19
Trade and other payables (current)	24
Loans and borrowings (current)	22

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

35. Financial instruments (cont'd)

(c) Determination of fair value

The carrying amounts of the current portion of loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

The fair values of current loans and borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Amounts due from subsidiaries and finance lease obligations

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Quoted equity instruments

Fair value is determined directly by reference to their published market bid price at the reporting date.

36. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk and interest rate risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Financial Officer, Head of Treasury and Head of Credit Control. The audit committee provides independent oversight to the effectiveness of the risk management process.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) 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 investment securities and cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

36. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

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 with the result that the Group's exposure to bad debts is not significant.

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.
- A nominal amount of RM81,204,881 (2009: RM69,000,000) relating to a corporate guarantee provided by the Company to a bank on a subsidiary's bank loan.

Credit risk concentration profile

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

At the financial statement date, approximately 41% (2009: 40%) of the Group's trade receivables were due from a group of customers which are past due nor 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.

Other than the above and the amounts due from related companies as disclosed in Note 19, the Group and Company has 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 record 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.

Information regarding financial assets that are either past due or impaired is disclosed in Note 19.

(b) 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 capital requirements.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

36. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the financial statement date based on contractual undiscounted payments.

	2010			
	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
Group				
Financial liabilities:				
Trade and other payables	98,998,960	-	-	98,998,960
Loans and borrowings	43,721,379	68,790,211	29,692,494	142,204,084
Total undiscounted financial liabilities	142,720,339	68,790,211	29,692,494	241,203,044
Company				
Financial liabilities:				
Trade and other payables, excluding financial guarantees *	16,138,773	-	-	16,138,773
Loans and borrowings	15,071,684	45,123,145	1,494	60,196,323
Total undiscounted financial liabilities	31,210,457	45,123,145	1,494	76,335,096

* At the reporting date, the counterparty to the financial guarantees does not have a right to demand cash as the default has not occurred. Accordingly, financial guarantees under the scope of FRS 139 are not included in the above maturity profile analysis.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

36. Financial risk management objectives and policies (cont'd)

(c) 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 primary interest rate risk relates to interest-bearing borrowings.

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.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 10 basis points lower/higher, with all other variables held constant, the Group's profit net of tax would have been RM31,962 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.

37. 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 2010 and 31 December 2009.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio below 1.0. The Group includes within net debt, loans and borrowings, trade and other payables, less cash and bank balances. Capital includes equity attributable to the owners of the parent.

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Loans and borrowings	144,475,024	130,443,257	60,196,323	60,264,131
Trade and other payables	98,998,960	79,344,791	16,138,773	25,148,947
Less:				
Cash and bank balances	(85,805,874)	(73,450,052)	(19,676,285)	(19,446,878)
Net debt	157,668,110	136,337,996	56,658,811	65,966,200
Equity attributable to the owners of the parent	215,642,410	197,436,211	107,827,053	99,738,605
Total capital	215,642,410	197,436,211	107,827,053	99,738,605
Capital and net debt	373,310,520	333,774,207	164,485,864	165,704,805
Gearing ratio	0.42	0.41	0.34	0.40

NOTES TO THE FINANCIAL STATEMENTS (cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

38. Segment information

(a) Business Segments

The Group is organized into five major business segments:

- (i) Property development – the development of residential and commercial properties
- (ii) Quarry 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
- (v) Trading of consumables

The Directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

(b) Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to segment as well those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Transfer price between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segment. These transfers are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

38. Segment information (cont'd)

2010	Property development RM'000	Quarrying and road paving RM'000	Construction RM'000	Operation of golf resort and hotel RM'000	Trading RM'000	Elimination RM'000	Consolidated RM'000
Revenue							
External sales	34,147	72,527	71,086	4,648	-	-	182,408
Inter-segment sales	6,000	8,197	649	277	10	(15,133)	-
Total revenue	<u>40,147</u>	<u>80,724</u>	<u>71,735</u>	<u>4,925</u>	<u>10</u>	<u>(15,133)</u>	<u>182,408</u>
Results							
Segment results	9,677	11,027	14,166	(1,085)	(12)	302	34,075
Unallocated corporate expenses							<u>(6,446)</u>
Operating profit							27,629
Finance costs							<u>(7,718)</u>
Income tax expense							<u>(6,258)</u>
Profit for the year							<u>13,653</u>
Assets							
Segment assets	188,578	81,672	164,430	17,078	302	-	452,060
Unallocated corporate assets							19,066
Consolidated total assets							<u>471,126</u>
Liabilities							
Segment liabilities	109,893	20,207	129,886	7,709	105	-	267,800
Unallocated corporate liabilities							<u>(20,399)</u>
Consolidated total liabilities							<u>247,401</u>
Other information							
Capital expenditure	454	8,704	453	487	-	-	10,098
Depreciation and amortisation of property, plant and equipment	1,237	2,673	145	672	-	-	4,727
Depreciation on investment property	-	-	4	-	-	-	4
Non-cash (income)/expenses other than depreciation and amortisation	-	1,180	15	-	-	-	1,195

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

38. Segment information (cont'd.)

2009	Property development RM'000	Quarrying and road paving RM'000	Construction RM'000	Operation of golf resort and hotel RM'000	Trading RM'000	Elimination RM'000	Consolidated RM'000
Revenue							
External sales	37,200	100,397	71,854	4,065	802	-	214,318
Inter-segment sales	131	8,622	23,508	519	1,576	(34,356)	-
Total revenue	<u>37,331</u>	<u>109,019</u>	<u>95,362</u>	<u>4,584</u>	<u>2,378</u>	<u>(34,356)</u>	<u>214,318</u>
Results							
Segment results	5,549	12,248	11,539	(441)	(194)	636	29,337
Unallocated corporate expenses							(1,205)
Operating profit							28,132
Finance costs							(7,441)
Share of profit of jointly controlled entities							125
Income tax expense							(6,091)
Profit for the year							<u>14,725</u>
Assets							
Segment assets	169,775	69,623	115,654	12,098	452	-	367,602
Unallocated corporate assets							50,108
Consolidated total assets							<u>417,710</u>
Liabilities							
Segment liabilities	11,100	16,741	47,283	1,528	387	-	77,039
Unallocated corporate liabilities							135,143
Consolidated total liabilities							<u>212,182</u>
Other information							
Capital expenditure	104	1,192	152	207	11	-	1,666
Depreciation and amortisation of property, plant and equipment	1,659	2,842	181	650	19	-	5,351
Depreciation on investment property	-	-	9	-	-	-	9
Non-cash (income)/expenses other than depreciation and amortisation	228	348	-	-	-	-	576

NOTES TO THE FINANCIAL STATEMENTS (cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

39. Comparatives

The comparatives were audited by a firm of chartered accountants other than Ernst & Young.

40. Supplementary information- breakdown of retained profits into realised and unrealised

The breakdown of the retained profits of the Group and of the Company as at 31 December 2010 into realised and unrealised profits is presented in accordance with directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profit or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group RM	Company RM
Total retained profits		
- Realised	122,583,837	17,138,694
- Unrealised	2,946,357	810,366
Less: Consolidated adjustments	223,945	-
Retained profits as per financial statements	<u>125,754,139</u>	<u>17,949,060</u>

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
BINA DARULAMAN BERHAD								
1.	Lot 120, Section 34, Bandar Alor Setar	Land	8,094 sq meter	Leasehold Expiring 2083	-	5,362,500.00	-	2002
2.	Lot 120, Section 34, Bandar Alor Setar	Office Building	8,094 sq meter	Leasehold Expiring 2083	6	9,853,604.00	-	2004
3.	Lot 119, Section 34, Bandar Alor Setar	Land for Development	14,699.8 sq meter	Leasehold Expiring 2083	-	13,098,680.00	-	2004
4.	HS (D) 17303 PT. 1454 Daerah Kubang Pasu, Kedah	Hotel Building	6,004.9 sq meter	Freehold	4	8,092,318.00	17,000,000.00 (31 Jan 2011)	2005
5.	HS(D) 17303 PT. 1454, Daerah Kubang Pasu, Kedah	Hotel Land	6,004.9 sq. meter	Freehold	-	700,000.00		2005
SYARIKAT BINA DAN KUARI KEDAH SDN. BHD.								
1.	No. 127 Taman Tunku Hosna Jalan Tanjung Bendahara 05300 Alor Setar Kedah Darul Aman	Commercial land with a three storey shop office	130 sq. meter	Freehold	15	132,985.00 (Land Cost) 135,124.74 (Building & Renovations)	470,000.00 (20 Nov 2008)	1996
2.	No. 128 Taman Tunku Hosna Jalan Tanjung Bendahara 05300 Alor Setar Kedah Darul Aman	Commercial Land with a three storey shop office	130 sq. meter	Freehold	15	132,985.00 (Land Cost) 135,124.74 (Building & Renovations)	470,000.00 (20 Nov 2008)	1996
3.	HS(M) 70/1986 PT 70 Bandar Alor Setar Daerah Kota Setar Kedah Darul Aman	Vacant Commercial Land	130 sq. meter	Freehold	-	143,672.50	-	1996
4.	No. 17, Jalan Impian Taman Puchong Impian 2 Puchong Batu 14 47100 Puchong Selangor Darul Ehsan	Semi Detached House	312.15 sq. meter	Leasehold expiring on 23 Sept. 2083	4	523,710.34	-	30/06/2009
5.	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	-	1,090,000.00	-	31/01/2010

LIST OF LANDED PROPERTIES (cont'd)

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
6.	No.29, Jalan Seksyen 3/8 Taman Kajang Utama, 43000 Kajang Selangor Darul Ehsan	Intermediate unit of Four Storey Shop-Office	153 sq. meter	Freehold	6	400,000.00	RM400,000.00 (08 July 2008)	31/05/2010
KEDAH HOLDINGS SDN. BHD.								
1.	Lot No. 118 (Second Floor) Lot No. 125 (First Floor) Lot No. 139 (Second Floor) Lot No. 146 (First Floor) Lot No. 148 (Second 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 1,060 930 1,060 930 930 1,060 930 930 1,060 930 sq. feet	Leasehold Expiring in 2083	23	1,384,928.00	-	1984
2.	Lot 31-42, Lot 48-87, Mukim of Kuala Kedah, Kota Setar, Kedah	Land for Development	157,010 sq. feet	Freehold	-	2,860,000.00	-	15/06/2006
3.	PT 159 – PT 177 and PT 179, District of Langgar, Kota Setar, Kedah (Taman Lelasari II)	Land for Development	65,966 sq. feet	Free Hold (Malay Reserved)	-	1,390,000.00		14/04/2008
DARULAMAN REALTY SDN. BHD.								
1.	HS(D) 17297 PT. 7263, Bandar Darulaman HS(D) 17298 PT. 7264, Bandar Darulaman HS(D) 17299 PT. 7265, Bandar Darulaman HS(D) 17300 PT. 7266, Bandar Darulaman	Agriculture Agriculture Agriculture Agriculture	1.02 1.02 1.02 1.02 acre	Freehold		1.00 1.00 1.00 1.00		16/05/1983
2.	GRN 42482 Lot 910, Bandar Darulaman	Agriculture	1.13 acre	Freehold		1.00		16/05/1983
3.	GRN 42483 Lot 911, Bandar Darulaman	Building	0.61 acre	Freehold		1.00		16/05/1983
4.	GRN 42484 Lot 909, Bandar Darulaman	Agriculture	2.32 acre	Freehold		1.00		16/05/1983
5.	GRN 42485 Lot 892, Bandar Darulaman	Building	0.55 acre	Freehold		1.00		16/05/1983

LIST OF LANDED PROPERTIES (cont'd)

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
6.	HS(D) 1174 PT. 4691, Mukim Naga	Agriculture	4.60 acre	Freehold		1.00		16/05/1983
7.	HS(D) 384 PT. 3993 – HS(D) 390 PT. 3999 Plot 42 – Plot 48, Mukim Naga	Building	0.83 acre	Freehold		1,025,458.54		16/05/1983
8.	HS(D) 577 PT. 4186, Plot 235, Mukim Naga	Agriculture	27.21 acre	Freehold		363,464.34		16/05/1983
9.	HS(D) 578 PT. 4187, Plot 236, Mukim Naga	Agriculture	15.36 acre	Freehold		179,864.88		16/05/1983
10.	HS(D) 579 PT. 4188, Plot 237, Mukim Naga	Agriculture	43.98 acre	Freehold		332,842.80		16/05/1983
11.	HS(D) 580 PT. 4189, Plot 238, Mukim Naga	Agriculture	132.14 acre	Freehold		1,816,054.61		16/05/1983
12.	HS(D) 581 PT. 4190, Plot 239, Mukim Naga	Agriculture	0.34 acre	Freehold		1.00		16/05/1983
13.	Geran 5035 PT. 1237, Mukim Jitra, Daerah Kubang Pasu	Agriculture	43.12 acre	Freehold		470,059.59		16/05/1983
14.	SP 6986 PT. 440, Mukim Jitra, Daerah Kubang Pasu	Agriculture	4.92 acre	Freehold		49,827.56		16/05/1983
15.	HS(D) 3356 PT. 2059 HS(D) 3164 PT. 2061 HS(D) 3166 PT. 2062 HS(D) 3170 PT. 2092 HS(D) 3172 PT. 2094, Bandar Darulaman HS(D) 16284 Lot 281, Bandar Darulaman	Agriculture / Building Agriculture	220.56 acre 13.60 acre	Freehold		2,271,758.43 1.00		16/05/1983 16/05/1983
16.	Lot 3105, 3106 & 3127 Mukim Sg. Petani, Daerah Kuala Muda	Agriculture	258.51 acre	Freehold		10,407,370.43		15/11/1995
17.	Lot 3107 & 3203, Mukim Sg. Petani, Daerah Kuala Muda	Residential	155.08 acre	Freehold		5,601,719.00		15/11/1995
18.	Geran No. 65187, Lot 3271 Mukim Sungai Petani, Daerah Kuala Muda	Mixed Development	20.00 acre	Freehold		1,735,025.56		13/4/1996
19.	HS(D) 1071/90, PT. 17696 Mukim Sungai Petani, Daerah Kuala Muda	Mixed Development	1.44 acre	Freehold		1.00		13/4/1996

LIST OF LANDED PROPERTIES (cont'd)

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
20.	Kuala Ketil Industrial Estate II, Lot 3979 Mukim Tawar, Daerah Baling	Mixed Development	1,064.32 acre	Freehold		23,777,350.65		30/5/1996
DARULAMAN GOLF RESORT BERHAD								
1.	HS(D) 409/95, PT. 3428, Mukim Naga Daerah Kubang Pasu, Kedah	Club House	9.63 acre	Freehold	17	6,812,029.00	-	1983
2.	HS(D) 411/95, PT. 3430, Mukim Naga Daerah Kubang Pasu, Kedah	Golf Course	179.98 acre	Freehold	-	7,963,126.00	-	1983
KEDAH SATO SDN. BHD								
1.	No. 66, Lorong KTC 3/11 Kulim Techno-City Kulim Hi-Tech Park 09000 Kulim, Kedah	Double Storey Terrace House	288.40 sq. meter	Freehold	10	146,520.00	RM150,000.00 (31 Jan 2011)	31/07/2001

ANALYSIS OF SHAREHOLDINGS

AS AT 28 APRIL 2011

Authorised Share Capital	:	RM100,000,000
Paid-up Share Capital	:	RM 72,815,856
Type of Shares	:	Ordinary Share of RM1.00 each
No. of Shareholders	:	2,306
Voting Rights	:	One vote for every share

Size of Holdings	No. of Holders	%	No. of Shares	%
1-99	9	0.39	251	0.00
100-1,000	203	8.80	159,980	0.22
1,001-10,000	1,784	77.36	5,192,400	7.13
10,001-100,000	275	11.93	7,630,000	10.48
100,001-1,000,000	29	1.26	6,599,900	9.06
Over 1,000,000	6	0.26	53,233,325	73.11
TOTAL	2,306	100.00	72,815,856	100.00

SUBSTANTIAL SHAREHOLDERS

Name	No. of Shares	Percentage of Share Capital (%)
1. Perbadanan Kemajuan Negeri Kedah	39,678,993	54.49
2. Bradford Sdn Bhd	6,619,600	9.09

ANALYSIS OF SHAREHOLDINGS (cont'd)

AS AT 28 APRIL 2011

30 LARGEST SHAREHOLDERS

As at 28 April 2011

Name	No. of Shares	(%)
1. Perbadanan Kemajuan Negeri Kedah	39,678,993	54.49
2. Bradford Sdn Bhd	6,619,600	9.09
3. HSBC Nominees (Tempatan) Sdn Bhd (HSBC (Malaysia) Trustee Berhad for Amanah Saham Kedah)	2,673,600	3.67
4. Syarikat Maluri Sdn Bhd	1,851,832	2.54
5. Chuang Show Chuan	1,394,200	1.91
6. Mayban Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Yeow Siow Lin)	1,015,100	1.39
7. TA Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Chuang Nee Wang Kim Lien)	877,000	1.20
8. Ang Hioh	586,300	0.81
9. Fong Cheong Kok	424,000	0.58
10. Ang Hioh	375,100	0.52
11. Onn Ping Lan	364,500	0.50
12. Siva Kumar A/L M Jeyapalan	302,600	0.42
13. Tung Ah Kiong	289,600	0.40
14. HLB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Goh Chu Yong)	245,000	0.34
15. Yeo Khee Huat	242,000	0.33
16. HLB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Mah Siew Seong)	240,000	0.33
17. Affin Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Chia Wai Men)	210,000	0.29
18. Kwan Chee Tong	198,700	0.27
19. Kwan Chee Tong	185,000	0.25
20. Onn Kok Puay (Weng Goupei)	179,000	0.25
21. Leong Ah Meng @ Leong Mee	168,000	0.23
22. Lee Kow Chai @ Lee Peng Saw	157,900	0.22
23. Citigroup Nominees (Tempatan) Sdn Bhd (Pledged Account for Yeoh Joey Keng)	143,900	0.20
24. Sim Tien Chye	138,800	0.19
25. Tan Kai Sum	130,000	0.18
26. ECML Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Wong Thiam Fook)	126,000	0.17
27. Sentosa Club Vision Berhad	120,000	0.16
28. Lucky Star Pte Ltd	118,200	0.16
29. Mayban Nominees (Tempatan) Sdn Bhd (Lim Kim Ong)	116,600	0.16
30. Lau Chia Nguang	116,400	0.16
TOTAL	59,287,925	81.41

ELECTRONIC DIVIDEND PAYMENT (e- DIVIDEND)

16 May 2011

To: All Shareholders of Bina Darulaman Berhad

Dear Sir / Madam,

IMPLEMENTATION OF ELECTRONIC DIVIDEND PAYMENT

Electronic Dividend Payment of e-Dividend refers to payment of cash dividends by a listed issuer to its shareholders by directly crediting the shareholders' cash dividend entitlements into their respective bank accounts. Pursuant to the letter dated 19 February 2010 from Bursa Malaysia Securities Berhad, we are pleased to inform you that all listed issuers who announce a books closing date for cash dividend entitlements on or after 1 September 2010 are required to pay cash dividends via e-Dividend to shareholders who have provided their bank account information to Bursa Malaysia Depository Sdn. Bhd ("Bursa Depository").

Benefits of e-Dividend

- (i) Faster access to dividends which is credited directly into your bank account.
- (ii) Eliminates the inconvenience of having to deposit the dividend cheques.
- (iii) Eliminates problems such as misplaced, lost or expired dividend cheques.
- (iv) Eliminates incident of unauthorized deposit of dividend cheques.
- (v) Option to consolidate the dividends from all your CDS accounts into one bank account for better account management.

Registration for e-Dividend

- 1) With effect from 19 April 2010, shareholders are given a grace period of one (1) year, until 18 April 2011 to register for e-Dividend by providing bank account information to Bursa Depository through their stock brokers without incurring any charges. If shareholders register after the one (1) year grace period, an administrative fee will be charged.

To register, you need to submit to your stock broker's office where your CDS account is maintained, the duly completed prescribed form obtained from the stock broker's office together with the following documents for registration :

Individual Depositor	Corporate Depositor
<ul style="list-style-type: none"> • Copy of identification documents i.e NRIC, Passport, Authority Card or other acceptable identified documents. • Copy of your bank statement / bank savings book/ details of your bank account obtained your bank's website that has been certified by your bank/copy of letter from your bank confirming your bank account particulars. • Original documents must be produced for verification by stock broker. 	<ul style="list-style-type: none"> • Certified true copy of Certificate of Incorporation / Certificate of Registration. • Certified true copy of your bank statement / details of your bank account obtained from your bank's website / any letter from bank confirming your bank account particulars.

- 2) If you are not able to be present at your stock broker's office to submit the prescribed form and supporting documents, please ensure that the signing of the prescribed form and the supporting documents have been witnessed by an acceptable witness specified by Bursa Depository. An acceptable witness includes as Authorised Officer of your stock broker, a Dealer's Representative, a notary public and An Authorised Officer of the Malaysian Embassy / High Commission.
- 3) If your CDS account is held in the name of a nominee, the nominee will register for the e-Dividend.

ELECTRONIC DIVIDEND PAYMENT (e- DIVIDEND) (cont'd)

- 4) Once you have registered for e-Dividend, any cash dividend entitlement of which the books closing date is announced by the Company on or after 1 September 2010, shall be paid to you via e-Dividend.
- 5) If you have not registered for e-Dividend, you will continue to receive your dividend entitlement via cheque.

Notification of e-Dividend payment

You are encouraged to provide in the prescribed form to Bursa Depository both your mobile phone number and e-mail address, if any, so that you will be notified via mobile phone or e-mail, at the desertion of the Company, once the Company has paid the cash dividend out of its account. Please note that if you provide only your mobile phone number, you may only be notified of the cash dividend payment when you receive your dividend warrant or tax certificate.

Enquiry

If you have any enquiry relating to e-Dividend, kindly consult your stock broker or our Share Registrars below :

Bina Management (M) Sdn. Bhd.

Tel No : 603-7784 3922

Fax No : 603-7784 1988

Thank you.

Yours faithfully,

BINA DARULAMAN BERHAD

KHAIRULMUNA BT ABD GHANI

Company Secretary

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 16th Annual General Meeting of the Company to be held on **Wednesday, 8 June 2011, at 11.00 a.m. at Centre of Learning, Level 4, Menara Bina Darulaman Berhad, 88, Lebuhraya Darulaman, 05100, Alor Setar, Kedah Darul Aman, MALAYSIA** or any adjournment thereof, as indicated below :-

	Ordinary Resolution	For	Against
Resolution 1	To receive and adopt the Audited Financial Statements for the year ended 31 December 2010 together with the Reports of the Directors and Auditors thereon.		
Resolution 2	To approve a first and final dividend of 7 sen less Malaysian Tax at 25% for the financial year ended 31 December 2010.		
Resolution 3	To approve the payment of Directors' Fee for the financial year ended 31 December 2010.		
Resolution 4	Proposed Re-appointment of Y.Bhg. Dato' Paduka Hj. Mohd Saad bin Endut as Director of the Company Pursuant to Section 129(6) of the Companies Act 1965 "THAT pursuant to Section 129(6) of the Companies Act 1965 Y.Bhg. Dato' Paduka Hj. Mohd Saad bin Endut, who is over the age of seventy (70) years be and is hereby re-appointed as Director of the Company to hold office until the next Annual General Meeting of the Company".		
Resolution 5 Resolution 6	To re-elect the following Directors who retire in accordance with Article 86(i) of the Company's Articles of Association: Article 86(i) i. Dr. Abdul Wahab bin Ismail ii. YB Senator Ir. Zamri bin Yusuf		
Resolution 7	Re-appointment of Messrs Ernst & Young as Auditors of the Company for the ensuing year and to authorize the Directors to fix their remuneration.		
Resolution 8	Proposed Amendment of Article 100(iii) of the Articles of Association of the Company. THAT Article 100 (iii) be inserted as the new Article to be in line with the amendments in the Listing Requirements of Bursa Malaysia Securities Berhad in relation to e-Dividend and that the said Article shall be read as follows:- New Article 100 (iii) "Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant sent through the post direct to the registered address of the holder or person entitled thereto or by direct crediting the shareholders' dividend entitlement into their bank accounts as provided to the Bursa Malaysia Depository Sdn Bhd ("Depository") from time to time. Every such cheque or warrant or direct crediting of funds shall be made payable to the order of the person to whom it is sent or to his executors, administrators or assignees in consequence of the death or bankruptcy of the holder and the payment of any such cheque or warrant or direct crediting of the shareholders' dividend entitlement to their bank accounts shall operate as a good discharge to the Company in respect of the shareholders' dividend entitlement."		

Dated this _____ day of _____, 2011

Signature/Common Seal of Shareholder(s)

Notes:

- Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. 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 authorized in writing of if the appointer is a corporation either under its common seal or under the hand of an officer or attorney duly authorized 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 Aras 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 this meeting or at any adjournment thereof.

Stamp

The Company Secretary

BINA DARULAMAN BERHAD

Aras 9, Menara BDB
88, Lebuhraya Darulaman
05100 Alor Setar
Kedah Darul Aman

Kemajuan
yang Bertanggungjawab



BINA DARULAMAN BERHAD (332945-X)

Aras 9 & 10, Menara BDB,
88 Lebuhraya Darulaman,
05100 Alor Setar, Kedah Darul Aman.

Tel : 04-730 0303

Fax : 04-734 2714

