



SPIRIT OF ACHIEVEMENT



THRIVING ON CHALLENGES

Bina Darulaman Berhad
ANNUAL REPORT 2020

Our Vision

To be a respected and leading conglomerate that delivers products and services of the highest quality.

Our Mission

To deliver excellence through township development, infrastructure, construction and tourism.

Our Corporate Objectives

- To maximise returns to shareholders by maximising 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 realise their potential.
- To ensure sustainability of our core businesses.
- To create diversified income and revenue sources.
- To contribute positively towards the social and environmental needs of the society in which we operate.

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Cover Rationale | **THRIVING ON CHALLENGES**

We at BDB cannot deny that 2020 has been one of the most challenging years that we have ever faced. It was a year of unexpected adversities – the whole world went through and is still going through a pandemic. Economies were hit hard; businesses were affected and BDB was not spared either. However, these challenges serve to strengthen and better prepare us for whatever the future holds. We have braved the storm and now, in calmer waters, strive to move forward with renewed fervour while holding steadfast to our goals to seek growth opportunities and heighten value for our dedicated staff, business partners and stakeholders. We look forward to better times in the coming days. Together as one. This is our spirit of achievement.



GO GREEN. GO PAPERLESS.

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ABOUT US

BINA DARULAMAN BERHAD (BDB) is an investment holding company whose subsidiaries are well-known in the state of Kedah for infrastructure engineering, construction, property development, and tourism.

Since its inception more than two decades ago, the BDB Group has played an important role in the development of the state's socioeconomic agenda, achieving remarkable success in the implementation of various projects in different parts of Kedah.

Incorporated on 7 February 1995 and listed on the Main Board of Bursa Malaysia on 2 February 1996, the BDB Group has come a long way from its humble beginnings and now has a workforce with a high level of expertise and specialty, as evidenced by its ability to undertake various projects.

The BDB Group underwent a transformation process that culminated in the unveiling of a new identity in April 2015, coinciding with its 20th anniversary celebration. The new corporate identity, with the tagline "Spirit of Achievement," reflects BDB's larger, forward-thinking goals and commitment.

The new tagline emphasises a new corporate culture in which everyone will collaborate to achieve corporate objectives.



ROAD BUILDING & QUARRY

Since its inception in 1973, **BDB INFRA SDN. BHD.** (BDB Infra) has amassed more than 40 years of experience in quarry and road construction. BDB Infra is recognised as a reputable class G7 contractor for road works in northern Malaysia.



BDB Infra is also synonymous for its technical know-how and quality road works, and has participated in many road construction projects and maintenance of roads and highways across northern Malaysia.

Originally operating under the name Syarikat Bina Dan Kuari Kedah Sdn. Bhd., BDB Infra is the pioneer of the quarry industry in the north and operates the largest granite quarry in Kedah. Bukit Perak Quarry, situated in Pendang, produces various sizes of crushed aggregates and asphaltic bituminous mix products for the construction of roads, highways, railway tracks, bridges, houses, land reclamations and other infrastructures.

The quarry has the capacity to produce 100,000 tonnes of aggregates monthly and based on the current capacity, the quarry has enough reserves to last over 100 years.

In early 2017, BDB Infra had successfully operated a new asphalt premix plant in Kulim,

namely Kulim Kedah Premix Plant (KKPP) to cater to the demands of customers from central to southern Kedah, Penang and northern Perak.

The plant is being equipped with a batching system with the capability of producing 40,000 tonnes of asphaltic bituminous mix products monthly. KKPP is the largest addition to BDB Infra's production and manufacturing facilities.

Based on its excellent track record, the state government has awarded BDB Infra a three-year contract worth RM210 million in 2020 for state road maintenance in several districts in Kedah.

The project will run for 36 months, beginning on March 23, 2020, and will include work in Kota Setar, Padang Terap / Pokok Sena, Kuala Muda, Sik, Kubang Pasu, Kulim / Bandar Baharu, Pendang, Yan, and Baling.



ENGINEERING & CONSTRUCTION

BDB SYNERGY SDN. BHD. (BDB Synergy) was founded in 1982 as a joint venture between Perbadanan Kemajuan Negeri Kedah (PKNK) and Sato Kogyo Company Ltd., and it is proud to be one of the major participants in the engineering and construction markets for Malaysia's northern region. BDB Synergy provides a comprehensive range of engineering and construction services, including civil and building construction, road and earthwork, maritime infrastructure, and waterworks.

Since its inception, BDB Synergy has established a distinguished track record of major developments and projects in the engineering and construction industries. BDB Synergy has completed building and civil projects for airports, leisure and residential developments, educational and healthcare facilities, water supply facilities, jetties, roads, bridges, industrial, and civil infrastructures, among others.

BDB Synergy's competitive advantage stems from its decades of experience, civil engineering skill sets, and resources that are versatile enough to deliver projects of all sizes innovatively, on time, and within budget.

Thus, in 2019, BDB Synergy was awarded a certificate of appreciation by the Ministry of Housing And Local Government for completing the PPR Ayer Hitam project 111 days ahead of schedule. As a result, the company is dedicated to continuing to serve and provide better service in the future.

In February 2020, the Water, Land and Natural Resources Ministry has awarded BDB Synergy with a RM39.79 million contract to carry out construction work in Perlis under the national non-revenue water (NRW) programme. The contract is for 104 weeks, beginning February 20, 2020 until February 16, 2022.

On top of that, the Kedah State Government has offered BDB Synergy to be appointed as the main contractor for the Pelubang Water Treatment Plant (WTP) upgrading project via direct negotiations. The project would cost RM450 million and it is a part of the State Government's plan to upgrade five water treatment plants in Kedah.

BDB Synergy subscribes to the following tools and standards in its operations as part of its commitment to operational excellence and consistent performance with the primary goal of achieving complete stakeholder satisfaction:

- Quality Assessment System in Construction (QLASSIC)
- ISO 9001:2015
- ISO 14001:2015
- OHSAS 18001:2007

BDB Synergy, building trust and creating value.



PROPERTY DEVELOPMENT

BDB LAND SDN. BHD. (BDB Land) has established itself as a reputable leader in township development in Malaysia's northern region.

It was founded on April 7, 1981, and has over 30 years of experience and an impressive track record to its credit. The name BDB Land is associated with prestigious sustainable townships such as:



Bandar Darulaman
JITRA
YOUR ASPIRATIONS, DEFINED

Darulaman Perdana
SUNGAI PETANI
WORK, ENJOY, FLOURISH



- **Bandar Darulaman (Jitra)**, a self-sufficient and mature township in Alor Setar's state capital;
- **Darulaman Perdana (Sungai Petani)**, a residential mixed development that will provide Sungai Petani residents with a high standard of living;
- **Darulaman Utama (Kuala Ketil)**, a large-scale township development in Kuala Ketil that is expected to transform the Baling district; and
- the two new townships, **Darulaman Saujana (Jitra)** and **Darulaman Putra (Sungai Petani)**, are poised to continue bringing Kedah's people sustainable development and quality of life.

On 30 October 2020, BDB Land signed a memorandum of understanding (MoU) with Lagenda Properties Berhad (LPB) for the proposed joint development proposal for the affordable township in Darulaman Putra.

It was an ongoing effort by BDB Land to develop an affordable housing in the area and the plan is expected to add value to the affordable township which has an estimated gross development value of about RM550 million.

BDB Land continues to strive and introduce new products and a new way of life within its townships, as well as play an important role in Kedah's socioeconomic agenda.

Therefore, on December 10, 2020, BDB Land signed a joint venture and shareholder agreement with MBI Kedah, the investment arm of the Kedah state government, for the Langkawi Premium Outlet project. The project will include a premium outlet, an International Cultural and Tourism Village, a hotel, and food and beverage outlets.

The proposed collaboration and development should help to cement BDB Land's position as one of the most important property development players in Kedah and the Northern Region.

PROPERTY DEVELOPMENT

Founded on 2 February 1982, **KEDAH HOLDINGS SDN. BHD.** (Kedah Holdings) has 30 years of experience in developing businesses, residential, high level apartments as well as office buildings.

Kedah Holdings intends to develop small to medium-sized housing and commercial projects in order to position itself as a pocket and boutique developer, matching customised needs and lifestyles to people in Kedah state and beyond.

Kedah Holdings past developments include:

- **Kompleks Alor Setar**, a 3-storey commercial complex located on Lebuhraya Darulaman in Alor Setar; and

- **Menara BDB**, a 10-storey office building that houses the headquarters of Bina Darulaman Berhad as well as private offices, government and semi-government agencies.
- **Taman Nusantara 2A**, a housing project on Lot 1198, Mukim Kuala Kedah, Daerah Kota Setar, Kedah Darul Aman, consisting of 1 unit detached house (2-storey) and 52 units of twin houses (2-storey).
- **Taman Nusantara 2B**, a housing project on Lot 1198, Mukim Kuala Kedah, Daerah Kota Setar, Kedah Darul Aman, consisting of 1 unit of semi-detached house in March 2015 and 30 units of twin homes (2-storey).



LEISURE & HOSPITALITY

BDB LEISURE SDN. BHD. (BDB Leisure), founded on September 6, 2016, is a company that is involved in the business of building amusement parks and manages various forms of entertainment, sports, indoor and outdoor recreations.

The company had increased its workforce to ensure smooth business operations and to improve productivity and efficiency in order to provide better customer satisfaction.

Darulaman Park's development include Darulaman Trails, complete with infrastructure for various sports and recreational activities, is a popular hangout spot and the main attraction for locals in the Kubang Pasu district.

The opening of Fantasia Aquapark in November 2017, as well as the marquee tent, wall climbing, and flying fox in 2018, will help boost tourist attractions and revenue for BDB Leisure.

Aside from that, Darulaman Sanctuary in Langkawi also plays an important role in providing support for the core business to ensure BDB Leisure's success.

Within a gazetted forest reserve at the foot of Langkawi's highest point (Gunung Raya), it has a very hilly atmosphere that is enhanced by a river. It's a natural setting ideal for eco-tourism, particularly for observing wildlife such as monkeys, hornbills, and insects, as well as getting up close and personal with Lubuk Semilang's flora.

The location, which has over 100 medicinal plants along the trail, will also broaden your knowledge of how the Langkawi natives used to thrive on this island.



LEISURE & HOSPITALITY

BDB DARULAMAN GOLF RESORT BERHAD (BDB DGRB) has a sprawling international standard 18-hole golf course that spans 190 acres of land.

The green resort has been attracting golfers from all over the country since it first opened its doors in 1993. It was upgraded in June 2013, and it has been attracting golfers from all over the country since then. Its popularity has grown as a result of a number of professional tournaments, including the BDB Masters, one of the most anticipated amateur tournaments in the north.

Known as the “Pride of the North,” BDB DGRB is one of the golf resorts that provide a full range of resort amenities. Swimming pools, badminton courts, a gymnasium, conference facilities, F&B outlets (Classic Café), a hotel, and chalets are just a few of the amenities available at the Resort.

The resort BDB Hotels has a total of 104 unit rooms with apartment concept, including Standard Suite, Deluxe Suite, Family Suite with 2 bedrooms, and chalets that can accommodate your retreat in total tranquillity.

Guests can enjoy the relaxing landscape or participate in outdoor activities such as golfing, canoeing, boating, walking, and cycling at Darulaman Park or Darulaman Trails, while the nearby Fantasia Aquapark is ideal for children.



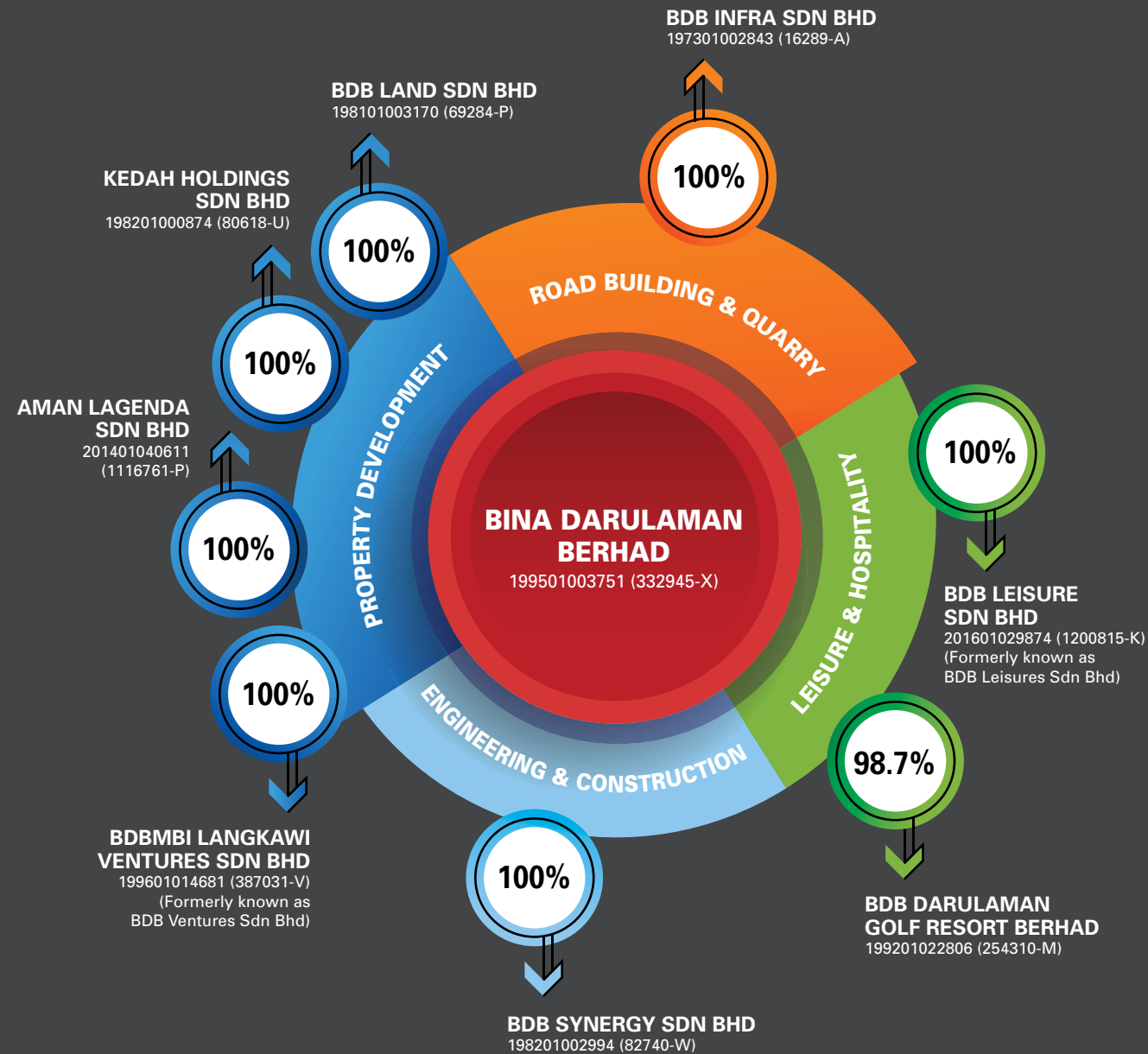
BDB DGRB improved safety and facilities for the surrounding community and club members in 2020.

At Hole 7, BDB DGRB has installed safety nets to prevent stray balls from entering the neighbourhood. BDB DGRB has also performed golf course repair work such as hollow tine to soften, tighten, and re-compact the grass on the green.

Furthermore, BDB DGRB has worked with the Department of Wildlife and National Parks (Perhilitan) to ensure that wild animals do not endanger public safety. All of this is done to ensure the comfort and safety of club members and the general public, as well as to maintain BDB DGRB's reputation as one of the best golf clubs in the Northern Region.



CORPORATE STRUCTURE



CORPORATE INFORMATION

BOARD OF DIRECTORS

- DATO' MOHAMED SHARIL TARMIZI**
Chairman
Independent and Non-Executive
- DATO' ASRI BIN HAMIDIN @ HAMIDON**
Senior Independent Director
- TUAN HAJI SYED YUSSOF BIN SYED OTHMAN**
Non-Independent and Non-Executive Director
- YB SENATOR IR. TS. KHAIRIL NIZAM BIN KHIRUDIN**
Independent and Non-Executive Director
- MOHAMAD IBRAHIM BIN GHAZALI**
Independent and Non-Executive Director
- DATO' ZAKIAH BINTI KASSIM**
Independent and Non-Executive Director
- DATO' HAJI ABDUL RAHMAN BIN ABDULLAH**
Non-Independent and Non-Executive Director
- TUAN HAJI MUHAMAD SOBRI BIN OSMAN**
Non-Independent and Non-Executive Director

BOARD AUDIT COMMITTEE

- MOHAMAD IBRAHIM BIN GHAZALI**
Chairman
- YB SENATOR IR. TS. KHAIRIL NIZAM BIN KHIRUDIN**
Member
- DATO' HAJI ABDUL RAHMAN BIN ABDULLAH**
Member
- DATO' ZAKIAH BINTI KASSIM**
Member

BOARD RISK COMMITTEE

- DATO' MOHAMED SHARIL TARMIZI**
Chairman
- DATO' HAJI ABDUL RAHMAN BIN ABDULLAH**
Member
- MOHAMAD IBRAHIM BIN GHAZALI**
Member
- YB SENATOR IR. TS. KHAIRIL NIZAM BIN KHIRUDIN**
Member
- TUAN HAJI MUHAMAD SOBRI BIN OSMAN**
Member

BOARD NOMINATION, REMUNERATION & ESOS COMMITTEE

- DATO' ASRI BIN HAMIDIN @ HAMIDON**
Chairman
- DATO' MOHAMED SHARIL TARMIZI**
Member
- DATO' ZAKIAH BINTI KASSIM**
Member
- TUAN HAJI SYED YUSSOF BIN SYED OTHMAN**
Member

BOARD PROCUREMENT COMMITTEE

- DATO' ZAKIAH BINTI KASSIM**
Chairman
- DATO' HAJI ABDUL RAHMAN BIN ABDULLAH**
Member
- TUAN HAJI SYED YUSSOF BIN SYED OTHMAN**
Member
- TUAN HAJI MUHAMAD SOBRI BIN OSMAN**
Member

COMPANY SECRETARY

KHAIRULMUNA BINTI ABD GHANI
Practicing Certificate No. 202008004025
LS No. 0008190

REGISTERED OFFICE

Level 9, Menara BDB,
88, Lebuhraya Darulaman,
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Fax : +604 734 2714
E-mail : bina_darulaman@bdb.com.my
Website : www.bdb.com.my

AUDITORS

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10250 Pulau Pinang.
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Fax : +604 238 2222

PRINCIPAL BANK

MAYBANK ISLAMIC BANK BERHAD
1535, Jalan Sultan Badlishah,
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Tel : +604 731 3855
Fax : +604 733 1550

AFFIN ISLAMIC BANK BERHAD

147 & 148, Susuran Sultan
Abdul Hamid 8, Kompleks
Sultan Abdul Hamid Fasa 2,
Persiaran Sultan Abdul Hamid,
05050, Alor Setar,
Kedah Darul Aman.
Tel : +604 772 1477
Fax : +604 771 4796

STOCK EXCHANGE LISTING

Listed on the Main Board of
BURSA MALAYSIA SECURITIES BERHAD
Stock Name : BDB
Stock Code : 6173

BOARD OF DIRECTORS



DATO' MOHAMED SHARIL TARMIZI
Chairman



DATO' ASRI BIN HAMIDIN @ HAMIDON
Director
Senior Independent and Non-Executive



TUAN HAJI SYED YUSSOF BIN SYED OTHMAN
Director
Non-Independent and Non-Executive



YB SENATOR IR. TS. KHAIRIL NIZAM BIN KHIRUDIN
Director
Independent and Non-Executive



MOHAMAD IBRAHIM BIN GHAZALI
Director
Independent and Non-Executive



DATO' ZAKIAH BINTI KASSIM
Director
Independent and Non-Executive



DATO' HAJI ABDUL RAHMAN BIN ABDULLAH
Director
Non-Independent and Non-Executive



TUAN HAJI MUHAMAD SOBRI BIN OSMAN
Director
Non-Independent and Non-Executive

PROFILE – BOARD OF DIRECTORS (“BOD”)



DATO' MOHAMED SHARIL TARMIZI

Chairman
Independent and Non-Executive Chairman

Age: 52
Nationality & Gender: Malaysian & Male
Date of Appointment: 01.09.2019
Securities holdings in the Company: Yes

QUALIFICATIONS

- LLB (Hons)/Law, University College of Wales, Aberystwyth
- Barrister-at-Law, Gray's Inn, London, United Kingdom
- Advocate & Solicitor, High Court of Malaya

PROFESSIONAL EXPERIENCE

Dato' Mohamed Sharil bin Mohamed Tarmizi is a LLB (Hons) graduate from University College of Wales, Aberystwyth (now Aberystwyth University) and is a Barrister at Law, Gray's Inn London. He was also called to the Malaysian Bar in 1994 and was formerly an Advocate & Solicitor of the High Court of Malaya practising with Azman Davidson & Co. and later, Zaid Ibrahim & Co. before becoming a partner in an investment advisory firm which was eventually acquired by a major regional bank.

Thereafter, he was appointed Chairman and Chief Executive of the MCMC (Malaysian Communications and Multimedia Commission), an independent regulatory body set up by a Malaysian Act of Parliament to develop, oversee and regulate the communications and multimedia sector in Malaysia from 2011 to 2014. MCMC eventually took over as regulator for the postal and courier industry.

In the international arena, Dato' Sharil was also a Board member of the ICANN (Internet Corporation for Assigned Names and Numbers), the global internet domain name coordinating body and was the Chairman of ICANN's GAC (Government Advisory Committee) from 2004 to 2007.

Dato' Sharil has worked closely with other international organisations such as ISOC (Internet Society), ITU (International Telecommunications Union), the World Bank, the WTO (World Trade Organisation), APT (Asia Pacific Telecommunity), PITA (Pacific Islands Telecoms Association), Commonwealth Telecoms Organisation, IIC (International Institute of Communications), the Universal Postal Union and UNICEF (United Nations International Children's Emergency Fund); particularly in the area of training and capacity building and continues to remain in an advisory capacity to some of them.

In 2017, in recognition of his contribution to the global internet community, his alma mater, conferred him an Honorary Fellowship in 2017. He was also recently appointed as an Advisory Board Member to the University Institute for Computing and Society in March 2019.

Dato' Sharil is presently Senior Advisor with Quantephi Sdn. Bhd., a boutique investment advisory firm in Malaysia, licensed by the Securities Commission of Malaysia and a Senior Advisor to ASEAN Advisory Pte. Ltd., a specialist advisory and consulting firm based in Singapore. His main areas of expertise are corporate restructurings, turnarounds, and mergers and acquisitions. He currently serves on the Board of Directors of LotusCars UK. In 2009, he was appointed as Independent Non-Executive Chairman of PrivAsia Technology Berhad and OPCOM Holdings Berhad public companies listed on ACE Market of Bursa Malaysia Securities Berhad. In 2021, Dato' Sharil has been appointed as a Director of Digital Nasional Berhad and Pos Malaysia Berhad on 12 March 2021 and 13 April 2021. Dato' Sharil resigned as Non-Executive Chairman of PrivAsia Technology Berhad and OPCOM Holdings Berhad on 17 May 2021 and 26 April 2021 respectively.

OTHER DIRECTORSHIP IN PUBLIC LISTED COMPANIES

1. Pos Malaysia Berhad

BOARD COMMITTEE MEMBERSHIP

1. Chairman, Board Risk Committee
2. Member, Board Nomination, Remuneration & ESOS Committee

ATTENDANCE AT BOARD MEETING IN 2020

Attended 11/11 meetings after appointment as member of the Board.

ATTENDANCE AT PREVIOUS AGM

Yes

OTHER INFORMATION

Dato' Sharil does not have any family relationship with any Director and/or any major shareholder of the Company and has no conflict of interest with the Company. He has no conviction of any offences over the past 5 years other than traffic offences, (if any) and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



DATO' ASRI BIN HAMIDIN @ HAMIDON

Senior Independent and Non-Executive Director

Age: 55
Nationality & Gender: Malaysian & Male
Date of Appointment: 30.12.2013
Securities holdings in the Company: None

QUALIFICATIONS

- Master of Economics Hiroshima University, Japan
- Bachelor of Economics (Hons), Universiti Malaya
- Diploma in Public Administration, National Institute of Public Administration (INTAN)
- Completed Harvard Premier Business Management Programme

PROFESSIONAL EXPERIENCE

Dato' Asri Bin Hamidin @ Hamidon began his career as Assistant Director of the Economic Planning Unit (“EPU”) in the Prime Minister's Department in 1994 followed by a stint in the Anti-Corruption Agency (now the Malaysian Anti-Corruption Commission) starting in 1998. In 2003, he began his service as Administrative and Diplomatic Officer in the Public Service Department. Dato' Asri continued his public service as the Principal Assistant Secretary in the Ministry of Finance (“MOF”) and held several other positions since including Deputy Under-Secretary, Investment, MOF Inc. and Privatization Division. He was appointed as the Under-Secretary, Government Investment Companies Division MOF in July 2015 before being promoted as the Deputy Secretary General of Treasury (Investment) in 2018. In 2019, he moves laterally as Deputy Secretary General of Treasury (Policy) before assuming his current role as Secretary General of Treasury. On 12 March 2021, Dato' Asri has been appointed as the Chairman of Digital Nasional Berhad.

OTHER DIRECTORSHIP IN PUBLIC LISTED COMPANIES

1. Tenaga Nasional Berhad

BOARD COMMITTEE MEMBERSHIP

1. Chairman, Board Nomination, Remuneration & ESOS Committee

ATTENDANCE AT BOARD MEETING IN 2020

Attended 6 out of 11 meetings held during the financial year.

ATTENDANCE AT PREVIOUS AGM

Yes

OTHER INFORMATION

Dato' Asri does not have any family relationship with any Director and/or any major shareholder of the Company and has no conflict of interest with the Company. He has no conviction of any offences over the past 5 years other than traffic offences, (if any) and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILE OF BOD (CONTINUED)



TUAN HAJI SYED YUSSOF BIN SYED OTHMAN

Non-Independent and Non-Executive Director

Age: 58

Nationality & Gender: Malaysian & Male

Date of Appointment: 14.12.2020

Securities holdings in the Company: No

QUALIFICATIONS

- Bachelor of Business Administration, Universiti Teknologi MARA (UiTM)
- Diploma in Accountancy, UiTM

PROFESSIONAL EXPERIENCE

Syed Yussof graduated with a Diploma in Accountancy and a Bachelor in Business Administration from UiTM (Universiti Teknologi MARA). On graduation, Syed Yussof served Public Bank Berhad and later Amanah Capital Berhad. In 1994, Syed Yussof joined Perbadanan Kemajuan Negeri Kedah ("PKNK") as Senior Manager. He was seconded to BDB Infra Sdn. Bhd. ("BISB"), a wholly owned subsidiary of Bina Darulaman Berhad ("BDB") from 2005 to 2011. His last post in BISB was as the General Manager. In 2011, Syed Yussof returned to PKNK and was promoted as Head of Business Development. Syed Yussof was also appointed as a Board member of PKNK's subsidiaries including Kedah Medical Centre Sdn. Bhd. and Kulim Technology Park Corporation Sdn. Bhd. Syed Yussof is the Chief Executive Officer of PKNK since 12 November 2020.

OTHER DIRECTORSHIP IN PUBLIC LISTED COMPANIES

None

BOARD COMMITTEE MEMBERSHIP

1. Member, Board Nomination, Remuneration & ESOS Committee
2. Member, Board Procurement Committee

ATTENDANCE AT BOARD MEETING IN 2020

No meeting was held after his appointment as member of the Board.

ATTENDANCE AT PREVIOUS AGM

N/A

OTHER INFORMATION

Syed Yussof does not have any family relationship with any Director and/or any major shareholder of the Company and has no conflict of interest with the Company. He has no conviction of any offences over the past 5 years other than traffic offences, (if any) and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



YB SENATOR IR. TS. KHAIRIL NIZAM BIN KHIRUDIN

Independent and Non-Executive Director

Age: 41

Nationality & Gender: Malaysian & Male

Date of Appointment: 06.09.2019

Securities holdings in the Company: No

QUALIFICATIONS

- MSc in Asset Maintenance and Management, Universiti Teknologi PETRONAS
- BEng. (Hons) Mechanical Engineering, Universiti Teknologi PETRONAS

PROFESSIONAL EXPERIENCE

YB Senator Ir. Ts. Haji Khairil Nizam Bin Khirudin began his career in PETRONAS Research and Scientific Services Malaysia in 2002. In 2007, he was appointed as a Senior Inspection Engineer at the Inspection Section, Gas Processing Plant Complex B (GPPB) PETRONAS Gas Berhad and moved on to the Inspection and Assurance Section, PETRONAS Carigali Sdn. Bhd. (PMO) as an Inspection Technical Manager @ Staff Engineer (Inspection) in 2011 until 2013. He left PETRONAS in 2013 to be the Lead Integrity Engineer / Senior OSR Inspector (PV / Crane) / Technical Authority (Integrity / Mechanical Static) at Talisman Malaysia Limited / REPSOL Oil & Gas Malaysia Limited. In 2020, he was appointed by the Duli Yang Maha Mulia Seri Paduka Baginda Yang di-Pertuan Agong as Senator and member of the Senate of the Parliament of Malaysia.

OTHER DIRECTORSHIP IN PUBLIC LISTED COMPANIES

None

BOARD COMMITTEE MEMBERSHIP

1. Member, Board Audit Committee
2. Member, Board Risk Committee

ATTENDANCE AT BOARD MEETING IN 2020

Attended all meetings held after his appointment as member of the Board.

ATTENDANCE AT PREVIOUS AGM

N/A

OTHER INFORMATION

YB Ir. Ts Khairil Nizam does not have any family relationship with any Director and/or any major shareholder of the Company and has no conflict of interest with the Company. He has no conviction of any offences over the past 5 years other than traffic offences, (if any) and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILE OF BOD (CONTINUED)



MOHAMAD IBRAHIM BIN GHAZALI

Independent and Non-Executive Director

Age: 56

Nationality & Gender: Malaysian & Male

Date of Appointment: 14.12.2020

Securities holdings in the Company: No

QUALIFICATIONS

- Member of Malaysian Institute of Accountants (MIA 20637)
- Advanced Diploma in Accountancy (ADIA), Equivalent to Bachelor Degree in Accountancy, Universiti Teknologi Mara (UiTM)

PROFESSIONAL EXPERIENCE

Mohamad Ibrahim started his career as an Auditor in May 1988 where he was involved in audits of various governmental agencies, legal firms and conglomerates. He left after 3 years to join Shapadu Group of Companies as Internal Auditor. In January 1995, Mohamad Ibrahim was appointed as Finance Manager at METC Holdings Sdn. Bhd. before assuming greater responsibilities as Senior Finance Manager from September 1996 to October 1999. He then moved on to be Financial Controller of ARZ Group of Companies in November 1999 and was promoted as General Manager in 2005 where he was responsible for identifying future business opportunities, reviewing the corporate planning and handling all legal and secretarial matters. In 2009, he started his own tax, corporate secretarial, accounting and management advisory firm, MIG Associates.

OTHER DIRECTORSHIP IN PUBLIC LISTED COMPANIES

None

BOARD COMMITTEE MEMBERSHIP

1. Chairman, Board Audit Committee
2. Member, Board Risk Committee

ATTENDANCE AT BOARD MEETING IN 2020

No meeting was held after his appointment as member of the Board.

ATTENDANCE AT PREVIOUS AGM

N/A

OTHER INFORMATION

Mohamad Ibrahim does not have any family relationship with any Director and/or any major shareholder of the Company and has no conflict of interest with the Company. He has no conviction of any offences over the past 5 years other than traffic offences, (if any) and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



DATO' ZAKIAH BINTI KASSIM

Independent and Non-Executive Director

Age: 61

Nationality & Gender: Malaysian & Female

Date of Appointment: 06.09.2020

Securities holdings in the Company: No

QUALIFICATIONS

- Bachelor of Laws, Universiti Malaya

PROFESSIONAL EXPERIENCE

Dato' Zakiah Binti Kassim started her career as a Legal Officer at the High Court of Kuala Lumpur in June 1983 before taking up appointment as Senior Assistant Registrar at High Court of Pulau Pinang in the same year. In 1984, she became Director of the Legal Aid Bureau of Negeri Sembilan until she left to assume the position of Magistrate of the Magistrate Court of Kuala Lumpur in 1986. In 1991, she was promoted as Session Court Judge at the Session Court of Kuala Lumpur. A year later, she joined the executive branch of the government upon her appointment as Legal Advisor at the Ministry of Housing & Local Government. In 1997, she was appointed as a Secretary at Perbadanan Putrajaya prior to assuming the role of Federal Counsel at the Ministry of Finance in 1999. In 2000, she was appointed as a Legal Officer, Drafting Division at the Attorney General Chamber, a position she held for 4 years before she joined the Kedah State as a Legal Advisor in 2005. In 2009, Dato' Zakiah became Chairman of the Board Advisory in the Prime Minister's Department before returning to the judiciary branch following her appointment as Judicial Commissioner at the High Court of Johor Bahru, Johor in the same year. She accepted a transfer to the High Court of Alor Setar, Kedah in 2010 and was with the High Court of Shah Alam, Selangor for 2 years until her retirement in 2017.

OTHER DIRECTORSHIP IN PUBLIC LISTED COMPANIES

None

BOARD COMMITTEE MEMBERSHIP

1. Chairman, Board Procurement Committee
2. Member, Board Nomination, Remuneration & ESOS Committee
3. Member, Board Audit Committee

ATTENDANCE AT BOARD MEETING IN 2020

Attended all 4 meetings after her appointment as member of the Board.

ATTENDANCE AT PREVIOUS AGM

N/A

OTHER INFORMATION

Dato' Zakiah does not have any family relationship with any Director and/or any major shareholder of the Company and has no conflict of interest with the Company. She has no conviction of any offences over the past 5 years other than traffic offences, (if any) and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILE OF BOD (CONTINUED)



DATO' HAJI ABDUL RAHMAN BIN ABDULLAH

Non-Independent and Non-Executive Director

Age: 60
Nationality & Gender: Malaysian & Male
Date of Appointment: 01.01.2017
Securities holdings in the Company: No

QUALIFICATIONS

- Master of Business Administration, Universiti Utara Malaysia
- Bachelor of Economics (Hons), Universiti Malaya

PROFESSIONAL EXPERIENCE

Dato' Haji Abdul Rahman Bin Abdullah joined Perbadanan Kemajuan Negeri Kedah ("PKNK") in 1984 as Assistant Manager. He worked his way up the career ladder assuming senior positions with greater roles and responsibilities in Administration & Human Resources Development function culminating and promoted as General Manager (Corporate). He was appointed as Chief Executive Officer of PKNK from 18 August 2016 until his retirement in 2020.

OTHER DIRECTORSHIP IN PUBLIC LISTED COMPANIES

None

BOARD COMMITTEE MEMBERSHIP

1. Member, Board Audit Committee
2. Member, Board Risk Committee
3. Member, Board Procurement Committee

ATTENDANCE AT BOARD MEETING IN 2020

Attended all 11 meetings held during the financial year.

ATTENDANCE AT PREVIOUS AGM

Yes

OTHER INFORMATION

Dato' Haji Abdul Rahman does not have any family relationship with any Director and/or any major shareholder of the Company and has no conflict of interest with the Company. He has no conviction of any offences over the past 5 years other than traffic offences, (if any) and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



TUAN HAJI MUHAMAD SOBRI BIN OSMAN

Non-Independent and Non-Executive Director

Age: 60
Nationality & Gender: Malaysian & Male
Date of Appointment: 06.09.2020
Securities holdings in the Company: No

QUALIFICATIONS

- Certified Training Professional, Institute of Training and Development
- Master of Business Administration, Universiti Sains Malaysia
- Bachelor in Applied Science (Electronic), Universiti Sains Malaysia

PROFESSIONAL EXPERIENCE

Tuan Haji Muhamad Sobri Bin Osman started his career in the Hitachi Semiconductor Sdn. Bhd. back in 1984 as Production Engineer and was promoted to Industrial Engineering Manager, a position he held for 10 years before leaving in 1994. He then moved on to the Human Resource and Training & Development in Renesas Semiconductor Sdn. Bhd. until 2011. In 2008, Tuan Haji Muhamad Sobri was tapped to head the Kulim Technology Park Corporation as Chief Executive Officer where he led a team to build on Kulim Technology Park as the premier business friendly site for capital intensive high-technology manufacturing, advanced technologies as well as research and development activities until his retirement in 2013. After his retirement, Tuan Haji Muhamad Sobri was actively involved in NGO and he was appointed as Chairman of NGO Komuniti Peduli Insan.

On 1 Sept 2020, Tuan Haji Muhamad Sobri was appointed as Chief Executive Officer of Menteri Besar Kedah Incorporated ("MBI") and other MBI's subsidiary companies.

OTHER DIRECTORSHIP IN PUBLIC LISTED COMPANIES

None

BOARD COMMITTEE MEMBERSHIP

1. Member, Board Risk Committee
2. Member, Board Procurement Committee

ATTENDANCE AT BOARD MEETING IN 2020

Attended all meetings held after appointment as member of the Board.

ATTENDANCE AT PREVIOUS AGM

N/A

OTHER INFORMATION

Tuan Haji Muhamad Sobri does not have any family relationship with any Director and/or any major shareholder of the Company and has no conflict of interest with the Company. He has no conviction of any offences over the past 5 years other than traffic offences, (if any) and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILE – SENIOR MANAGEMENT



FARIS NAJHAN BIN HASHIM

President & Group Chief Executive Officer

Age: 54

Gender: Male

QUALIFICATIONS

- Bachelor of Economics (Majoring in Accounting), University of Sydney, Australia.

WORKING EXPERIENCE

Prior to joining Bina Darulaman Berhad, **Faris Najhan Bin Hashim** has had more than 25 years of experience in senior positions with listed companies as well as other non-listed companies. He has vast experience in strategic corporate planning, restructuring, turnaround, mergers and acquisitions as well as operations management in industries including construction, property development and telecommunications during his stint with the previous listed companies namely Ayer Molek Rubber Company Berhad, Mun Loong Berhad, Ho Hup Construction Company Berhad and other non-listed companies.

Faris also sits on the board of certain subsidiary companies within the Group.

OTHER INFORMATION

Faris does not have any family relationship with any Director and/or any major shareholder of the Company and has no conflict of interest with the Company. He has no conviction of any offences over the past 5 years other than traffic offences (if any) and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



MOHD ISKANDAR DZULKARNAIN BIN RAMLI

Executive Vice President I (EVP I) - Strategy, Finance & Corporate Services @ Chief Corporate Officer

Age: 37

Gender: Male

QUALIFICATIONS

- Bachelor of Accounting, International Islamic University, Malaysia
- A member of Malaysian Institute of Accountants
- A member of Institute of Internal Auditors Malaysia
- A member of Malaysian Association of Risk and Insurance Management

WORKING EXPERIENCE

Mohd Iskandar Dzulkarnain Bin Ramli was promoted to Executive Vice President I (EVP I) - Strategy, Finance & Corporate services @ Chief Corporate Officer (“EVP I”) on 1 November 2020. Prior to that he was the Chief Operating Officer since 1 December 2018. His role and function is to oversee the financial, corporate services, strategy and legal matters.

Iskandar first joined Bina Darulaman Berhad (“BDB”) in 2014 as Head of Group Corporate Planning and Enterprise Risk Management (“GCPERM”), where his primary role is focusing principally to lead, monitor and coordinate the integrated business viability of the Group’s business strategy, assess the risk on new business opportunities such as commercial development, land development and corporate exercises and its execution.

Upon his appointment as Chief Operating Officer in 2018, his primary role is to lead all the subsidiaries on its operations matters focusing on strategy and lead the turnaround of the Company.

Prior to BDB, Iskandar has served numerous companies including Khazanah Nasional Berhad Group of Companies, Kumpulan Perangsang Selangor Berhad, Sapuracrest Berhad and etc. Iskandar’s experience includes a broad range of strategic risk management, which has included Strategic Development Risk in reviewing Key Projects i.e. Malaysia-China Kuantan Industrial Park (“MCKIP”), Kuantan Port Expansion (“KPE”) and involved in Special Water Project Restructuring Programme at the Government Statutory Body.

Iskandar also sits on the board of certain subsidiary companies within the Group.

OTHER INFORMATION

Iskandar does not have any family relationship with any Director and/or any major shareholder of the Company and has no conflict of interest with the Company. He has no conviction of any offences over the past 5 years other than traffic offences, (if any) and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILE – SENIOR MANAGEMENT (CONTINUED)



MOHD SOBRI BIN HUSSEIN

*Executive Vice President II (EVP II) - Operations
@ Chief Operating Officer*

Age: 54

Gender: Male

QUALIFICATIONS

- Bachelor of Engineering (Civil Engineering), University of Wollongong, Australia in 1990.

WORKING EXPERIENCE

Mohd Sobri Bin Hussein was appointed as Executive Vice President II (EVP II) - Operations @ Chief Operating Officer (“EVP II”) on 1 November 2020 to oversee the operations of BDB Group.

He first joined the Group in 1994 as a site engineer and assumed the roles with greater responsibilities until his promotion as General Manager in 2003. Thereafter, he was transferred laterally to oversee construction, engineering and infrastructure (road building & quarry) business operation thus picking up wholistic understanding of the Group’s businesses and operations.

Mohd Sobri also sits on the board of certain subsidiary companies within the Group.

OTHER INFORMATION

Mohd Sobri does not have any family relationship with any Director and/or any major shareholder of the Company and has no conflict of interest with the Company. He has no conviction of any offences over the past 5 years other than traffic offences, (if any) and no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

CHAIRMAN'S STATEMENT



Dear Valued Shareholders,

On behalf of the Board of Directors, I hereby present the Annual Report 2020 and Financial Statements of Bina Darulaman Berhad (“BDB” or “the Group”) for the Financial Year ended 31 December 2020 (FY2020).

CHAIRMAN'S STATEMENT (CONTINUED)

OVERVIEW

To say that the last 12 months have been challenging on so many fronts would be an understatement – a soft property market, a sharp downturn in construction activity, the loss of tourism, a change in the State Government and the devastating effects of the global Covid-19 pandemic.

2020 took a heavy toll on businesses not only for the Group but also on both Malaysian and global economic activities throughout the year. In 2020, just like everyone else in Malaysia, we too had to endure the effects of two rounds of enforced Movement Control Order (MCO) mandated lockdowns which led to significant disruptions in trade and commerce.

All business activities and operations across the Group, except for essential services, were suspended in compliance with the MCO. This put a significant impact on the Group's core business activities (as detailed in the Management Discussion and Analysis on pages 36 to 41).

IMPACT OF COVID-19

The historic global pandemic of COVID-19 resulted in unprecedented downward pressure on the financial performance of our Property, Road & Quarry, Engineering & Construction and Leisure & Hospitality divisions for the financial year ended 31 December 2020 (FY2020).

Nonetheless, I am pleased to report that decisive and corrective action to address the "new normal" by our Senior Leadership Team, led by our President & GCEO, has enabled the Group to weather last year's challenging business conditions. By adopting a flexible posture to the pandemic's headwinds, initiating new aggressive business strategies and opportunities, exercising fiscal prudence and implementing operational improvements, the Group has improved its bottom-line.

It is important to note that our operational and financial performance were achieved without having to resort to job retrenchments within the Group, but rather at optimising and maximising the use of our human resources. The Board determined that it was the right thing to do in assuring our employees, particularly in our Leisure and Hospitality Division, of their job security by reassigning them to support work and assignments elsewhere within the Group.

Moreover, the health and safety of our people, sub-contractors, suppliers and our surrounding communities was the Group's non-negotiable number one priority. Strong leadership at all levels of the Group enabled us to implement various steps to minimise the risk of an outbreak on our operations.

Given the circumstances, the Board met with the Senior Leadership team frequently during year via video conferencing, dealing with the implications of the crisis as they unfolded, protecting and enhancing the long-term sustainability of the Group.

Making full use of high-speed Internet connectivity and modern video conferencing software, the pace of actions taken to mitigate the impact of the pandemic was swift, pragmatic and was regularly reviewed for relevance and timeliness.

FINANCIAL PERFORMANCE

The Group continued the turnaround momentum in FY2020 despite the hugely challenging business environment. BDB recorded revenue of about RM219.5 million, a decrease of RM28.7 million or 12% compared to RM248.2 million reported for FY2019.

By applying strict cost discipline, optimising operational strategies and enhancing fiscal discipline resulted in the Group reporting profit before tax (PBT) of RM8.5 million, a 26% increase over the corresponding period in FY2019. At the same time, the Group's total borrowings was reduced to RM124 million from RM132 million while its debt-to-equity ratio improved to 0.27.

CORPORATE GOVERNANCE & ENGAGEMENT WITH SHAREHOLDERS

The Group firmly believes that good governance is essential for us to effectively deliver on our business strategy and generate sustainable value for all our shareholders. To that end, the Board welcomed the new provision on corporate liability for corruption offences under the Malaysian Anti-Corruption Commission (Amendment) Act 2018 which came into effect on 1 June 2020. The provision ties in with our corporate belief to always uphold our integrity and conduct our business in an ethical manner.

The safety and security of our shareholders and other stakeholders remains our priority. As a result of the measures announced by our government and the Securities Commission Malaysia to curtail social gatherings, our 25th annual general meeting ("AGM") was held virtually on 3 September 2020. The AGM was held interactively and thereby offered our shareholders the opportunity to follow the AGM remotely and submit questions.

DIVIDEND PAY-OUT

After several years of prudence whilst BDB worked on strengthening its financial position to deliver sustainable returns to our shareholders and stakeholders, the Board approved the resumption of dividend payments to shareholders.

With the successful outcomes of our turnaround strategies, an interim single tier dividend of RM0.0075 per ordinary share in respect of FY2020 was announced on 1 March 2020. The dividend was paid on 30 March 2020.

The dividend pay-out is a small gesture of appreciation to our valued shareholders for your continued trust and confidence whilst being mindful of the need to maintain financial resilience to withstand and respond to the impacts of any external shocks moving forward.

BOARD CHANGES

Our Board saw a change take place with the retirement of Encik Sudirman Bin Masduki, Datuk Mohd Radzif Bin Mohd Yunus and Dr. Muhammad Mahadi Bin Mohamed at the conclusion of our Annual General Meeting in September 2020. We would like to thank them for their valuable contributions, support and counsel during their time with the Board, and we wish them the very best in their future endeavours.

We also welcomed aboard 5 new directors, namely Dato' Zakiah Binti Kassim, YB Senator Ir. Ts. Haji Khairil Nizam Bin Khirudin, Haji Muhamad Sobri Bin Osman, Haji Syed Yusof Bin Syed Othman and Mohamad Ibrahim Bin Ghazali. These new appointments will add valuable skills and will further complement and strengthen the Board in terms of competency, experience and diversity.

CHAIRMAN'S STATEMENT (CONTINUED)

CORPORATE SOCIAL RESPONSIBILITY

Despite the challenging operational environments and financial constraints, it gives me great pride to say that the Group continues to meet its CSR obligations and responsibilities in 2020 with energy, empathy and commitment.

With a full CSR calendar in 2020 comprising no less than 13 major programmes and activities, the Group continues to strive to make a difference to the environment and various communities within the State with meaningful engagements with all stakeholders, including the state government, local Kedahan businesses, entrepreneurs, employees, partners, customers and local communities.

It is particularly important at this point in time when lives, communities and businesses have been badly affected by the effects of the COVID-19 pandemic, that BDB makes an even greater effort to reach out and provide support to those who need it most. We have shared some of those efforts in the Sustainability Statement section in this Annual Report.

The pandemic has forced us to re-think what is essential to the economy and people. Our teams partnered local authorities to distribute face masks and food packages to frontliners, students and affected communities. Their actions reaffirmed the Group's resolve and core values of community building. We would like to express our utmost gratitude to all frontliners for their professionalism and sacrifice to keep everyone safe during this unprecedented period.

2021 OUTLOOK

The pandemic has opened up new ways of working and thinking and we have started FY2021 with renewed focus on our purpose. We will continue our digital transformation by accelerating and expanding our efforts to digitise our work processes – this includes our marketing and promotional platforms as well as backroom support activities – to drive revenue growth going forward. It is also our response to the “new normal” where the future workspace has no physical workplace.

We will continue to push forward with a strong focus on our long-term sustainability and accelerate our transformation by realigning our strengths to better position the Group for the future.

A number of factors and developments give the Group confidence that 2021 will result in a much-needed improvement in the Group's performance, namely:

1. After a contraction of 5.6% in 2020, Malaysia's GDP is expected to grow between 6% and 7.5% in 2021, thereby spurring pent-up demand for new homes.
2. Hiring and the creation of new jobs is expected to improve in 2021, thereby improving consumer and business demand for goods and services.
3. The ongoing nationwide vaccination programme that is expected to protect Malaysia from experiencing the economic and business disruptions of 2020.
4. Air travel as well as domestic and international borders are expected to be gradually re-opened in 2021 which will provide a major boost in tourism arrivals and spending.

BDB will continue to deliver in value in this challenging environment and have recalibrated the businesses to focus on public projects and leverage on our strong ties to the Kedah State Government to maximise value for our shareholders and other stakeholders in the foreseeable future.

For our Engineering, Construction and Quarry division, it is important to note the projects already in hand, namely the three-year state road maintenance project and the recent approval to construct a water treatment plant (“WTP”) in Pelubang to resolve NRW issues.

For our Property Development division, our priority is to unlock the potential value of our landbank taking into consideration customers' preferences for functional affordable housing whilst being mindful of the soft property market. We have inked a joint development with Lagenda Properties Berhad to build an affordable township in Darulaman Putra (Kuala Muda District) with a Gross Development Value of RM550 million.

Whilst the Board and the Group remain vigilant and monitor closely the business environment and general economic situation, we expect to emerge from this health crisis stronger, not just in terms of financial metrics, but with strong focus on performance, forward momentum and growth potential into the medium term powered by a strong order book for infrastructure projects coupled with ongoing township development projects.

These factors, coupled with the Group's strengthened focus on financial prudence, creating new revenue streams and increasing operational efficiencies across the board, will ensure BDB is well positioned to reap the benefits of an improving economic outlook.

IN APPRECIATION

Alhamdulillah, our improved performance reflects the efforts, dedication and commitment of everyone in the Group. In these trying circumstances, their resilience and flexibility in adapting to the new norm of working, have served the Group well and by their action, kept our businesses running.

This strong team culture and spirit of innovation defines BDB and ensures that we deliver long-term and sustainable value for all stakeholders. To everyone, from our operational staff to management, please accept the Board's heartfelt gratitude and appreciation.

I also express my sincere gratitude to the Menteri Besar of Kedah, YAB Haji Muhammad Sanusi Md Nor, the Kedah State Government and all government agencies which have supported us through this unprecedented year. BDB also appreciates the unwavering support by our business associates, customers and shareholders who continue to inspire us to keep performing better and create even greater value. Rest assured that we will do so, InsyaAllah.

On a personal note, I wish to thank my fellow Board members for their wise counsel and invaluable input to the Senior Leadership Team and to me personally during what has been a challenging but rewarding year for the Group.

Dato' Mohamed Sharil Tarmizi
Chairman

MANAGEMENT DISCUSSION & ANALYSIS

2020 was defined by the Covid-19 pandemic which led to social and economic disruption, especially in the sectors we operate in, namely property development, engineering and construction and the leisure sector. For us at BDB, having recently achieved our financial turnaround in the previous year, the team is called again join in and put our shoulder to the grindstone. This time the rallying call is not only to maintain our turnaround, but to do so whilst keeping our management and workforce safe, healthy and ensure their job security. Alhamdulillah, with the guidance of our Board members and continued support from the Kedah State Government, led by the Menteri Besar, YAB Tuan Haji Sanusi Mohd Noor, we managed to improve our profitability and most satisfyingly, without any reduction in benefits to our workforce.



FINANCIAL RESULTS

Key Highlights Financial Year 2020

REVENUE	PROFIT BEFORE TAX	TOTAL CASH RESERVE	TOTAL BORROWINGS	DEBT TO EQUITY RATIO
RM219.5 million	RM8.5 million	RM70.0 million	RM124.4 million	0.27x

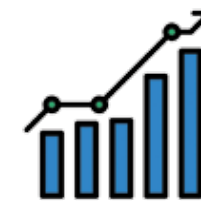
The approach and strategy to cushion and ride-out the impact of the pandemic has paid off and proved to be crucial to the Group's better performance in 2020 as compared to the previous financial year. The Group's re-balancing and optimisation of its business operations were geared towards ensuring the continuity and resilience of all the Group as a viable operating entity.

The Group recorded revenue of RM219.5 million, representing a decrease by RM28.8 million or 12% compared to RM248.2 million in 2019. The largest contribution to our top line came from Property Development segment with RM99 million or 45% of the Group's total revenue. The lowest contribution came from the Leisure & Hospitality segment with RM3.5 million or 2% of the Group's total revenue as the segment was heavily affected by unstable business operations due to the MCO.

However, the Group's proactive business strategies to cushion the COVID-19 impact resulted in higher profit before tax ("PBT") of RM8.5 million, an increase of RM1.7 million or 26%. Our Property Development segment was the largest contributor to PBT with RM6.7 million or 78% of the Group's total PBT. Understandably, with the devastating impact of the pandemic to the global tourism industry, the lowest contribution came from the Leisure & Hospitality segment with a loss of RM4.1 million.

Our financial standing remains strong with assets totalling RM734.3 million. Total equity stands at RM468.6 million and cash reserve stands at RM69.8 million. Debt-to-equity ratio remains healthy at 0.27.

For the financial year 2020, the key achievements are as follows:



Improved Profitability



Achieved 16% Savings In Operations Cost



Reduced Total Borrowings



Improved Net Current Assets

Aside from this, cost optimisation efforts were carried out since 2019, and in 2020, the Group managed to decrease operating expenses by 16% without compromising on our employees' welfare.

On that note, we have implemented improvements in our manpower utilisation whilst at the same time, safeguarding our employees' welfare. As a result, BDB did not have to carry out any retrenchment exercise. Instead, we created new revenue lines and reassigned our employees to provide other services within the Group via reskilling and optimising of our human resource assets.

REVIEW OF BUSINESS OPERATIONS

Property Development

The Property Division posted lower revenue of RM99.3 million in current financial year as compared to RM126.1 in 2019. The division also recorded lower PBT of RM6.7 million for 2020 compared to the PBT of RM33.3 million in 2019. The decrease in revenue was due to lower take-up rates and curtailed work progress on the Bandar Darulaman and Darulaman Perdana projects.

Despite the soft sentiment in Kedah's property market, the division managed to reduce the unsold inventory valued at RM32.1 million on 31 December 2019 to RM17.3 million by 31 December 2020. During the year, BLSB signed a Memorandum of Understanding (MOU) with Lagenda Properties Berhad on the proposed joint development for the affordable township in Darulaman Putra. The joint venture is expected to be finalised in 2021.

MANAGEMENT DISCUSSION & ANALYSIS (CONTINUED)

Road Building & Quarry

The Road Building and Quarry division recorded higher revenue of RM84.0 million compared to RM63.7 million in 2019. The division also recorded slightly lower profit before tax of RM7.6 million for the current year compared to profit before tax of RM7.9 million in the previous year. Higher revenue for the division was mainly due to the higher sales of quarry products and better contribution from road paving activities.

On 9 March 2020, the division secured a new three-year road maintenance works across the state of Kedah valued at a total of RM210 million.

Engineering and Construction

The Engineering and Construction division posted lower revenue of RM31.0 million compared to RM48.5 million in 2019. Despite lower revenue, the division recorded higher profit before tax of RM3.7 million in 2020 compared to RM2.1 million in 2019 contributed by cost savings from external projects.

BDB Synergy had received Letter of Acceptance from the Ministry of Water, Land & Natural Resources for its tender for the National Non-Revenue Water ("NRW") Programme in Perlis with a contract value RM40 million. Although on-site works for the NRW project in Perlis were suspended during the MCO, construction resumed in May 2020. To date, the division has completed 47% of the project and is 4% ahead of target.

On 9 May 2021, the division secured a Water treatment plant project in Kedah with a contract value of RM431 million. Works commenced by 20 May 2021.

Leisure & Hospitality

The Leisure & Hospitality division posted lower revenue of RM3.5 million compared to RM8.5 million in 2019 due to lower contributions from its golfing, recreational and water theme parks segments. This was due largely from the temporary closure of operations as a result of the MCO imposed by the Federal Government.

Despite the unpredictable business conditions, the division managed to record an improved performance for the current year compared to 2019. The division recorded lower loss before tax of RM4.1 million compared to RM10.7 million loss before tax in FY2019.

Prospects

Following a year of a severe economic slowdown, Malaysia's economy is expected to recover in 2021. While near-term growth will be affected by the re-introduction of stricter containment measures, the impact, however, will be less severe than that experienced in 2020. The growth trajectory is projected to improve from the second quarter onwards in 2021.

The nationwide vaccination programme commencing from February 2021 onwards is also expected to lift economic sentiment.

However, the balance of risks remains tilted to the downside, stemming mainly from ongoing uncertainties surrounding the dynamics of the pandemic and potential challenges that might affect the rollout of vaccines both globally and domestically. There are also ongoing concerns that the momentum in economic recovery will be affected by the resurgence in COVID-19 cases and the introduction of targeted containment measures in 2021.

Property Development

The main focus of the division is to continue reducing its property inventory levels through aggressive marketing and en-bloc sales and prioritising affordable residential projects launches. To that effect, the division will continue with an aggressive marketing approach to reduce unsold completed properties at its Bandar Darulaman and Darulaman Perdana developments.

The division will continue to focus on developing its existing townships and landbank by unlocking the potential value of its remaining landbank. The joint development between BDB Land and Lagenda Properties Berhad in Darulaman Putra is expected to generate RM550 million in Gross Development Value.

BDB had also entered into a joint venture and Shareholders' Agreement with Menteri Besar Kedah Incorporated in developing an integrated project called Langkawi Premium Outlet which is destined to become Langkawi's premier duty-free shopping outlet. Earthworks for the project have been completed and development of the first phase of the project is expected to begin in 2021.

Engineering and Construction

Work on the National Non-Revenue Water ("NRW") Programme in Perlis, valued at RM40 million, is expected to continue in 2021.

The division has received a Letter of Award from Kedah State government for the upgrading works of water treatment plant in Pelubang, Kedah. Works on the water treatment plant in Pelubang are expected to commence in the second quarter of 2021.

Road Building and Quarry

The division is expected to contribute significantly to the Group's earnings in FY2021. Overall, the division will continue to focus on routine highway maintenance and upgrading works from highway concessionaires and also road pavement works from the government and private sectors in 2021.

Conclusion

Although the Covid -19 pandemic has been relatively well managed so far, the impact on the upcoming financial year cannot be reliably estimated at this juncture. Nevertheless, we are encouraged by the measures taken by the Malaysian Government to stimulate economic activity and to contain the pandemic.

The reality is, it is a bit difficult to make predictions on the economic and social impact to us as a group in the coming year, but we will continue to be watchful and nimble on our feet and we hope our sustainability plans will yield positive results and contribute to our financial performance in 2021.

Lastly, our achievements to date are thanks to the hard work and commitment of our remarkable team at BDB. So, on behalf of the management team, I would like to thank you for your enthusiasm, dedication and unwavering support to the BDB Group.

5 YEARS GROUP FINANCIAL HIGHLIGHTS

	2016	2017	2018	2019	2020
Revenue	356,586	251,707	203,390	248,220	219,585
Profit / (Loss) Before Taxation	52,456	(10,910)	(39,334)	6,799	8,534
Profit / (Loss) After Taxation	34,134	(12,277)	(42,226)	4,707	5,270
Net Profit / (Loss) Attributable To Owner Of The Company	34,162	(12,244)	(42,204)	4,707	5,292
Share Capital	303,855	331,020	331,020	331,020	331,020
Earnings Per Share (Sen)	11.24	(4.03)	(13.89)	1.55	1.74
Shareholders' Funds	526,783	500,870	458,662	463,369	468,639
Net Tangible Assets Per Share (RM)	1.74	1.65	1.51	1.52	1.56
Dividend Per Share (Sen)	4.50	NIL	NIL	NIL	0.75
Dividend Payment (Net)	13,673	NIL	NIL	NIL	NIL
Total Assets	1,084,293	789,864	745,010	745,627	734,308
Total Borrowings	355,169	161,255	156,651	131,602	124,432



FINANCIAL CALENDAR

Financial Year End	31.12.2020
ANNOUNCEMENT OF RESULTS	
• First Quarter	22.06.2020
• Second Quarter	25.08.2020
• Third Quarter	23.11.2020
• Fourth Quarter	25.02.2021

SHARE PRICE MOVEMENT



SUMMARY

Highest price during this period : RM 0.54 on 7 April 2021
Lowest price during this period : RM 0.25 on 23 April 2021
Highest volume during this period : 6.502 million 17 March 2021



CORPORATE EVENTS & CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES ("CSR")

Continuing Our Corporate Events & Corporate Social Responsibility Activities ("CSR") Efforts Despite Covid-19

Covid-19 may have wreaked havoc in the lives of so many since the year 2020. However, the pandemic has not hindered the staff and management of BDB in their efforts to continue its CSR activities and ensure that the needs of communities are fulfilled.

LIST OF CSR & CORPORATE EVENTS 2020

NO.	DATE	DESCRIPTIONS	COMPANY
1	27/3 – 23/4/2020	Covid-19 CSR Contribution	BDB HQ
2	16/6/2020	Presentation of contribution (pingpong table) to members of the Police Club of IPD Kubang Pasu	BDB HQ
3	24/6/2020	The Kedah Chief Minister's visit to the Langkawi Premium Outlet site project	BDB Land
4	20/7/2020	Presentation of contribution to the 6 th Battalion of Royal Malay Regiment	BDB HQ
5	21/7/2020	26 th Annual General Meeting of BDB Darulaman Golf Resort Berhad (BDB DGRB)	BDB DGRB
6	27/7/2020	<i>Majlis Gotong-Royong dan Kenduri Gulai Kawah</i> in conjunction with Hari Raya Aidil Adha 2020 / 1442H Celebration	BDB HQ
7	18/8/2020	Water Treatment Plant Upgrading Project	BDB Synergy
8	3/9/2020	25 th Annual General Meeting of Bina Darulaman Berhad (BDB)	BDB HQ
9	30/10/2020	The Signing Ceremony of Memorandum of Understanding between BDB Land Sdn Bhd and Lagenda Properties on The Proposed Joint Development of Darulaman Putra, Sungai Petani	BDB Land
10	4 & 5/12/2020	Board of Director's Onboarding Session and Site Visit Langkawi	BDB HQ & BDB Land
11	8/12/2020	Presentation of Zakat Contribution from BDB Group to Mr Abdul Latif bin A Rahman in Kampung Padang Gunung, Alor Setar	BDB HQ
12	17/12/2020	Presentation of contribution to Mr Che Daud Bin Morad (Staff of BDB Group)	BDB HQ
13	20/12/2020	Year-End Dinner with Kedah Elite Media Club	BDB HQ

CORPORATE EVENTS & CORPORATE SOCIAL RESPONSIBILITY ("CSR") 2020 (CONTINUED)

27 - 23
MAR - APR

Covid-19 CSR Contribution



24
JUN

The Kedah Chief Minister's visit to the Langkawi Premium Outlet site project



16
JUN

Presentation of contribution (pingpong table) to members of the Police Club of IPD Kubang Pasu



20
JUL

Presentation of contribution to the 6th Battalion of Royal Malay Regiment



CORPORATE EVENTS & CORPORATE SOCIAL RESPONSIBILITY ("CSR") 2020 (CONTINUED)

21 JUL

26th Annual General Meeting of Darulaman Golf Resort Berhad



18 AUG

Water Treatment Plant Upgrading Project



27 JUL

Majlis Gotong-Royong dan Kenduri Gulai Kawah in conjunction with Hari Raya Aidil Adha 2020 / 1442H Celebration



03 SEP

25th Annual General Meeting of Bina Darulaman Berhad



CORPORATE EVENTS & CORPORATE SOCIAL RESPONSIBILITY ("CSR") 2020 (CONTINUED)

**30
OCT**

The Signing Ceremony of Memorandum of Understanding between BDB Land Sdn Bhd and Lagenda Properties on The Proposed Joint Development of Darulaman Putra, Sungai Petani



**08
DEC**

Presentation of Zakat Contribution from BDB Group to Mr Abdul Latif bin A Rahman in Kampung Padang Gunung, Alor Setar



**17
DEC**

Presentation of contribution to Mr Che Daud Bin Morad (Staff of BDB Group)



**4 & 5
DEC**

Board of Director's Onboarding Session and Site Visit Langkawi



**20
DEC**

Year-End Dinner with Kedah Elite Media Club



CORPORATE GOVERNANCE OVERVIEW STATEMENT

OVERVIEW

The Board of Directors (“Board”) of Bina Darulaman Berhad (“the Company” or “BDB”) is committed to uphold the high standards of corporate governance (“CG”) principles as guided under Malaysian Code on Corporate Governance (“MCCG”). Despite challenges faced by BDB and subsidiaries (“BDB Group” or “the Group”) during financial year ended 31 December 2020 (“FY2020”), BDB has continued to adhere to best corporate values and constantly evaluates its governance practices for improvement. The Group’s CG structure is a fundamental part of the Board’s responsibility to protect and enhance long-term shareholder value and the financial performance of the Group, whilst taking into account the interests of all stakeholders.

BDB’s commitment centred around the three (3) principles set out in the MCCG:

- A. Board leadership and effectiveness;**
- B. Effective audit and risk management; and**
- C. Integrity in corporate reporting and meaningful relationship with stakeholders.**

The Board is pleased to share with our stakeholders with insights into the CG practices of the Group for FY2020. A summary of the application by BDB for each Practice under the MCCG is disclosed in the CG Report for FY2020 which is available on the corporate website at <https://bdb.com.my/publications>.

Even though the Group is a “Non-Large Company” pursuant to the CG Code, the Board leadership and management have taken best effort to adopt the Practices recommended by MCCG, and will strive to adopt the Step-Up Practices too. An overview of the Board’s implementation of the Practices set out in the MCCG during FY2020 is tabulated below:

NO.	PRACTICE	DETAILS	APPLICATION
1.	1.1	The board should set the company’s strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company’s values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.	Applied
2.	1.2	A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.	Applied
3.	1.3	The positions of Chairman and CEO are held by different individuals.	Applied
4.	1.4	The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.	Applied
5.	1.5	Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.	Applied

NO.	PRACTICE	DETAILS	APPLICATION
6.	2.1	The board has a board charter which is periodically reviewed and published on the company’s website. The board charter clearly identifies – <ul style="list-style-type: none"> • the respective roles and responsibilities of the board, board committees, individual directors and management; and • issues and decisions reserved for the board 	Applied
7.	3.1	The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering. The Code of Conduct and Ethics is published on the company’s website	Applied
8.	3.2	The board establishes, reviews and together with management implements policies and procedures on whistleblowing.	Applied
9.	4.1	At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent director.	Applied
10.	4.2	The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director. If the board intends to retain an independent director beyond nine years, it should justify and seek annual shareholders’ approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders’ approval through a two-tier voting process.	Applied
11.	4.3 (Step Up)	The board has a policy which limits the tenure of its independent directors to nine years.	Adopted
12.	4.4	Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.	Applied
13.	4.5	The board discloses in its annual report the company’s policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.	Applied
14.	4.6	In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.	Applied
15.	4.7	The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.	Applied

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

NO.	PRACTICE	DETAILS	APPLICATION
16.	5.1	The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out and its outcome. For Large Companies, the board engages independent experts periodically to facilitate objective and candid board evaluations.	Applied
17.	6.1	The board has in place policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The policies and procedures are periodically reviewed and made available on the company's website.	Applied
18.	6.2	The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management. The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.	Applied
19.	7.1	There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.	Applied
20.	7.2	The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.	Departure
21.	7.3 (Step Up)	Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.	Departure
22.	8.1	The Chairman of the Audit Committee is not the Chairman of the board.	Applied
23.	8.2	The Audit Committee has a policy that requires a former key audit partner to observe a cooling-off period of at least two years before being appointed as a member of the Audit Committee.	Applied
24.	8.3	The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor.	Applied
25.	8.4 (Step Up)	The Audit Committee should comprise solely of Independent Directors.	Adopted

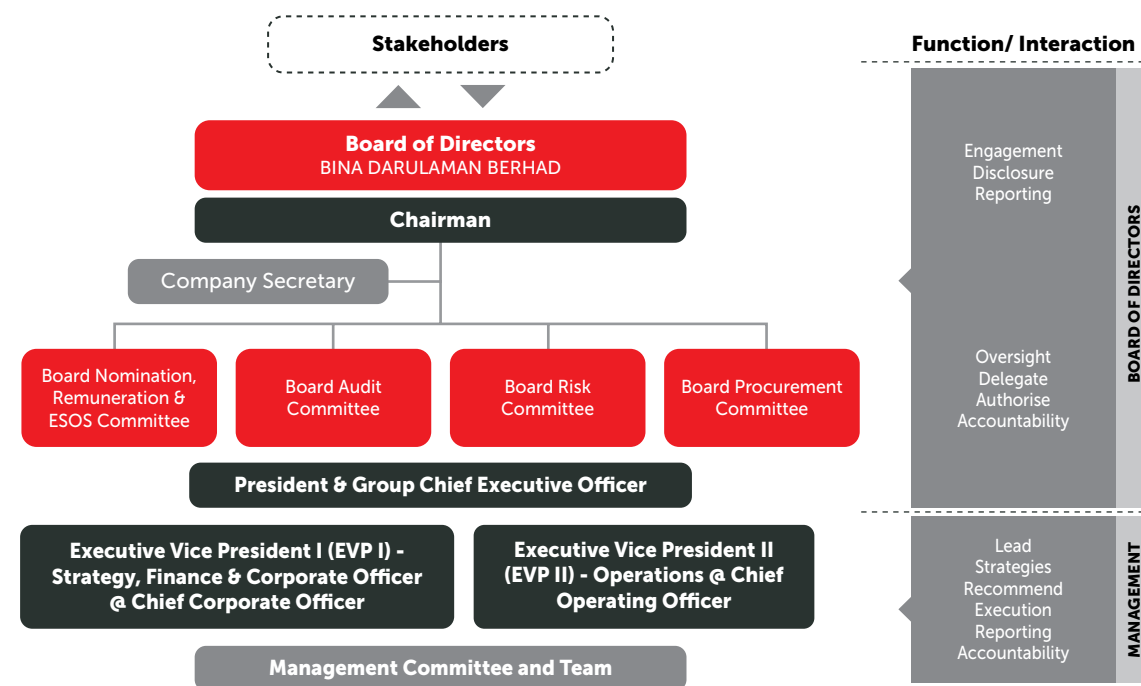
NO.	PRACTICE	DETAILS	APPLICATION
26.	8.5	Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process. All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.	Applied
27.	9.1	The board should establish an effective risk management and internal control framework.	Applied
28.	9.2	The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.	Applied
29.	9.3 (Step Up)	The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.	Adopted
30.	10.1	The Audit Committee should ensure that the internal audit function is effective and able to function independently.	Applied
31.	10.2	The board should disclose: <ul style="list-style-type: none"> • whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence; • the number of resources in the internal audit department; • name and qualification of the person responsible for internal audit; and • whether the internal audit function is carried out in accordance with a recognised framework. 	Applied
32.	11.1	The board ensures there is effective, transparent and regular communication with its stakeholders.	Applied
33.	11.2	Large companies are encouraged to adopt integrated reporting based on a globally recognised framework. There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.	Applied
34.	12.1	Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.	Applied
35.	12.2	All directors attend general meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.	Applied
36.	12.3	Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate – <ul style="list-style-type: none"> • including voting in absentia; and • remote shareholders' participation at General Meetings. 	Applied

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

CORPORATE GOVERNANCE FRAMEWORK

The Board has CG structure in place since FY2017 and the revised structure provides a two-way interaction among the Board, the Chairman, the Board Committees, the President & Group Chief Executive Officer, the Executive Vice President I (EVP I) - Strategy, Finance & Corporate Services @ Chief Corporate Officer and the Executive Vice President II (EVP II) - Operations @ Chief Operating Officer down to the Management and operational level.

CG STRUCTURE



PRINCIPLE A: BOARD LEADERSHIP & EFFECTIVENESS

Structural Changes to Board Composition and Senior Management

On 3 September 2020, the Shareholders accepted the retirement by rotation and desire not to seek re-election of Y. Bhg Datuk Mohd Radzif Bin Mohd Yunus, Encik Sudirman Bin Masduki and Dr Muhammad Mahadi Bin Mohamad. Tuan Haji Syed Yussof Bin Syed Othman and Encik Mohamad Ibrahim Bin Ghazali were appointed to the Board on 14 December 2020.

On 25 October 2020, the Board approved the appointment of as follows:

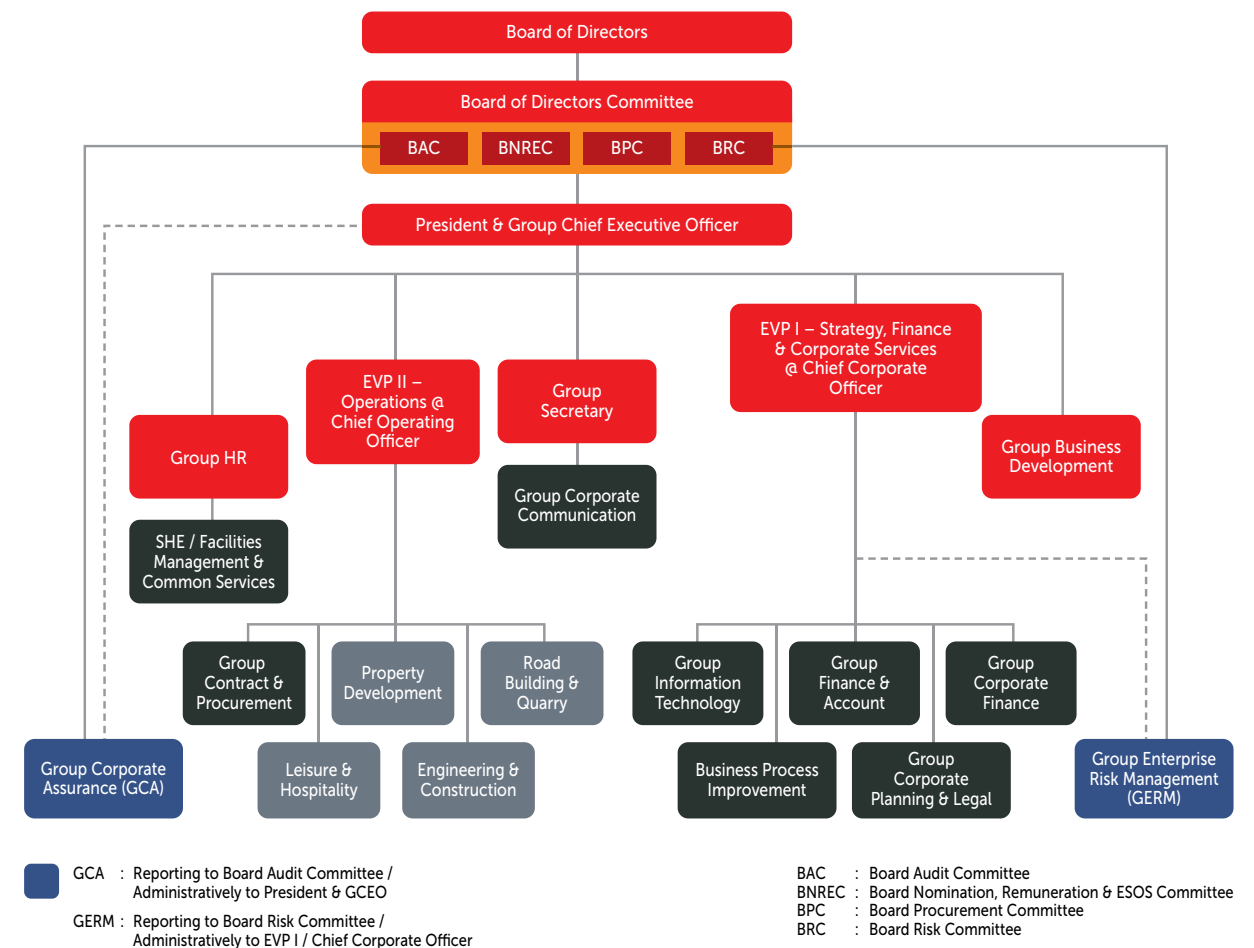
- | | |
|--|---|
| 1) Faris Najhan Bin Hashim | - President & Group Chief Executive Officer |
| 2) Mohd Iskandar Dzulkarnain Bin Ramli | - Executive Vice President I (EVP I) - Strategy, Finance & Corporate Services @ Chief Corporate Officer |
| 3) Mohd Sobri Bin Hussein | - Executive Vice President II (EVP II) - Operations @ Chief Operating Officer |

Thus, completing the triumvirate of C-Level team.

Group Organisational Chart

The Board concurred with BNREC's review that the Group requires a strong senior leadership team to drive its transformation and execution plan and this led to appointment to the top key senior management positions in the Group by the Board.

The Senior Leadership Team and Group Organisational chart which took effect in 2020 are as structured below:



CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

Board Responsibilities

The Board is responsible for the corporate governance practices that include establishing and monitoring the Group’s business direction as well as setting the aims and performance of the Management.

With regards to practice, the Board plays a strategic role in its review and approval of the Group’s budgets and performance targets to ensure effective use of the Group’s resources and profitability of the Group’s businesses in an ever-changing environment.

The Board involvement was reflected in numerous Board and Board Committee meetings as disclosed in this overview statement.

Application of the best Governance Practices by BDB

The Board meets on a quarterly basis to review and ensure the Company’s strategic aims, values and standards are in place.

The Directors receive a complete and accurate meeting materials at least 5 business days prior to the meetings.

The position of Chairman and President & Group Chief Executive Officer are held by different individuals.

BOARD	PRIORITIES FOR 2020	KEY ACTIVITIES DURING 2020
<ul style="list-style-type: none"> Review and oversee the strategic direction of the Group. Oversee and evaluate the conduct of the Group’s businesses, identify the principal risks and ensures that the risks are properly managed. 	<ul style="list-style-type: none"> Oversight of top management’s performance to achieve BDB Turnaround Recovery Plan. Focus on initiatives outlined by the top management to improve cash flow position. Ensure sustainability of BDB Group 	<ul style="list-style-type: none"> The Board undertakes periodic review of the strategic direction to guide the management team to achieve the Turnaround BDB Recovery Plan for FY2020. The Board had conducted a Board Retreat reviewing its current business strategy and proposed 2 years’ business plan (2020 - 2021) and deliberated on the need for key projects to be procured to increase profitability. During this session, the Board and senior management represented from each business divisions exchanged ideas and made up the Group Company’s strategy and reviewed it. The Board reviewed the Turnaround Business Recovery Plan on monthly basis to ensure BDB Group’s sustainability. The Board together with Turnaround Committee (“TAC”) worked closely with the Management. TAC holds monthly meeting to oversee the progress on BDB Recovery Plan. The TAC was dissolved on 18 February 2020. The Board reviewed and monitored the impact of Covid-19 pandemic to BDB Group throughout FY2020. The Board monitored 2 years’ business plan (2020-2021) and achievement of key projects.

BOARD AUDIT COMMITTEE (“BAC”)	PRIORITIES FOR 2020	KEY ACTIVITIES DURING 2020
<ul style="list-style-type: none"> Ensure that the policies and procedures are duly implemented in the Group’s operation. Review the adequacy of the financial reporting process and internal control of framework. 	<ul style="list-style-type: none"> Focus on areas that impact the Group’s revenue streams and operational areas that are significant for BDB Group to achieve its business objectives. Provide oversight to the external and internal audit functions. Align Internal Audit Plan with risks identified under the Enterprise Risk Management framework. Ensure adequacy and standardisation of Standard Operating Procedures (SOP) practice across BDB Group. 	<ul style="list-style-type: none"> Reviewed the unaudited quarterly financial results and made the announcements thereof recommendations to the Board for consideration and approval for release to Bursa Malaysia Securities Berhad (“BURSA”). Reviewed the audited year-end financial results of the Group prior to submission to the Board for consideration and approval. Deliberated on major issues (including internal audit issues) brought up to the attention of BAC and considered the appropriateness of management action plans in relation to the audit recommendations. Monitor management initiative to improve SOPs of the Group with support from Group Human Resource. Please refer detailed report of activities on pages 74 & 75 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

BOARD NOMINATION, REMUNERATION AND ESOS COMMITTEE ("BNREC")	PRIORITIES FOR 2020	KEY ACTIVITIES DURING 2020
<ul style="list-style-type: none"> Deliberate on composition and remuneration of Board Committee and top management of the Company. Review Director, C-Level benefits and succession planning initiatives as well as oversee the conduct of annual assessment on the Board, the Directors and Board Committees. Review staff under UNION for subsidiary company. 	<ul style="list-style-type: none"> Appointment of Directors to fulfil Chapter 15 para 9 of Main Market Listing Requirements ("MMLR"). Other routine or new matters proposed by the Management / Board. 	<ul style="list-style-type: none"> Reviewed proposed Directors' remuneration analysis 2020 for Board's recommendation to the shareholders. Reviewed and recommended management succession planning with regards to C-Suite positions and their KPIs. Concluded appointment of the President & Group Chief Executive Officer. Participated in the sourcing, identification and selection of Chairman. Considered nominees and proposed candidates to the Board to fill vacancies for Top Management managing business divisions and define their KPIs (Key Performing Indicators). Facilitated and reviewed proposed Board candidates with due regards gender diversification and reviewed psychometric assessment. Reviewed and recommended the change in Directors of BDB and its subsidiary companies. Reviewed the BDB Group Organisational Structure / Chart. Proposed implementation of Minimum Wage Order 2020. Recommendation for implementation of Employee Performance Incentive (EPI) for 2019.

BOARD RISK COMMITTEE ("BRC")	PRIORITIES FOR 2020	KEY ACTIVITIES DURING 2020
<ul style="list-style-type: none"> Assist the Board to ensure that the Group's risk management and strategy have been implemented and consistently applied. Screen and assess the investment opportunities and risk assessment. 	<ul style="list-style-type: none"> Strengthen BRC's oversight and governance function of risk management to enable the effective discharge by the Board of its responsibility and oversight. Focus on BDB Group cash flow and mitigation. Other routine or new matters proposed by the Management / Board Committee. 	<ul style="list-style-type: none"> Reviewed and recommended Risk Management Plan 2020. Reviewed sustainability statement for FY2020. Reviewed BDB Group's Risk Update quarterly. Reviewed and endorsed the mitigation plan to manage BDB's Group cash flow status. Reviewed and recommend proposals to unlock value of the land. Reviewed the associated risks and noted / approved mitigation plans vis-à-vis the Group's new projects and recommended the same for Board's endorsement.

BOARD PROCUREMENT COMMITTEE ("BPC")	PRIORITIES FOR 2020	KEY ACTIVITIES DURING 2020
<ul style="list-style-type: none"> Evaluate and appoint of sub-contractors under Delegated Authority Limit ("DAL"). Review and approve Procurement policies. 	<ul style="list-style-type: none"> Review and strengthen the implementation of Procurement Policy, particularly its oversight and governance. Other routine or new matters proposed by Management / Board Committee. 	<ul style="list-style-type: none"> Reviewed and proposed revision to enhance procurement process and compliance with Group Procurement Policy. Reviewed and recommended the selection and appointment of contractors/suppliers as guided by DAL.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

Board Charter

The Board Charter, which is available online at <https://www.bdb.com.my/policies>, was adopted by the Board in May 2015. The Board had on 17 March 2019 revised the Board Charter with the following enhancement:

- The latest corporate governance structure of the Company;
- The inclusion and replacement of the role Group Managing Director (“GMD”) to Group Chief Executive Officer (“GCEO”); and
- The inclusion of Individual Director’s role and responsibilities.

Integrity and Ethics

a) Code of Conduct and Ethics

The Board has adopted the Code of Conduct and Ethics (“Code”) in 2018 to promote and underscore the Group’s commitment to uphold the highest standards in business conduct and ethical behaviours that are fundamental to the preservation of the reputation and success of the Group. The Code is applicable to all directors, management and employees of the Company (“the officer”).

b) Whistle Blowing Policy (“WBP”)

The Board has also adopted the WBP to uphold lawful and ethical behaviours in all its activities and require its employees to act in accordance with all applicable laws, regulations and policies as well as to observe high standards of business and personal ethics in the conduct of their duties and responsibilities.

BDB welcome genuine concern and invite whistleblower to email at: whistleblower@bdb.com.my; or in writing to the Whistleblowing Committee at Level 9, Menara BDB, 88 Lebuhraya Darulaman, 05100 Alor Setar, Kedah Darul Aman. There is no complaint received for FY2020. The WBP will be reviewed every three (3) years and the next review will be conducted in 2021.

c) Section 17A, Malaysian Anti-Corruption Commission (“MACC”) Act

In view of the introduction of Section 17A of MACC Act, the Company and its Board of Directors have been engaging with the employees, assessing the risk area and plans are on the way to create more awareness and training, including improvisation of internal control, policy for compliance and managing the risk of bribery and corruption. Our target deadline to comply with the policy is by 1st July 2020.

The Board held on 19 June 2020 approved the Anti-Bribery Anti-Corruption Policy and applicable to the whole Group. The awareness session was conducted on 24 August 2020 and completed on 25 September 2020.

The Board is updated on the implementation.

A copy each of BDB’s Code of Conduct and Ethics, Whistle Blowing Policy and Procedures and ABC Policy are available on the corporate website at <https://www.bdb.com.my/policies>.

Board Balance and Independence

The Board believes that its present composition constitutes an optimal size for the Group’s current business profile, which is appropriate to lead the Group effectively on its future thrust for business growth. The Board’s composition consists of qualified individuals with a broad base of financial knowledge, experience and technical skill necessary in the management and direction of the Group.

Currently, the Board comprises eight (8) members, three (3) are Non-Independent Directors and five (5) are Independent Directors. Although all the Directors have equal responsibilities for the Group’s operations, the roles of the Independent Directors are particularly important in bringing independent judgement and ensuring all issues proposed by the executive management are fully discussed and examined to consider the long-term interests, not only for the shareholders, but also for other stakeholders such as the employees, customers and business associates.

Independence

There is no specific definition for Independent Director except those criteria outlined in the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”). BDB has always been adhering to maximum limit of nine (9) years as stated in MCCG. As of now, none of BDB Independent Directors has reached nine (9) years cumulative term as Independent Directors. This practice has been adopted as the new policy of BDB upon approval by the Board in 2018.

Board Meetings

The Board Annual Calendar for meetings of the Board, Board Committee and AGM (“Meetings”) (“The Calendar”) is fixed annually in advance and is circulated to all Directors prior to financial year end. The Calendar includes main agenda for each meeting and requirements on dealings by Directors during the closed period and outside closed period. The Calendar is to enable the Board and management to plan ahead to ensure that the Meetings are pre-booked in their respective schedules and compliance with the MMLR.

The Board meets every quarter with additional meetings convened as and when necessary. Changes to meeting dates and/or additional meetings are organised from time to time to accommodate special requests and/or to address certain issues that arose which would require urgent attention of the Directors.

Time Commitment

Directors are expected to give sufficient time and commitment to perform their responsibilities. In FY2020, all the Directors attended more than minimum of 50% of Board Meetings held as stipulated under Paragraph 15.05 of the MMLR.

Additionally, in between Board Meetings of the Company, the Directors also approve various matters by way of Circular Resolutions as allowed under the Company’s Constitution.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

The overall calendar of meetings of the Board and Board Committees held in FY2020 is provided below:

	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
BOARD	-	*(01/2020)	-	*(02/2020)	*(03/2020)	*(04/2020)	*(05/2020)	*(06/2020)	*(07/2020) *(08/2020)	*(09/2020)	• Full	*(10/2020)
BAC	-	• Full	-	*(01/2020)	-	*(02/2020) *(03/2020)	-	• Full	-	-	• Full	-
BNREC	• Full	-	-	-	-	*(01/2020)	*(02/2020)	• Full	-	• Full	-	*(03/2020)
BRC	*(01/2020)	-	-	-	-	*(02/2020)	*(03/2020)	• Full	-	-	*(04/2020)	-
BPC	-	-	-	-	-	-	-	• Full	-	-	-	-
TAC	• Full	*(01/2020)	Dissolved – 18/02/2020									

Abbreviations/Symbol:

•	Full Board & Committee Meetings
*	Special Board & Committee Meetings
Board / BOD	Board of Directors' Meeting
BAC	Board Audit Committee Meeting
BNREC	Board Nomination, Remuneration & ESOS Committee Meeting
BRC	Board Risk Committee Meeting
BPC	Board Procurement Committee Meeting
TAC	Turnaround Committee Meeting
-	No Meeting

Total number of Meetings held during FY2020 was as follows:

NO.	TYPE OF MEETINGS	2020 TOTAL NUMBER OF MEETINGS	TERMS OF REFERENCE ("TOR") FOR EACH MEETING	COMPLIED WITH TOR
1.	Board	11 times	6 times in each Financial Year	✓
2.	BAC	6 times	4 times a Year	✓
3.	BNREC	6 times	At least Twice a Year	✓
4.	BRC	5 times	At least Quarterly	✓
5.	BPC	1 time	4 times a Year	X (Refer note below stated)
6.	TAC	2 times	Monthly	Dissolved – 18/02/2020

Note: BPC was not held four (4) time in FY2020 as stated in its TOR. As the Procurement Policy and related matters had been addressed, the number of meetings was reduced. As governance over the procurement process is improved, BPC would focus on review work going forward and would consider reducing the numbers annually.

Board Gender Diversification

The Board has always placed gender diversity as an agenda in strengthening the performance of its Board and/or Board Committees. In this regard, the Group has, at all times, practised non-discrimination. Notwithstanding the focus on gender diversity, the Board is of the view that the selection criteria for a Director is to have an effective blend of competencies, skills, extensive experience and knowledge in areas identified by the Board, should remain a priority so as not to compromise on qualification, experience, track records and capabilities. On 6 September 2020, Y. Bhg Dato' Zakiah was appointed to the Board.

The present Directors, with their diverse background and professional specialisations, collectively, bring with them a wealth of experience and expertise in areas such as engineering, general management, strategic sales and marketing, finance and accounting, tax and legal. As such, the Group is essentially led and guided by a competent Board.

The Board recognises the challenges in achieving the right balance of diversity on the Board. This will be done over time, taking into account the present size of the Board, the valuable knowledge, skill sets and experience contributed by the present Board members and the evolving challenges to the Group over time especially during the ongoing Turnaround Recovery Plan.

Board Appointments, Resignation and Re-election of Directors

The appointment, resignation and re-election of the Directors are governed by the Companies Act 2016, Company's Constitution and MMLR.

At the forthcoming AGM, five (5) Directors who will be retiring by rotation pursuant to the Company's Constitution are Tuan Haji Syed Yusoff Bin Syed Othman, Mohamad Ibrahim Bin Ghazali, YB Senator Ir. Ts. Khairil Nizam Bin Khirudin, Haji Muhamad Sobri Bin Osman and Dato' Zakiah Binti Kassim. All of them, being eligible, have offered themselves for re-election.

Details of the appointment and re-election of the Directors are provided in the CG Report (Practices 4.6 and 5.1 of MCCG).

Board Induction/Orientation Programme

Each new Board member participates in a formal Board's Induction Programme co-ordinated by the Chairman or the President & Group Chief Executive Officer.

The Board's Induction Programme includes presentation by the Senior Management with the objectives of providing newly appointed Directors with the necessary information and overview to assist him/her/them in understanding the operations of the Company, current issues deliberated at Board, financial achievement, corporate strategies, challenges as well as the structure and management of the Company.

The Board's Induction Programme with the newly appointed Board was conducted on 4 & 5 December 2020. Site visit was arranged on 4 December 2020 in Langkawi.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

Supply of Information

Board papers with sufficient notice are distributed to Directors at least five (5) business days before Board meetings to enable the Directors to peruse and have the opportunity to seek additional information, and obtain further explanation and clarification on the matters for deliberations. The Senior Management is invited to attend the Board meetings to report on matters relating to their areas of responsibility. They also attend to brief and provide details on recommendation to assist the Directors whenever necessary so as to enable the Directors to make independent and informed decisions.

Presentations to the Board are prepared and delivered in a manner that ensures latest information, clear and adequate presentation with latest site progress photos.

Whenever necessary, Senior Management or external advisors or consultants are also invited to attend the Board and Board Committee meetings to explain matters within their expertise, knowledge and provide clarity on agenda being discussed. The process is good governance practice to enable the Board and Board Committees to arrive at considered and informed decisions.

The Directors are also notified of any corporate announcements released to Bursa Malaysia. They are also notified of the restriction in dealing with the securities of the Company prior to the announcement of financial results and/or corporate proposals.

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

Management of Conflict of Interest

On quarterly basis, the Directors will be requested to update disclosure of interests (if any) pursuant to Section 221 of the Companies Act 2016. In the event of potential conflict of interest, the Director concerned will make a declaration at the meeting and shall abstain from deliberation, voting and decision on the subject matter and where appropriate, abstain himself from being present or participate in the deliberations.

In the event a corporate proposal or general mandate is required to be approved by the shareholders, interested Directors (if any) would abstain from voting in respect of their shareholding in BDB on resolutions relating to the said corporate proposal.

Directors' Remuneration

The Company's framework on Directors' remuneration has the underlying objectives of attracting and retaining Directors of high calibre needed to run the Group successfully. The Company has no Executive Director on board. In the case of Non-Executive Directors, the level of remuneration reflects the expertise, experience and level of responsibilities undertaken by a particular Non-Executive Director concerned. Where applicable, the Board also considers any relevant information provided by independent consultants or from survey data.

Remuneration of Directors of the Company for FY2020 is as follows:

NAME OF DIRECTORS	FEES (RM)'000	MEETING ALLOWANCES (RM)'000	ALLOWANCE (RM)'000	BENEFITS- IN-KIND (RM)'000	OTHER EMOLUMENTS (RM)'000	TOTAL CASH & BENEFITS (RM)'000
Dato' Mohamed Sharil Tarmizi (Chairman)	48.0	55.0	126.0	65.8	40.0	334.8
Dato' Asri Bin Hamidin @ Hamidon (Senior Independent Director)	48.0	36.5	-	-	40.0	124.5
Haji Syed Yussof Bin Syed Othman (Non-Independent Non-Executive Director) (Appointed w.e.f 14.12.2020)	2.2	-	-	-	-	2.2
YB Senator Ir. Ts. Haji Khairil Nizam Bin Khirudin (Independent Non-Executive Director) (Appointed w.e.f 6.9.2020)	15.2	14.0	-	-	-	29.2
Dato' Zakiah Binti Kassim (Independent Non-Executive Director) (Appointed w.e.f 6.9.2020)	15.2	18.0	-	-	-	33.2
Dato' Haji Abdul Rahman Bin Abdullah (Non-Independent Non-Executive Director)	48.0	65.5	-	-	40.0	153.5
Haji Muhamad Sobri Bin Osman (Non-Independent Non-Executive Director) (Appointed w.e.f 6.9.2020)	15.2	12.0	-	-	-	27.2
Mohamad Ibrahim Bin Ghazali (Independent Non-Executive Director) (Appointed w.e.f 14.12.2020)	2.2	-	-	-	-	2.2
Sudirman Bin Masduki (Independent Non-Executive Director) (Retired w.e.f 3.9.2020)	32.4	40.5	-	-	26.9	99.8
Datuk Mohd Radzif Bin Mohd Yunus (Independent Non-Executive Director) (Retired w.e.f 3.9.2020)	32.4	54.5	-	-	26.9	113.8
Dr. Muhammad Mahadi Bin Mohamed (Independent Non-Executive Director) (Appointed w.e.f 1.3.2020) (Retired w.e.f 3.9.2020)	24.3	14	-	-	26.9	65.2
GRAND TOTAL (RM)'000						985.9

All Directors were paid meeting allowances as approved by the shareholders and expenses incurred by the Directors in the course of performing their duties are reimbursed.

Senior Management's Remuneration

The Board acknowledged the need for transparency in the disclosure of its Senior Management's remuneration and the disclosure of the key Senior Management is disclosed in the bands of RM50,000.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

The key Senior Management of the Company whose total remuneration during the financial year falls within the required disclosure band is as follows:

RANGE OF REMUNERATION (RM)	SENIOR MANAGEMENT		
	President & Group Chief Executive Officer	Executive Vice President II (EVP II) - Strategy, Finance & Corporate Services @ Chief Corporate Officer	Executive Vice President II (EVP II) - Operations @ Chief Operating Officer
150,000 & below	-	-	-
150,001 – 200,000	-	-	-
200,001 – 250,000	-	-	-
250,000 – 300,000	-	√	√
400,001 – 450,000	-	-	-
500,000 – 550,000	-	-	-
700,000 – 750,000	√	-	-

BOARD BENEFITS

Common benefits in-kind prevalent to similar size of listed companies are provided by BDB to its Directors, such as training expenses, mobile communication devices (i.e. ipad for paperless board meeting), telecommunication facilities, medical benefits (hospitalisation only) and insurance benefits including Directors' & Officers' Liability insurance and Travel Personal Accident Insurance.

The benefit is reviewed by the Board every three (3) years upon reviewed by the BNREC. The next review will be conducted in 2023 subject to the Company's financial performance.

Directors' Training

A dedicated budget for training is allocated every year for Directors training.

All Directors have successfully completed Mandatory Accreditation Programme prescribed by Bursa Malaysia. The Directors will continue to attend other relevant training programmes to keep abreast with developments on a continuous basis in compliance with the MMLR and to enable them to effectively discharge their duties and sustain active participation in the Board deliberations.

The Directors are constantly updated by the Company Secretary on new and/or updated requirements in connection with the discharge of their duties and responsibilities as Directors when the same were advised by BURSA, the Securities Commission Malaysia, the Suruhanjaya Syarikat Malaysia and other relevant regulatory authorities from time to time.

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

The internal briefing on board training will be updated during the board meeting. The training for the Board will be determined by the BNREC Meeting. Directors are then to ensure that the training met with the criteria determined by the BNREC.

Board Evaluation

The Board evaluation comprises Performance Evaluation of the Board and various Board Committees, Director's Peer Evaluation and Assessment using questionnaire-based approach. The assessment of the Board is based on Board's roles and responsibilities and Board Committees' role and responsibilities. For Director's Peer Evaluation, the assessment criteria included abilities and competencies, calibre and personality, technical knowledge, objectivity and the level of participation at Board and Committee meetings including his or her contribution to Board processes and the business strategies and performance of BDB.

The Company Secretary

The Board is supported by a qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Board Audit Committee ("BAC")

The Chairman of the Audit Committee is not the Chairman of the Board. The BAC supports the Board in its responsibility to oversee the financial reporting and the effectiveness of the internal controls of the Group.

Financial Reporting

The Board and the BAC are to ensure that:

- BDB's financial statements are prepared in accordance with applicable approved accounting standards;
- the disclosure timeline, format and contents are compiled according to rules and regulation, including provisions of the Bursa Malaysia MMLR;
- the Board, with the assistance of the BAC, shall oversee and manage the financial reporting and internal control policies and will maintain appropriate relationship with the Company's Auditors; and
- the Board, through the BAC, shall also assess the suitability, objectivity and independence of the Company's Auditors.

The appointment of the Company's Auditors is subject to the re-appointment by the shareholders of the Company for the ensuing year.

Based on the recommendation of the MCCG, the BAC has adopted a policy that requires a former key audit partner to observe a cooling-off period of at least two (2) years before being appointed as a member of the Audit Committee. As of to date, BDB has been in compliance with this matter.

The BAC assists the Board in maintaining a sound system of internal control across the Group. In ensuring that the financial statements use appropriate accounting policies, the BAC met with the external auditors without the presence of Management on where the external auditors may raise any concern pertaining to the compliance of the financial statements.

The Board undertakes to comply with Paragraph 15.09(1)(c)(i) of MMLR due to the resignation of BAC Chairman on 3 September 2020 and the vacancy has been fulfilled on 14 December 2020.

Risk Management and Internal Control Management

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

Information on the Group's internal control is as set out in the Group Statement of Risk Management & Internal Control ("SORMIC") in this Annual Report and also in the CG Report.

Relationship with External Auditors

The BAC manages the relationship with its external auditors on behalf of the Board. The BAC considers the re-appointment, remuneration and terms of engagement of auditors annually. The role of the BAC in relation to the External Auditors can be found in the Report of the Audit Committee as set out in this Annual Report.

The external auditors are invited to attend the BAC where the Group's annual financial results are considered, as well as at meetings to review and discuss the Group's audit findings, internal controls and accounting policies and whenever the need arises.

Representatives of the external auditors are present at each AGM.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Integrity in Corporate Reporting

It is the Boards' responsibility to prepare and approve the financial statements. The Directors are required by the Companies Act 2016 to prepare financial statements for each financial year which give a true and fair view of BDB Group's state of affairs. The Directors are of the opinion that BDB has adequate resources and uses appropriate accounting policies that are consistently applied and supported by reasonable as well as prudent judgements and estimates, and that the financial statements have been prepared in accordance with Malaysian Financial Reporting Standards and the provisions of the Companies Act 2016 and the MMLR.

The Directors having reviewed the business plans, capital expenditure commitments and expected cash flows are satisfied that the Company and the Group have adequate resources to continue operations for the foreseeable future and therefore continue to adopt the going concern basis in preparing these Financial Statements. The Directors are satisfied that BDB has been keeping accounting records which disclose with reasonable accuracy of the financial position of BDB that enable proper financial statements to be prepared.

The Directors have also taken the necessary steps to ensure that appropriate systems are in place to safeguard the assets of BDB. The systems, by their nature, can only provide reasonable and not absolute assurance against material misstatements, loss and fraud.

Corporate Disclosure Policies and Procedures

The Board reviews and approves all quarterly and other important announcements. The Group announces its quarterly and full-year results within the mandatory period. The financial statements and, where necessary, other presentation materials presented at the Company's general meetings, including material and price-sensitive information, are disseminated and publicly released via Bursa Link on a timely basis to ensure effective dissemination of information relating to BDB to ensure that communications to the public regarding BDB are timely, factual, accurate and complete. BDB Group have put in place authority and process for Disclosure Policy which is applicable to all Directors, those authorised to speak on BDB's behalf.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

Communication with Shareholders

The Board believes that building relationship with shareholders and dissemination of information should be through interaction during AGM, systematic engagement through briefings, media releases, public announcements, responses to shareholders' queries and updates on our corporate website.

Conduct of General Meetings

The Board always ensures that the conduct of general meetings complies with the best practices and shareholders are notified with the meeting details. The Annual Report 2019 and notice of the AGM were sent separately to the shareholders on 29 June 2020 and 4 August 2020 respectively. The Board ensures that shareholders are given sufficient notice and time to consider the resolutions to be put forth at the AGM. The Notice of AGM will include explanatory notes that contain further information on the proposed resolutions.

All resolutions were voted by poll and verified by the independent scrutineer appointed by BDB.

All Board members will attend the general meetings to engage with shareholders. In the event a Director is not able to attend in person, the Group will facilitate virtual attendance through the use of an appropriate online platform. When it is not possible to do so, the said Director(s) will be updated on issues that require his attention and onward action.

In 2020, there was much uncertainty due to the lockdown imposed by the Federal Government to curb the spread of the coronavirus Covid-19 pandemic which swept across the nation. Given the fluid situation, coupled with the changes made by Securities Commission Malaysia to the guidelines on holding general meetings (corresponding to the severity of the lockdown) as well as government directives on social distancing and restriction on mass gathering and our wish to ensure shareholders' safety, the Board decided for the Company's AGM to be held virtually for the first time through remote participation and voting facilities on 3 September 2020. Notwithstanding the inconvenience last year, BDB continued to adopt 28-day notice period for the AGM in 2020.

GOVERNANCE INITIATIVE AND FUTURE PRIORITIES

The future priorities for the Company are to strengthen its governance, compliance, close interaction with shareholders and also to move forward progressively being a reputable public listed company.

AUDIT COMMITTEE REPORT

The Board Audit Committee (BAC) assists the Board in fulfilling its fiduciary responsibilities relating to internal controls, accounting and reporting practices of the Group. The BAC promotes the practices of good corporate governance by ensuring that internal control systems are in place and adequate and that appropriate standards of responsibility, integrity and accountabilities are maintained across the group.

MEMBERS OF THE AUDIT COMMITTEE

Bina Darulaman Berhad complies with Paragraph 15.09 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad which requires all the Audit Committee members to 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.	Sudirman bin Masduki (Retired on 03.09.2020)	Chairman / Independent Non Executive Director
2.	Dato' Asri bin Hamidin @ Hamidon	Member / Senior Independent Non Executive Director
3.	Datuk Mohd Radzif bin Mohd Yunus (Retired on 03.09.2020)	Member / Independent Non Executive Director
4.	Dato' Mohamed Sharil bin Tarmizi (Appointed on 03.09.2020)	Member / Independent Non Executive Director
5.	Dato' Haji Abdul Rahman bin Abdullah (Appointed on 03.09.2020)	Member / Non Independent Non Executive Director
6.	YB Senator Ir. Ts. Haji Khairil Nizam bin Khirudin (Appointed on 01.10.2020)	Member / Independent Non Executive Director
7.	Mohamad Ibrahim bin Ghazali (Appointed on 14.12.2020)	Member / Independent Non Executive Director

The profiles of the BAC members are disclosed on pages 23 to 26 of this Annual Report.

TERMS OF REFERENCE

The terms of reference for the BAC are available online on the company corporate website at <https://bdb.com.my/policies>. The latest update was effective on 17 March 2019.

AUDIT COMMITTEE REPORT (CONTINUED)

SUMMARY OF THE AUDIT COMMITTEE'S ACTIVITIES

Meetings and Minutes

During the year ended 31 December 2020, the Committee met three (3) times by way of ordinary meetings on 18 February 2020, 19 August 2020, 15 November 2020, and three (3) Special Meetings held on 13 April 2020, 12 June 2020 and 26 June 2020.

	NAME	NUMBER OF MEETINGS	
		HELD	ATTENDANCE
1.	Sudirman bin Masduki	5	5/5
2.	Dato' Asri bin Hamidin @ Hamidon	6	2/6
3.	Datuk Mohd Radzif bin Mohd Yunus	5	5/5
4.	Dato' Mohamed Sharil bin Tarmizi	1	1/1
5.	Dato' Haji Abdul Rahman bin Abdullah	1	1/1
6.	YB Senator Ir. Ts. Haji Khairil Nizam bin Khirudin	1	1/1
7.	Mohamad Ibrahim bin Ghazali	-	-

Permanent invitees to BAC are the President & Group Chief Executive Officer ("GCEO"), CFO, Company Secretary and Head of GCA. Other invitees from management team are present to explain specific issues as per the meeting agenda. Key issues discussed are reported by the Chairman of the Audit Committee to the Board.

The Audit Committee is mindful of the challenges faced by the Group and initiatives on the Group's recovery plan, as such had advised the internal audit team to validate and focus their auditing efforts in this area.

The Audit Committee continues to provide oversight to the external and internal audit functions and performs the followings based on meeting agenda:

External Audit

- (i) Reviewed the External Auditors' scope of audit prior to the commencement of the interim and annual audit;
- (ii) Reviewed the audited year-end financial results of the Group prior to submission to the Board for consideration and approval;
- (iii) Reviewed the audit reports of the External Auditors in relation to audit and accounting issues arising from the audit;
- (iv) Discussed matters arising from the audit of the Group in a close session meeting without the presence of the Management;
- (v) Reviewed the performance of the External Auditors and proposed on their re-appointment and remuneration to the Board;
- (vi) Reviewed the findings of the External Auditors and followed up on the recommendations.

Internal Audit

- (i) Reviewed and approved the 2020 Annual Internal Audit Plan and resources for the execution of audit activities across the Group;
- (ii) Deliberated on major issues brought up to the attention of BAC and considered the appropriateness of management action plans in relation to the audit recommendations;
- (iii) Ensured that management resolved all audit issues within the agreed timeline and approved extension of time where necessary;
- (iv) GCA to conduct special review and extension of scope to ascertain internal control inefficiencies and document for business process improvement and lessons learnt;
- (v) Considered the changes and deferment of planned audit presented in the 2020 Annual Audit Plan due to Covid-19 pandemics and adoption of new normal;
- (vi) Raised concerns on certain operational issues for future audit review;

Other significant oversight activities are as follows:

- (i) Reviewed the Statement on Risk Management and Internal Control and the Audit Committee Report and recommend to the Board for inclusion in the Annual Report;
- (ii) Reviewed the unaudited quarterly financial results and the announcements thereof and made recommendations to the Board for consideration and approval to release to Bursa Securities;
- (iii) Reviewed 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;
- (iv) Reviewed renewal of Shareholders' mandate for recurrent related party transactions of a revenue trading nature based on an established framework for Board to recommend to shareholders for approval and authorised the submission of draft circular to Bursa Securities;

INTERNAL AUDIT FUNCTION

The Group's Internal Audit function is to provide independent, objective assurance and consulting services designed to add value and improve BDB's operations. The Internal Audit activities help BDB accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and the adequacy of the internal controls.

For 2020, Group Corporate Assurance Department conducted audit review based on the approved Annual Audit Plan. Apart from conducting routine audit review of the approved audit scopes, members of GCA had also performed the following activities:

- (i) Follow up and validate the completion of remedial action plans to close outstanding audit issues on a quarterly basis;
- (ii) Year-end stock take exercise at subsidiaries;
- (iii) Investigative audit on alleged non-compliance with standard operation procedure (SOP) related to human resource matters.

The total cost incurred for the Internal Audit Function for the financial year was approximately RM356,646.12.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

This statement is made in accordance with the Malaysian Code on Corporate Governance 2017 ("The Code") and Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). The Board's Statement on Risk Management and Internal Control has been prepared in accordance with the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers".

BOARD RESPONSIBILITY

The Board acknowledges its responsibility for maintaining a sound internal control system 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 is supported by the corporate governance and risk management framework.

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

The Board is reasonably satisfied that throughout the year the Company's Risk Management and internal control system operated adequately and effectively in all material aspects based on the Risk Management Model adopted by the Company. Improvements to enhance the internal controls as proposed by the audit activities are followed through till completion.

The system of internal control provides only reasonable and not absolute assurance against material error, misstatement, loss or breach. In addition, the concept of reasonable assurance also recognises that the overall cost of control procedures shall not exceed the expected benefits.

KEY INTERNAL CONTROL FEATURES

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

CONTROL ENVIRONMENT

Accountability and Reporting within the Organisation:

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

- Board Audit Committee ("BAC")
- Board Risk Committee ("BRC")
- Board Nomination, Remuneration and ESOS Committee ("BNREC")
- Board Procurement Committee ("BPC")

Organisation Structure

The internal control system of the Group is supported by a formal organisational structure with lines of responsibility and accountability delegated to the Group's Senior Management.

Authority Limit

The Group, via its Delegated Authority Limit ("DAL"), assigns authority to appropriate levels of management to exercise control over the Groups' commitment on both strategic and operational business objectives.

The DAL is approved by the Board and is updated to reflect changing business conditions. The DAL provides a framework that defines and specifies the authority levels for personnel to carry out their assigned responsibilities and it also covers the basic decision-making policy throughout the BDB Group of Companies. Effective on 24 February 2021 the Board had approved a revision to the DAL in view of the current needs of the Group and designations.

Standardised and Documented Policies and Procedures

Relevant policies and procedures are recommended by management and approved by the Board to ensure the Group's values and internal control mechanism is embedded in business operations. These policies and procedures are made available to guide Management and staff in their day-to-day operations and compliance with relevant laws and regulations. Updates will be made on need basis to reflect any changes in operational requirements and / or statutory requirements.

Strategic Business Planning

BDB Group performs annual business planning and budgeting for consideration of the President & Group Chief Executive ("GCEO") before being tabled to the Board for approval. The Board has reviewed and approved the Group Business Plan and Budget for year 2020 within which the business objectives, strategies and targets are articulated to facilitate management in focusing on areas of concern. Key business risks are identified and mitigated during the business planning process and reviewed during the year.

Staff Development and Training

Internal and external trainings are developed by Group Human Resource and provided to all employees to facilitate daily operations and enhance staff competencies.

Whistleblowing

The whistleblowing policy provides an avenue for employees to communicate any instances of breach or suspected breach of any law or regulation, illegal and / or immoral conduct in a safe and confidential manner. It also provides proper investigation to be initiated on all allegations or reports about the Group.

Anti-Bribery and Anti-Corruption Policy

The Group are committed to conducting business dealings with integrity. This means avoiding practices of bribery and corruption of all forms in the company's daily operations. The Group has adopted a zero-tolerance approach against all forms of bribery and corruption and takes a strong stance against such acts.

Anti-Bribery and Corruption Policy ("ABC Policy") sets out the Group's position, on anti-bribery in all its forms and matters of corruption that might confront the Group in its day to day operations and in amplification to provide adequate procedures and information in defending and maintaining its position on anti-bribery and anti-corruption in line with the Adequate Procedure Principles pursuant to Guidelines on Adequate Procedures pursuant to subsection (5) of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018).

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

Business Continuity Management

The Group is committed to safeguarding the interest of all our stakeholders by ensuring that critical business processes are resilient and the effects of disruptions to business operations are minimised and recovered in a timely manner following a disruption or disaster.

The Group has established a Business Continuity Plan that is designed to provide direction and pre-determined management decisions and action plans in managing a disaster situation.

In 2020, the COVID-19 pandemic has affected all activities and BDB was no exception. The Group has taken precautionary measures to ensure the health of employees is being taken care and to ensure minimal interruption to the Group's operation whilst adhering and complying to the Government Movement Control Orders (MCOs).

Preventive measures adopted by the Group, among others were:

- continuous engagement with employees via e-mail communication, posters display highlighting the practice of good personal hygiene, practice of social distancing, reminders to avoid travelling overseas, avoid or limit physical meetings, avoid visiting large gathering or heavy crowd;
- distribution of hand sanitizers to employees;
- MySejahtera scanning code placed at every Group's operating locations
- body temperature reading on employees and visitors as well as placement of hand sanitizers at the entrance of BDB Group's work premises;
- employees were required to fill up the Travel and Health Declaration Form
- employees were required to Work From Home during the various periods and stages of the MCOs; and
- activation of satellite offices to accommodate staff who required to access the Group's network based on the residential locality (in order to minimise inter-district travelling);

Whilst the Group are actively engaging employees on the above preventive measures, the Group has also embarked the preparation to activate the BCP should any of the Group's employees are confirmed positive of COVID-19. As a minimum, the Group has identified Minimum Business Continuity Objective on critical functions and identification of alternate work location depending on the Group's subsidiaries operation and location.

CONTROL ACTIVITIES

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

- The preparation of quarterly and full-year financial results, as announced or otherwise published to shareholders. Analysis of actual financial performance versus business plans is carried out on quarterly basis.
- President & GCEO and Senior Management staff make business visits and communicate with employees of different levels to have first-hand knowledge of significant operational issues and risks.

- Quarterly reporting of legal, accounting and other new developments to the Board.
- Annual review and improvement, continuously manages and controls the quality requirement of the Company's products and services which is in accordance with ISO 9001 Quality Management System.

REVIEW AND MONITORING PROCESS

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

The President & GCEO actively communicates the Board's expectations to management teams during management meetings. In these meetings, risks relating to strategy, operational, financial and external environment matters were discussed and mitigating action plans were deliberated.

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

INTERNAL AUDIT FUNCTION

The Group Corporate Assurance (GCA) performs internal auditing activities across BDB group; by undertaking a systematic review and disciplined approach to evaluate the adequacy and effectiveness of the internal control system implemented by the Group.

GCA reports to the Board Audit Committee (BAC) and meets on a quarterly basis plus as and when required. GCA highlights issues concerning internal control failures and/or weaknesses and other observations to improve business processes. All issues identified must be agreed with the management team. Action plans to resolve issues are followed through and updated in subsequent meetings. The BAC also reviews the Internal Audit independence, adequacy of resources and scope of work. Annual Audit Plan and revision to the planned audit was also tabled and approved by the BAC. The details of the oversight activities undertaken by the BAC are highlighted in the Audit Committee Report.

STATE OF INTERNAL CONTROL DURING THE YEAR UNDER REVIEW

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

STATEMENT ON ENTERPRISE RISK MANAGEMENT FRAMEWORK

The Group has established an Enterprise Risk Management (ERM) framework to proactively identify, evaluate and manage key risks to an optimal level in line with the Group's commitment to deliver sustainable value. This framework aims to provide an integrated and organised approach entity-wide. The Group continuously executed the ERM initiatives based in the approved ERM framework which includes the establishment of mitigation strategies for the key risk areas identified and the tracking and monitoring of its implementation Group wide.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

Risk Policy

BDB Group is committed in meeting its vision, mission and corporate objectives. It is critical for BDB Group to have the ability of managing risk to an acceptable level. In 2020, Risk Management has conducted one (1) BRC Meeting and four (4) Special BRC Meetings where risks were identified, assessed and ranked accordingly with regards to the mitigating actions.

The Board is responsible to understand risks and provide guidance when dealing with risks to ensure all risks are managed in an organised and consistent manner. The policies of the Board for ERM are as follows:

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

The above policies will be attained through:

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

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

Roles and Responsibilities of the Group ERM can be summarised as follows:

- To communicate, evaluate and improve the ERM Policy and Framework;
- Facilitate the risk assessment and risk action plan processes;
- Provide independent input on risk assessment (risk type and rating);

- Monitoring the effectiveness of the action plans and update the progress to the Senior Management and the BRC;
- Coordinator of Business Continuity Management (BCM);
- Prepare and report to BRC on a timely manner;
- Coordinate the ERM educational programmes; and
- To share inputs on risks and market trends.

Assurance Received from President & Group Chief Executive Officer and Executive Vice President (EVP I) - Strategy, Finance & Corporate Services @ Chief Corporate Officer

In accordance with the Statement on Risk Management and Internal Control – Guidelines for Directors of Listed issuers, the Board has received assurance from the President & Group Chief Executive Officer and Executive Vice President (EVP I) - Strategy, Finance & Corporate Services @ Chief Corporate Officer that to the best of their knowledge, the risk management and internal control of the Group are operating effectively and adequately in all material aspects, based on the risk management and internal control framework adopted by the Group.

Review of Statements by the External Auditors

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in The Audit and Assurance Practice Guide ("AAPG 3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the financial year ended 31 December 2020, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Group, in all material respects:

- has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or
- is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

CONCLUSION

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

This statement is made in accordance with the resolution of the Board of Directors dated 25 April 2021

SUSTAINABILITY STATEMENT

Bina Darulaman Berhad (“BDB”) acknowledges and recognises the importance of sustainability as critical enabler for long term growth of BDB and its subsidiaries (“the Group”). Our focus on these sustainability related issues: growing our business, nurturing our human capital, building community and conserving our environment – is embedded in our vision and core values. It is what drives our business initiatives. We have always strove to live and demonstrate our commitment to sustainability as guided by the United Nations Sustainability Development Goals (“SDG”) and will integrate more of the elements of SDG into our long-term journey here in BDB.

In that respect, BDB is pleased to disclose our initiatives in this Sustainability Statement which provides insights into our progress from economic, environmental and social (“EES”) perspectives associated with our business activities and operations during the financial year ended 31 December 2020 (“FY2020”) across our four (4) business divisions: Property Development, Engineering & Construction, Road Building & Quarry and Leisure & Hospitality. This statement is prepared in accordance with Bursa Malaysia Sustainability Reporting Guide and the principles of the Malaysia Code of Corporate Governance.

Our Transformation Plan, initiated in 2018, brought on changes to our key senior management and transformation of our organisational structure. At the same time, we took critical steps towards integrating sustainability into our corporate culture and reconfiguring our sustainability data compilation process. We have capitalised on our understanding on how sustainability is perceived within the Group and recalibrated our sustainability practices for improvement.

To that end, we are grateful for the commitment and support received from our employees, who are the key enablers to the current and future success of our sustainability goals and strategy. We believe that efforts to advance our sustainability agenda will enable us to nurture sustainable best practices and further strengthen our position in the industry.

SUSTAINABILITY GOVERNANCE

Our commitment to sustainability is embedded in our corporate governance structure and corporate culture. It is a Board priority which is driven through a top-down approach from the office of the President / Group Chief Executive Officer to cascade down to head of subsidiaries throughout the 4 business divisions and beyond.

Governance is key. Transparency and accountability are cornerstones of good governance that strengthen the trust our stakeholders have in us. Governance-centric SOPs (Standard Operating Procedures) and policies help to set internal guidance to all on conducting business and operational activities in an ethically responsible manner and in compliance with prevailing laws and regulations. The securing of specific certifications and implementation of revisions to the SOPs are part of our Group-wide sustainability effort to improve processes in our operations.

KEY STAKEHOLDERS

Drawing on an interactive engagement process illustrated below, we had identified our stakeholders and collaborated with them to understand their needs, expectations, concerns and other pertinent issues in order to adopt responses in our business plan and strategies to address their key concerns. We are committed to strengthen the stakeholder engagement to address emerging issues and drive changes on the ground.



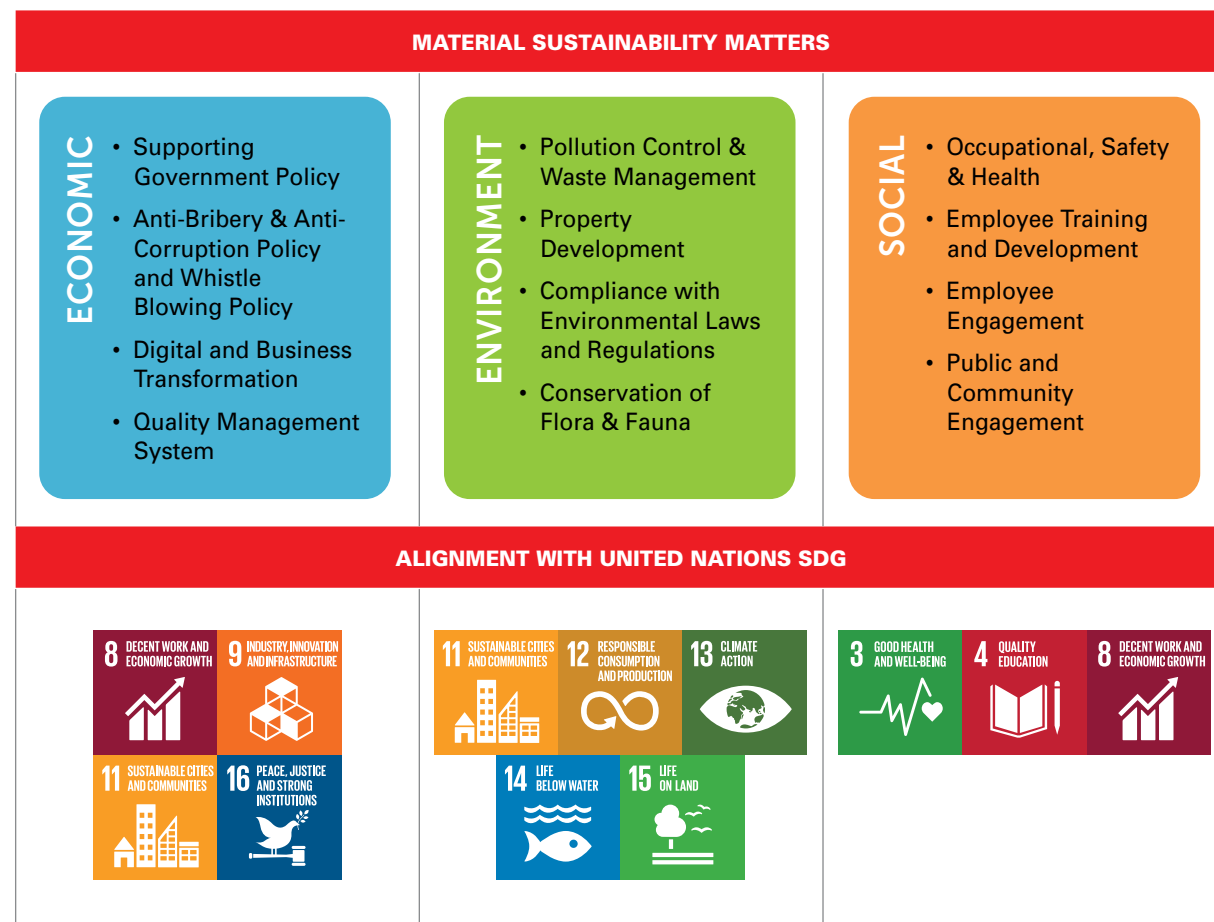
The effort from our engagement with stakeholders is as summarised in the table below:

NO.	STAKEHOLDERS	DESCRIPTION	ENGAGEMENT METHOD
1.	Customers: • Engineering, constructions and quarry customers • House buyers • Commercial buyers • Land buyers • Leisure & hospitality customers	<ul style="list-style-type: none"> • Clients of our infrastructure services – quarry products, road construction and other construction services • Buyers of properties and land • Hotel and food & beverages guests • Guests at our clubs, nature and water theme parks 	<ul style="list-style-type: none"> • Regular – daily through day-to-day engagement • Meetings • Correspondences • Brochures • Products and services briefings • Media announcement and Ongoing media releases • Bursa Malaysia announcements • Advertisements
2.	Shareholders / potential investors / potential business partners	<p>Shareholders and investors provide fund for the Group with the expectation of positive returns. Engagement with shareholders and investors is critical to enable them understand the Group’s businesses, its strategies, future growth and expectation.</p> <p>Potential business partners include joint venture partners and strategic partners whom we share the risks and opportunities in delivering our mutual objectives.</p>	<ul style="list-style-type: none"> • Annual General Meeting • Bursa Malaysia announcements • Ongoing media releases • Meetings with potential investors/ business partners
3.	Employees	People are the key to our operational excellence and achieving business objectives. The Group provides them with conducive working environment, enabling them to develop and prosper with the Group.	<ul style="list-style-type: none"> • Townhall sessions • Performance management • Involvement in community activities • Sponsorships and talent enhancement • Training and development
4.	Local authorities / municipalities / Regulators / Government ministries	Authorities and government established rules and regulations which govern the Group operation. The Group engages with them to ensure compliance with the legislations	<ul style="list-style-type: none"> • Regular meetings and discussions • Compliance with rules and regulations • Submission of reports required under regulations • Briefings and trainings • Periodic visits and inspections
5.	Financiers/ Banks	The Group seeks various funding method to finance its operation.	<ul style="list-style-type: none"> • Annual general meetings • Bursa Malaysia announcements • Meetings with Financiers / Banks
6.	Sub-contractors, suppliers and Service Providers	The Group operates with relevant service providers and suppliers in delivering our products and services.	<ul style="list-style-type: none"> • Tenders • Briefings and meetings • Compliance with rules and regulations
7.	Local Community / NGOs / Industry Associations	The Group engages with local communities, NGOs, industry associations and academia to achieve mutual benefits.	<ul style="list-style-type: none"> • REHDA • FIABCI

SUSTAINABILITY STATEMENT (CONTINUED)

MATERIALITY ASSESSMENT AND MATERIAL SUSTAINABILITY MATTERS

Following a materiality assessment that was facilitated through a desktop review of the Group’s business operations and risk areas, the following twelve (12) materiality sustainability matters (“MSM”) were identified. The assessment criteria that underpinned our review focused on Group’s vision and long-term objectives, prioritisation of issues to stakeholders and Group’s ability to plan, execute and measure the initiatives launched.



The list of MSM has enhanced our understanding of the significant influence that our stakeholders have on our businesses and has led to a revision to our approach in managing the impact that our businesses can have on material EES aspects. We then mapped these disclosures on a matrix to assess the priority level and significance of influence the stakeholders have on each disclosure against the impact that each disclosure has on EES to the Group.

This exercise resulted in all disclosures being grouped into two primary segments - eight (8) disclosures were in the top priority segment with high influence on both stakeholders’ assessments and decisions and high significance to BDB whilst four (4) were in the priority segment with medium/low influence on stakeholders but high impact to the Group.



These materiality sustainability matters are then categorised and viewed from EES perspectives.

ECONOMIC	<p>The Group has in place and will ensure that all measures and mechanism focus on supporting all aspects of sustainable economic growth. This includes regular engagement with the Kedah State Government to ensure that business activities and operations are aligned to government policies.</p> <p>Soft mechanism such as Code of Conduct & Ethics, policies (e.g. Anti Bribery & Anti-Corruption and Whistle Blowing) and SOPs serve to guide our daily business operations and communication with each other.</p>
<p>Key Highlights</p> <ul style="list-style-type: none"> Introduction of mitigating measures for financial risks and opportunities arising from new projects Ensure economic performance and business sustainability as essential to business & operational sustainability strategy Supporting government policies is instrumental to ensuring Group growth is aligned to economic growth of Kedah state Adopted a zero-tolerance approach against all forms of bribery and corruption 	

SUSTAINABILITY STATEMENT (CONTINUED)

Supporting Government Policy

- o Monitoring of our financial performance to keep us on track of our goals. We have demonstrated resilience in revenue and earnings in FY2020 notwithstanding the bearish economy and unfavourable market sentiment amidst the Covid-19 pandemic.
- o We work closely with the Kedah State Government on policy implementation to support State economic growth for the betterment of its people and grow the Group to be the premier government linked company in Kedah. Some of our key wins in FY2020:
 - Our Engineering & Construction arm was awarded construction works in Perlis under the national non-revenue water (“NRW”) programme by the Ministry of Water, Land and Natural Resources to improve the supply of treated water to users.
 - Our Road Building & Quarry secured a 3-year state road maintenance contract from the Kedah State Government.
- o Timing new property launches in a measured manner after taking into consideration prevailing market conditions and customer needs.
- o Keeping our development within affordability range in line with our belief that sustainability lies in being innovative and meeting the needs of the end purchasers without compromising with the ability of future generations to meet their own needs.
 - Our Property Development arm inked a joint development agreement with Lagenda Property Berhad to develop affordable township on our landbank in Darulaman Perdana. The Darulaman Putra township has a gross development value (GDV) of RM550 million. This 93-hectare affordable housing township project will comprise residential homes, commercial buildings, and community centres.
 - We shall capitalise on the incentives provided by the government under Budget 2021 to drive our promotional activities.
- o Managing our resources effectively to ensure that we are adequately funded with sufficient cash reserve for business sustainability.
- o We prioritise local suppliers and contractors to help develop and growth sustainable practices along the supply chain whilst stimulating the local economy. This is in line with our goal of creating a sustainable supply chain.

Anti Bribery & Anti-Corruption Policy (“ABC Policy”) and Whistle Blowing Policy

- o Implementation of ABC Policy to all Directors, employees and all parties on our supply chain (including third party suppliers) and customers. This policy sets out the principles and standards governing the way we conduct business to ensure that these are in compliance with applicable laws, rules and regulations and in accordance with high ethical principles and standards.
- o The Group is committed to conduct all its business in an honest and ethical manner by implementing and enforcing system that ensure bribery and corruption is prevented in the Group’s daily operation. The ABC Policy is crafted to ensure compliance with the Malaysian Anti-Corruption Commission (“MACC”) (Amendment) Act 2018 (“MACC 2018”).
- o The ABC Policy was approved by the Board on 19 June 2020. The Board and the Group are cognizant of the T.R.U.S.T. principles as set out in the Guidelines on Adequate Procedures in accordance with the MACC 2018. In this regard, the Group ensured that awareness sessions were carried out for all employees from 24 August through to 25 September 2020 to impress the importance of complying with and upholding the said policy at all times. Measures had also been taken to disseminate information on the Group’s ABC Policy to all parties concerned including business associates, third party contractors and customers.

- o The Group has adopted a zero-tolerance approach against all forms of bribery and corruption and is committed to act professionally, fairly and with integrity in all business dealings by upholding law on anti-bribery and corruption.
- o Having a clear and unambiguous understanding of the policy is an important part of our risk management system and we expect all stakeholders to conduct themselves in accordance with the policy.
- o All stakeholders with concerns over any misconduct or malpractice or illegal activities within the Group are to voice these concerns without fear. We have a Whistle Blowing Policy to guide the reporting of any such concerns. The policy outlines the process to inform appropriate authority, actions to be taken and protection of the anonymity of the whistle-blowers who lodge the report(s). Whistle blowers are protected from any reprisals and retaliations with regards to their reported action.
- o No cases were reported through the Whistleblowing channel during FY2020.
- o The Code of Conduct & Ethics, ABC Policy and Whistle Blowing Policy are published on our corporate website at <https://www.bdb.com.my/policies>

Digital and Business Transformation

- o The Group has been investing in information technology (“IT”) assets and infrastructure (bandwidth, software and hardware) to minimise disruption to our operations. Our efforts have yielded positive returns particularly when all our offices, customer experience centres and construction sites are closed in compliance with the lock down imposed by the government from 18 March 2020 through to 04 May 2020. The IT upgrading has enabled us to function effectively and efficiently even under lockdown. During the lockdown, our people who can work remotely did so.
- o The pandemic has accelerated the urgent call to action for digital transformation towards virtual workspace and virtual meeting space. The availability of various platforms to facilitate communications and increase collaboration has enabled us to keep in touch and work effectively thereby keeping our people safe and minimising productivity loss whilst strengthening accountability and efficiency.
- o Another upside has been the introduction of our digitalisation initiatives for business and marketing platforms. In April 2020, we transited products marketing and customer engagement to our online platform following introduction of “Zero Booking”. We had evolved from the traditional, physical process of buying and selling properties to new norm of virtual viewing of properties. We introduced virtual experience tour of our township and uploaded video promotions and actively engaged with our customers on our social media channels to continue to connect with our customers and run promotional initiatives.
- o The Board will revisit the Group-wide digital transformation strategy with the aim to synchronise business and IT decisions toward a more business and customer centric outcome.

Quality Management System

- o We are committed to deliver high quality products and services. It is our responsibility to meet the expectations of our customers and to safeguard the Group’s reputation and brand credibility.
- o The Group is certified for Quality Management System ISO 9001:2015 and QLASSIC:
 - Quality Management System ISO 9001:2015 certification from SIRIM QAS International Sdn. Bhd. for “Provision of Management of Design and Construction Services for Building and Civil Engineering Works”
 - QLASSIC (Quality Assessment System for Building Construction works) certification from Construction Industry Development Board. Its across projects to bench mark quality of workmanship of the projects.

SUSTAINABILITY STATEMENT (CONTINUED)

ENVIRONMENT	<p>Environmental matters matter to us. We are keenly attuned to the irreversible impact that arises from our business activities and operations.</p> <p>We assess possible environmental impact from our business activities and operations and take pro-active measures to minimise our footprints.</p>
Key Highlights	
<ul style="list-style-type: none"> • Encourage maximum utilisation of construction material to generate minimal waste to minimise impact to environment. • Set up site waste management for proper segregation and eventual disposal of waste material. • Use recycled material in construction. Environmentally friendly material such as ground granulated blast furnace slag is more durable and have longer useful life. • Installation of energy efficient lighting for more efficient energy consumption. 	

Pollution Control and Waste Management

- o BDB Group is committed to improve our environmental performance and demonstrate good practices in our operations to minimise our impact footprints on the environment.
- o We implement and practise the 3Rs (reduce, reuse, recycle) concept earnestly. Our people work to minimise water and energy consumption, improve waste management processes and raise environmental issues awareness amongst our employees and within the communities that we operate in.
- o We invest in our people and processes to ensure that we met the environmental standards. At Group level, we are keeping energy and water consumption to a minimum level as tabulated:



Energy Consumption (Kw/H)



Water Consumption (m₃)



Diesel Consumption (m₃)

2020	3.33 million	151,999 litres	2.61 million litres
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- o We are committed to adhere to best practices in environmental excellence in our business operations. We know the range of impacts construction and associated site activities has on communities. As such, we communicate our policy to sub-contractors and suppliers appointed to undertake works and supply products or materials, to protect the environment through sound practices that reduce waste generation, minimise risk to the environment and preserve energy.
- o Under our Leisure and Hospitality division, we provide and maintain a clean, comfortable and safe environment to our customers be it on our golf course, club, hotel and water theme park, Fantasia Aquapark. Our fun and safe environment is underpinned by weekly maintenance of backwashing and bi-monthly water treatment process. All chemicals in use are carefully managed and monitored by our Safety Officer.
- o All project sites are governed by stringent policies on environmental protection including waste management by the local environmental regulations and compliance requirements guided by ISO 14001:2015 Environmental Management Systems certification.

- o We dispose of wastes from our projects in accordance with relevant laws, regulations, and ordinances. We are promoting zero waste across the Group; efforts are currently underway to measure our waste generation and setting reduction targets. The types of waste identified across all 4 divisions are summarised as follows:

DIVISION	MATERIAL SUSTAINABILITY MATTERS	DISPOSAL / RECYCLED METHOD
Property Development	<ul style="list-style-type: none"> • Construction waste 	<ul style="list-style-type: none"> • Recycled • Appointed licenced contractors
Engineering & Construction	<ul style="list-style-type: none"> • Construction waste 	<ul style="list-style-type: none"> • Appointed licenced contractors
Road Building & Quarry	<ul style="list-style-type: none"> • Aggregates and premix wastes • Used engine oil 	<ul style="list-style-type: none"> • Recycled (Scheduled waste collection by appointed licenced contractors)
Leisure & Hospitality	<ul style="list-style-type: none"> • Used water • Used chemical 	<ul style="list-style-type: none"> • Recycled • Appointed licenced contractors

Property Development

- o BDB Group is committed to creating and delivering healthier and sustainable lifestyle by incorporating recreational elements in our projects. We make efforts to conserve nature and undertake extensive landscaping at our townships to support the green concept.
- o Our 80-acre Darulaman Park located in Bandar Darulaman comprises 45% of waterbody and 55% of land comprising of open green field, jogging and cycling tracks as well as water recreational activities.
- o Jungle trails abut mountain bike trails at our 60-acre Darulaman Hills.



SUSTAINABILITY STATEMENT (CONTINUED)

- o Our projects are planned with sustainability in mind. At our Langkawi Premium Outlet (“LPO”) project, the abundant indigenous flora and fauna are factored into the masterplan design. We have incorporated the original 4.7-acre green lung and 4.6 acres of existing waterbody into the 24-acre development. Arborist has been engaged to carry out flora and fauna inventory and to develop preservation plan. Fauna inventory are done by our very own Darulaman Sanctuary employees. Over 29 type of trees and 42 species of fauna had been tagged and documented.



(Artist’s impression of the Langkawi Art Box (LAB) at LPO)

Compliance With Environmental Laws and Regulations

- o BDB Group have not been fined or penalised for any environmental violations by the Department of Environment. We monitor closely compliance to environmental regulations throughout our operations and efforts are expanded to ensure all resources are made available to manage environmental regulations compliance.

Conservation of Flora and Fauna

- o We believe proper documentation of flora and fauna will create awareness on the importance and the uniqueness of our natural environment to our employees and the community. As part of our effort for conserving the natural resources, we continue to develop publications for knowledge to our future generations.

- o Our conservation activities at Darulaman Sanctuary, Lubuk Semilang, Pulau Langkawi continue whilst providing eco-tourism for public to observe and appreciate nature. Arborist has been engaged to provide flora inventory and preservation plan. Fauna inventory are done by our Darulaman Sanctuary employees.
- o Our Darulaman Sanctuary is where conservation efforts are embedded in our eco-tourism activities. It is home to over 180 plant species and over 80 bird and animal species have been recorded so far.



SOCIAL

Our people power our business. Prioritising their needs is crucial to our continued growth.

We aim to create sustainable value in our operations. This objective bonds our employees and align with our corporate values, guide our actions and decision-making.

Key Highlights

- **Townhall session** is one of our platforms to engage with our employees. We held **townhalls regularly** to keep everyone updated on key facts, ensure alignment with corporate goals and share status update.
- **Weekly** tool-box meetings to keep all site employees updated on SHE issues.
- Performance culture that is based on **regular feedback and appreciation for excellent achievements** – both through attractive compensation and professional development opportunities.

Occupational, Safety & Health (OSH)

- o We take OSH implementation in a serious manner, with the ultimate goal to keep our employees, contractors and our surrounding communities safe. OSH induction training is conducted for all our new joiners while refresher training is carried out from time to time for existing employees.

SUSTAINABILITY STATEMENT (CONTINUED)

- o Over the course of FY2020, BDB Group organised 2,112 training hours (FY2019: 1,867 training hours) of OSH relating training to educate and reinforce OSH learnings amongst employees, construction workers and emergency response team (“ERT”) members. As part of our outreach, we had extended our safety and health risk management efforts to include our contractors and sub-contractors.
- o BDB Group successfully completed Occupational Safety & Health Management System ISO transition from OHSAS 18001:2007 to ISO 45001:2018 in line with current ISO requirements for its businesses.
- o There was only 1 Loss Time Injury (“LTI”) for 44 days during the year under review (FY2019: 34 days). We constantly upgrade our control measures by tightening our SOPs and Hazard Identification, Risk Assessment and Determination Control (HIRADC) documentation with changes communicated to employees and contractors accordingly in the hope that knowledge will help to minimise LTI going forward.
- o Tool-box meetings are held weekly at sites to highlight on OSH related issues and compliance requirements.
- o We launched a **Safety Campaign** to promote safe working habits and raise awareness on the pandemic crisis amongst our employees. We update our employees regularly through e-blasts on procedures, manual handling, safety and health practices as revised and recommended by the government from time to time. We encourage our employees to always take precautions to curb the spread of Covid-19. Our campaign content across the Group is summarised as follows:

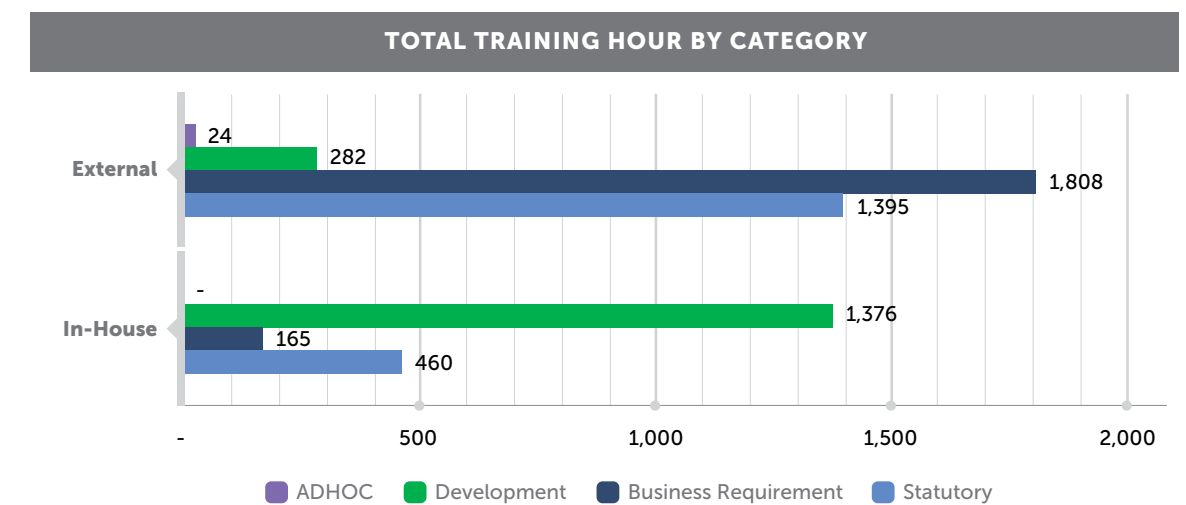
QUARTER	CAMPAIGN
Q1	Health : Langkah-Langkah Pencegahan Influenza Health : Novel Coronavirus (2019-CoV) Health : Pencegahan 2019-nCov, Pemberian Hand Sanitizer Health : Cegah Covid-19
Q2	Health : Pencegahan Covid-19
Q3	Health : Cegah Covid-19 3S, 3C, 3W Health : Perangi Jangkitan Wabak Covid-19 Health : Kempen Derma Darah Safety : Peringatan Penjarakan Fizikal – No Fist Bump Safety : Bahaya Tidur Dalam Kereta Safety : Pencegahan Covid-19 – Pemakaian Pelitup Muka
Q4	Health : Tip Keselamatan Menghadapi Banjir

Employee Training and Development

- o Employees are essential and instrumental to BDB’s continued success. As an employer of choice, we strive to provide conducive working environment. We encourage employee professional development through internal (in-house) and external training. Our goal is to equip our employees with competencies and leadership capabilities so that they can perform at their highest potential.

- o We want to inculcate a learning culture where employees are encouraged to learn and master new skills and transform themselves to achieve excellence at both personal and professional levels.
- o During FY2020, we organised 5,510 training hours (FY2019: 6,521 training hours) of courses covering technical, soft skill and management skills enhancement to our employees. These trainings, developed based on Training Needs Analysis, are categorised into Statutory, Business Requirement, Development and Ad-Hoc. These trainings were conducted by in-house and external trainers.

Total training hours by training/course categories during FY2020 are tabulated below:



- o We have a strong and committed workforce coming from diverse ethnic and cultural backgrounds, age groups and professional qualifications. Together, we form a productive team and work closely to meet high performance standards.

Employee Engagement

- o Our employees are part of our communities. Their homes nestled within the communities where we operate our businesses. We support employees and / or their family members with prolonged illness by providing needed medical equipment and donations.
- o In the age of digitalisation, we have improved access to medical benefits (inpatient and outpatient) for our employees through appointment of third-party administrator that ease management of their medical benefits through smartphones application.
- o *Majlis Gotong-Royong dan Kenduri Gulai Kawah* activity was carried with employees across all divisions worked together to source and prepare the raw ingredients and cook a large pot of “Gulai Daging” for distribution to all employees in conjunction with Hari Raya Aidil Adha 2020 / 1441H Celebration.

SUSTAINABILITY STATEMENT (CONTINUED)

Public and Community Engagement

- o Our community engagement programmes focused on Education & Knowledge, Sports & Leisure, Religious Outreach and Community Engagement. During FY2020, we contributed RM516,018 to 47 programmes (FY2019: RM121,050 for 27 programmes).



Corporate Social Responsibility ("CSR") Programme Curbing Covid-19: Assisting & Appreciating Frontliners and Extending Helping Hands to Those in Need


- o Distribution of face masks and packed food to frontliners and students in higher learning institutions: Hospital Sultanah Bahiyah, Hospital Jitra, Klinik Kesihatan Banai, IPD Kubang Pasu, government staff at Wisma Negeri Kedah, media practitioners and students at Politeknik Sultan Abdul Halim Muadzam Shah (POLIMAS)
- o Donation of plastic safety road barriers and traffic warning light to Angkatan Tentera Malaysia for roadblocks purposes during the tightened lockdown.
- o Further details on the Group's CSR Programmes can be found at Event Calendar section in this Annual Report.

NOTIFICATION TO SHAREHOLDERS

Dear Valued Shareholders of **BINA DARULAMAN BERHAD**

It is our pleasure to inform you that Annual Report 2020 was released to Bursa Malaysia Securities Berhad on Friday, 28 May 2021.

Do scan the QR code to view and download the following documents of the Company which are also available at our corporate website at <https://www.bdb.com.my/agm-26>

1.	Annual Report 2020	 <p>Scan Here</p>
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As part of our drive to support the green environment by reducing paper usage and pursuant to paragraph 2.19B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Clause 116 of the Company's Constitution, we wish to notify you by this letter that we have discontinued the delivery of any document to our shareholders in printed copies.

We thank you for your continued support of Bina Darulaman Berhad.

By order of the Board,
 Khairulmuna Binti Abd Ghani
 Practicing Certificate No. 202008004025
 LS 0008190
 Company Secretary
 28 May 2021

FINANCIAL STATEMENTS

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES

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

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

ULTIMATE HOLDING COMPANY

The Company is a subsidiary of Perbadanan Kemajuan Negeri Kedah, a statutory body formed in Malaysia and regarded by the Directors as the Company's ultimate holding company, during the financial year and until the date of this report.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 5 to the financial statements.

RESULTS

	GROUP RM'000	COMPANY RM'000
Profit/(Loss) for the year attributable to :		
Owners of the Company	5,292	(5,142)
Non-controlling interests	(22)	-
	5,270	(5,142)

RESERVES AND PROVISIONS

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

DIVIDEND

Since the end of previous financial year, the amount of dividend paid by the Company in respect of the financial year ended 31 December 2020 was an interim dividend of RM0.0075 per ordinary share totalling RM2,278,913 declared on 1 March 2021 and paid on 30 March 2021.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

DIRECTORS OF THE COMPANY

Directors who served during the financial year until the date of this report are:

Dato' Mohamed Sharil bin Mohamad Tarmizi	
Dato' Asri bin Hamidin @ Hamidon	
Dato' Haji Abdul Rahman bin Abdullah	
Haji Muhammad Sobri bin Osman	(Appointed on 06.09.2020)
Ir. Ts. Haji Khairil Nizam Bin Khirudin	(Appointed on 06.09.2020)
Dato' Zakiah Binti Kasim	(Appointed on 06.09.2020)
Syed Yussof Bin Syed Othman	(Appointed on 14.12.2020)
Mohamad Ibrahim Bin Ghazali	(Appointed on 14.12.2020)
Datuk Mohd Radzif bin Mohd Yunus	(Retired on 03.09.2020)
Sudirman bin Masduki	(Retired on 03.09.2020)
Dr Muhammad Mahadi bin Mohamad	(Appointed on 01.03.2020 and retired on 03.09.2020)

DIRECTORS OF THE SUBSIDIARIES

Directors of the subsidiaries who served during the financial year until the date of this report are as follows :

Dato' Haji Abdul Rahman bin Abdullah	
Faris Najhan bin Hashim	
Mohd Iskandar Dzulkarnain bin Ramli	
Tahir bin Md Zin	
Mohd Sobri bin Hussein	
Khairulmuna binti Abd Ghani	
Noran Zamini Bin Jamaluddin	(Appointed on 25.08.2020)
Syed Yussof Bin Syed Othman	(Appointed on 25.08.2020)
Dato' Armishah Bin Siraj	(Appointed on 01.11.2020)
Fakhruzi bin Ahmad	(Resigned on 31.07.2020)
YM Kol Dato' Tunku Aziz Bendahara bin Tunku Nong	(Resigned on 22.10.2020)
Abdul Halim bin Hassan	(Resigned on 22.10.2020)

DIRECTORS' INTEREST IN SHARES

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	NUMBER OF ORDINARY SHARES			
	AT 1.1.2020	BOUGHT	SOLD	AT 31.12.2020
Interests in the holding company:				
Dato' Mohamed Sharil bin Mohamed Tarmizi				
- own	30,000	-	-	30,000
- others*	40,000	-	-	40,000

* These are shares held in the name of spouse and/or children and are treated as interest of the Directors in accordance with the Companies Act, 2016.

None of the other Directors holding office at 31 December 2020 had any interest in the shares of the Company and of its related corporations during the financial year.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

DIRECTORS' BENEFITS

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

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

ISSUE OF SHARES AND DEBENTURES

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

OPTIONS GRANTED OVER UNISSUED SHARES

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

INDEMNITY AND INSURANCE COSTS

During the financial year, the total amount of insurance cost effected for Directors and officers of the Company is RM115,000.

OTHER STATUTORY INFORMATION

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

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

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

- that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

OTHER STATUTORY INFORMATION (CONTINUED)

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

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

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

In the opinion of the Directors, the financial performance of the Group and of the Company for the year ended 31 December 2020 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

SIGNIFICANT EVENT

The details of such event are disclosed in Note 30 to the financial statements.

AUDITORS

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

The auditors' remuneration is disclosed in Note 20 to the financial statements.

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

.....
Dato' Asri bin Hamidon
 Director

.....
Dato' Haji Abdul Rahman bin Abdullah
 Director

Alor Setar,

Date : 30 April 2021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	NOTE	2020 RM'000	2019 RM'000
Assets			
Property, plant and equipment	3	89,916	87,625
Investment properties	4	55,949	61,287
Inventories	6	336,419	326,913
Other investments	7	135	135
Deferred tax assets	8	584	-
Total non-current assets		483,003	475,960
Inventories	6	57,625	69,318
Contract assets	9.1	42,852	22,994
Contract costs	9.2	1,558	232
Trade and other receivables	10	76,080	74,274
Current tax assets		29	2,956
Other investments	7	3,315	2,653
Deposits with licensed banks	11	14,553	18,475
Cash and bank balances	12	55,293	57,133
		251,305	248,035
Assets classified as held for sale	13	-	21,632
Total current assets		251,305	269,667
Total assets		734,308	745,627
Equity			
Share capital	14	331,020	331,020
Retained earnings		137,641	132,349
Equity attributable to owners of the Company		468,661	463,369
Non-controlling interest		(22)	-
Total equity		468,639	463,369
Liabilities			
Deferred tax liabilities	8	-	507
Loans and borrowings	15	35,059	29,159
Total non-current liabilities		35,059	29,666
Trade and other payables	16	137,583	139,957
Contract liabilities	9.1	3,653	10,191
Loans and borrowings	15	89,374	102,444
Total current liabilities		230,610	252,592
Total liabilities		265,669	282,258
Total equity and liabilities		734,308	745,627

The notes on pages 110 to 181 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	NOTE	2020 RM'000	2019 RM'000
Revenue	17	219,585	248,220
Cost of sales	18	(175,967)	(196,040)
Gross profit		43,618	52,180
Distribution expenses		(1,659)	(2,426)
Administrative expenses		(21,709)	(33,455)
Other operating income		4,695	8,122
Net loss on impairment of financial instruments and contract assets	20	(998)	(471)
Other operating expenses		(8,034)	(7,522)
Results from operating activities		15,913	16,428
Finance costs	19	(7,379)	(9,629)
Profit before tax	20	8,534	6,799
Tax expense	23	(3,264)	(2,092)
Profit and total comprehensive income for the year		5,270	4,707
Profit and total comprehensive income for the year attributable to:			
Owners of the Company		5,292	4,707
Non-controlling interests		(22)	-
Profit and total comprehensive income for the year		5,270	4,707
Basic / Diluted earnings per ordinary share (sen)	24	1.74	1.55

The notes on pages 110 to 181 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	← Attributable to owners of the Company →			NON-CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000
	NON-DISTRIBUTABLE	DISTRIBUTABLE	TOTAL		
	SHARE CAPITAL RM'000	RETAINED EARNINGS RM'000	TOTAL RM'000		
At 1 January 2019	331,020	127,642	458,662	-	458,662
Profit and total comprehensive income for the year	-	4,707	4,707	-	4,707
At 31 December 2019 / 1 January 2020	331,020	132,349	463,369	-	463,369
Profit and total comprehensive income for the year	-	5,292	5,292	(22)	5,270
At 31 December 2020	331,020	137,641	468,661	(22)	468,639

Note 14

The notes on pages 110 to 181 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	NOTE	2020 RM'000	2019 RM'000
Cash flows from operating activities			
Profit before tax		8,534	6,799
Adjustments for:			
Depreciation of property, plant and equipment	3	8,337	9,801
Property, plant and equipment written off		4	5
Gain on disposal of property, plant and equipment		(494)	(801)
Interest income		(879)	(1,670)
Interest expense		7,379	9,629
Impairment loss on property, plant and equipment		148	6,710
Change in fair value of investment properties		-	(4,180)
Operating profit before working capital changes		23,029	26,293
Changes in working capital:			
Contract assets		(25,656)	(11,708)
Trade and other receivables		3,992	9,364
Inventories		23,819	4,142
Trade and other payables		(2,374)	28,970
Contract liabilities		(6,538)	(7,706)
Contract costs		(1,326)	(101)
Cash generated from operations		14,946	49,254
Interest paid		(7,379)	(9,629)
Tax (paid) / refunded		(1,428)	5,264
Net cash from operating activities		6,139	44,889

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

	NOTE	2020 RM'000	2019 RM'000
Cash flows from investing activities			
Purchase of property, plant and equipment	3.1	(1,085)	(5,010)
Purchase of investment properties	4	-	(12,889)
Proceeds from disposal of property, plant and equipment		495	989
Proceeds from disposal of other investments		-	10,741
Purchase of other investments		(662)	-
Interest income received		879	1,670
Net cash used in investing activities		(373)	(4,499)
Cash flows from financing activities			
Drawdown of loans	B	29,500	20,000
Repayment of loans	B	(42,087)	(36,883)
Movement of other borrowings, net	B	69	1,986
Repayment of hire purchase	B	(2,065)	(2,775)
Withdrawal/(Placement) of pledged deposits		1,354	(3,463)
Net cash used in financing activities		(13,229)	(21,135)
Net (decrease) / increase in cash and cash equivalents		(7,463)	19,255
Cash and cash equivalents at beginning of year		53,504	34,249
Cash and cash equivalents at end of year	A	46,041	53,504

Notes

A. Cash and cash equivalents

	2020 RM'000	2019 RM'000
Cash and bank balances	55,293	57,133
Deposits placed with licensed banks	14,553	18,475
Less : Deposits pledged	(8,629)	(9,983)
Bank overdrafts	(15,176)	(12,121)
	46,041	53,504

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

Notes (continued)

B. Reconciliation of movement of liabilities to cash flows arising from financing activities

	AT 1 JANUARY 2019 RM'000	DRAWDOWN DURING THE YEAR RM'000	REPAYMENT DURING THE YEAR RM'000	AT 31 DECEMBER 2019 / 1 JANUARY 2020 RM'000	DRAWDOWN DURING THE YEAR RM'000	REPAYMENT DURING THE YEAR RM'000	AT 31 DECEMBER 2020 RM'000
Term loans & SUKUK	89,378	20,000	(36,883)	72,495	29,500	(42,087)	59,908
Hire purchase liabilities	6,190	-	(2,775)	3,415	4,358*	(2,065)	5,708
Revolving credits	38,000	6,093	(2,093)	42,000	-	(3,000)	39,000
Banker acceptances	3,586	-	(2,014)	1,572	13,564	(10,495)	4,641
Total loan and borrowings	137,154	26,093	(43,765)	119,482	47,422	(57,647)	109,257

The Group acquired plant and equipment by hire purchase (Note 3.1).

The notes on pages 110 to 181 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	NOTE	2020 RM'000	2019 RM'000
Assets			
Property, plant and equipment	3	12,785	13,517
Investment properties	4	16,356	16,356
Investment in subsidiaries	5	107,014	115,339
Inventories	6	217,602	217,602
Total non-current assets		353,757	362,814
Inventories	6	394	2,055
Trade and other receivables	10	13,601	5,177
Current tax assets		35	21
Other investments	7	3,315	2,653
Cash and bank balances	12	3,765	5,731
Total current assets		21,110	15,637
Total assets		374,867	378,451
Equity			
Share capital	14	331,020	331,020
Retained earnings		3,995	9,137
Total equity		335,015	340,157
Loans and borrowings	15	4,554	30,057
Trade and other payables	16	9,541	7,425
Total current liabilities		14,095	37,482
Deferred tax liability	8	739	739
Loans and borrowings	15	25,018	73
Total non-current liabilities		25,757	812
Total liabilities		39,852	38,294
Total equity and liabilities		374,867	378,451

The notes on pages 110 to 181 are an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	NOTE	2020 RM'000	2019 RM'000
Revenue	17	16,546	15,793
Cost of sales	18	(2,264)	(3,520)
Gross profit		14,282	12,273
Distribution expenses		(502)	(601)
Administrative expenses		(11,995)	(10,544)
Other operating income		3,127	4,141
Net loss on impairment of financial instruments and contract assets	20	(1,352)	(701)
Other operating expenses		(7,316)	(10,432)
Results from operating activities		(3,756)	(5,864)
Finance costs	19	(1,386)	(1,763)
Loss before tax	20	(5,142)	(7,627)
Tax expense	23	-	103
Loss and total comprehensive expense for the year		(5,142)	(7,524)

The notes on pages 110 to 181 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	NON-DISTRIBUTABLE SHARE CAPITAL RM'000	DISTRIBUTABLE RETAINED EARNINGS RM'000	TOTAL EQUITY RM'000
At 1 January 2019	331,020	16,661	347,681
Loss and total comprehensive expense for the year	-	(7,524)	(7,524)
At 31 December 2019 / 1 January 2020	331,020	9,137	340,157
Loss and total comprehensive expense for the year	-	(5,142)	(5,142)
At 31 December 2020	331,020	3,995	335,015

Note 14

The notes on pages 110 to 181 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	NOTE	2020 RM'000	2019 RM'000
Cash flows from operating activities			
Loss before tax		(5,142)	(7,627)
Adjustments for:			
Depreciation of property, plant and equipment	3	863	1,101
Gain on disposal of property, plant and equipment		-	(137)
Dividend income		(10,000)	(8,000)
Interest income		(1,858)	(2,823)
Interest expense		1,386	1,763
Impairment loss on advances to subsidiaries		5,272	-
impairment loss on investment in subsidiaries		2,044	8,825
Operating loss before working capital changes		(7,435)	(6,898)
Changes in working capital:			
Inventories		1,661	2,616
Trade and other receivables		1,576	15,956
Trade and other payables		2,116	(917)
Cash (used in) / generated from operations		(2,082)	10,757
Interest paid		(1,386)	(1,763)
Tax (paid) / refunded		(14)	85
Dividend received		-	8,000
Net cash (used in) / from operating activities		(3,482)	17,079
Cash flows from investing activities			
Purchase of property, plant and equipment	3.1	(131)	(73)
Proceeds from disposal of plant and equipment		-	305
Proceeds from disposal of other investments		-	10,741
Purchase of other investments		(662)	-
Interest income received		1,858	2,823
Refund from/(advances to) subsidiaries		1,009	(8,481)
Net cash from investing activities		2,074	5,315

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

	NOTE	2020 RM'000	2019 RM'000
Cash flows from financing activities			
Repayment of SUKUK	A	(30,000)	(20,000)
Drawdown of term loan	A	29,500	-
Repayment of hire purchase liabilities	A	(58)	(265)
Net cash used in financing activities		(558)	(20,265)
Net (decrease)/increase in cash and bank balances		(1,966)	2,129
Cash and bank balances at beginning of year		5,731	3,602
Cash and bank balances at end of year	12	3,765	5,731

Note

A. Changes in liabilities arising from financing activities are as follows :

	AT 1 JANUARY 2019 RM'000	REPAYMENT DURING THE YEAR RM'000	AT 31 DECEMBER 2019 / 1 JANUARY 2020 RM'000	DRAWDOWN/ (REPAYMENT) DURING THE YEAR RM'000	AT 31 DECEMBER 2020 RM'000
SUKUK	50,000	(20,000)	30,000	(30,000)	-
Term loan	-	-	-	29,500	29,500
Hire purchase liabilities	395	(265)	130	(58)	72
Total loan and borrowings	50,395	(20,265)	30,130	(558)	29,572

The notes on pages 110 to 181 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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

Aras 9, Menara BDB
No. 88, Lebuhraya Darulaman
05100 Alor Setar
Kedah Darul Aman

The consolidated financial statements of the Company as at and for the year ended 31 December 2020 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities"). The financial statements of the Company as at and for the year ended 31 December 2020 do not include other entities.

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

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

These financial statements were approved by the Board of Directors on 30 April 2021.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

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

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 June 2020

- Amendment to MFRS 16, Leases - *Covid-19-Related Rent Concessions*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS 16, *Leases - Interest Rate Benchmark Reform - Phase 2*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 April 2021

- Amendment to MFRS 16, *Leases - Covid-19-Related Rent Concessions beyond 30 June 2021*

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. BASIS OF PREPARATION (CONTINUED)

(a) Statement of compliance (continued)

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to MFRS 3, *Business Combinations - Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment - Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018-2020)*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 101, *Presentation of Financial Statements - Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments, where applicable, in the respective financial years when the abovementioned accounting standards, interpretations and amendments become effective.

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and the Company.

(b) Basis of measurement

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

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. BASIS OF PREPARATION (CONTINUED)

(d) Use of estimates and judgements

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

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

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

- Note 4 Valuation of investment properties
- Note 5 Impairment of investment in subsidiaries
- Note 17 Revenue from sales of properties under construction

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of consolidation

(i) Subsidiaries

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

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

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

(ii) Business combinations

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(ii) Business combinations (continued)

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

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

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

(iii) Acquisitions of non-controlling interests

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

(iv) Loss of control

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

(v) Non-controlling interests

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

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

(vi) 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial instruments

(i) Recognition and initial measurement

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

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

(a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see note 2(k)(i)) where the effective interest rate is applied to the amortised cost.

(b) Fair value through profit or loss

All financial assets not measured at amortised cost as described above are measured at fair value through profit or loss. On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss are subject to impairment assessment (see Note 2(k)(i)).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial instruments (continued)

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

Financial liabilities

The categories of financial liabilities at initial recognition are as follows:

Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) Financial guarantee contracts

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

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

Liabilities arising from financial guarantees are presented together with other provisions.

(iv) Derecognition

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

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Property, plant and equipment

(i) Recognition and measurement

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

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

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

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

(ii) Subsequent costs

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

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land and golf course are not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows :

Leasehold land	80 years
Office buildings, club house, chalets and other buildings	10 - 50 years
Estate development expenditure	10 years
Plant and machinery and site equipment	5 - 10 years
Furniture and fittings, electrical installations and office equipment	4 - 5 years
Renovation	5 years
Motor vehicles	5 years

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Leases

(i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition and initial measurement

(a) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Leases (continued)

(ii) Recognition and initial measurement (continued)

(a) As a lessee (continued)

The Group excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

(iii) Subsequent measurement

(a) As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(b) As a lessor

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "other revenue".

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Investment properties

(i) Investment properties carried at fair value

Investment properties are properties which are owned or right-of-use asset held under a lease contract to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties which are owned are measured initially at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs. Right-of-use asset held under a lease contract that meets the definition of investment property is initially measured similarly as other right-of-use assets.

Subsequently, investment properties are measured at fair value with any changes therein recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

The fair value of investment properties held by the Group as a right-of-use asset reflects the expected cash flows. Accordingly, where valuation obtained for a property is net of all payments expected to be made, the Group added back any recognised lease liability to arrive at the carrying amount of the investment property using the fair value model.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

(ii) Reclassification to/from investment properties

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment or inventories, its fair value at the date of reclassification becomes its cost for subsequent accounting.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Inventories

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

(i) Land held for property development

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

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

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

(ii) Property development costs

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

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

(iii) Others

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.

(g) Non-current asset held for sale

Non-current assets comprising assets and liabilities that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale.

Immediately before classification as held for sale, the assets are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets are measured at the lower of their carrying amount and fair value less costs of disposal.

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative, impairment loss.

Property, plant and equipment once classified as held for sale are not amortised or depreciated.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Contract asset/Contract liability

A contract asset is recognised when the Group's or the Company's right to consideration is conditional on something other than the passage of time. In the case of property development, contract asset is the excess to cumulative revenue earned over the billings to date. A contract asset is subject to impairment in accordance to MFRS 9, *Financial Instruments* (see Note 2 (k)(i)).

A contract liability is stated at cost and represents the obligation of the Group or the Company to transfer goods or services to a customer for which consideration has been received or the amount is due from the customers. In the case of property development, contract liability is the excess of the billings to date over the cumulative revenue earned. Contract liability includes down payments received from customers and other deferred income where the Group and the Company have billed or collected the payment before the goods are delivered or services are provided to the customers.

(i) Contract cost

(i) Incremental cost of obtaining a contract

The Group or the Company recognises incremental costs of obtaining contracts when the Group or the Company expects to recover these costs.

(ii) Costs to fulfill a contract

The Group or the Company recognises a contract cost that relate directly to a contract or to an anticipated contract as an asset when the cost generates or enhances resources of the Group or the Company, will be used in satisfying performance obligations in the future and it is expected to be recovered.

These contracts costs are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the assets relates. An impairment loss is recognised in the profit or loss when the carrying amount of the contract cost exceeds the expected revenue less expected cost that will be incurred. Where the impairment condition no longer exists or has impaired, the impairment loss is reversed to the extent that the carrying amount of the contracts cost does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

(j) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments including the accounts maintained pursuant to the Housing Development (Housing Development Account) Regulations 1991 (as amended by Housing Development (Housing Development Account) (Amendment) Regulations 2015). For the purpose of the statement of cash flows, cash and cash equivalents are presented net of pledged deposits and bank overdrafts, if any.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, contract assets and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for cash and bank balance for which credit risk has not increased significantly since initial recognition. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery amounts due.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Impairment (continued)

(ii) Other assets

The carrying amounts of other assets (except for inventories, contract assets deferred tax assets, investment properties measured at fair value and non-current assets held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes.

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

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

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

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

(l) Equity instruments

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

(i) Issue expenses

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

(ii) Ordinary shares

Ordinary shares are classified as equity.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Employee benefits

(i) Short-term employee benefits

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

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

(ii) State plans

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

(n) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(o) Revenue and other income

(i) Revenue

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group or the Company recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group or the Company transfers control of a good or service at a point in time unless one of the following over time criteria is met:

- the customer simultaneously receives and consumes the benefits provided as the Group or the Company performs;
- the Group's or the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's or the Company's performance does not create an asset with an alternative use and the Group or the Company has an enforceable right to payment for performance completed to date.

Nature of goods and services

The following is a description of the principal activities, separated by reportable segments from which the Group generates its revenue. For more detailed information about reportable segments, see Note 29.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Revenue and other income (continued)

(i) Revenue (continued)

Property development and construction segments

Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of the performance obligation measured based on one of the following methods that best depict the Group's performance in satisfying the performance obligation:

- direct measurement of the value transferred by the Group to the customer (e.g. surveys or appraisals of performance completed to date); or
- the Group's efforts or inputs to the satisfaction of the performance obligation (e.g. by reference to the property development costs incurred up to the end of the financial reporting period as a percentage of total estimated costs for complete satisfaction of the contract)

If the contract with customer contains more than one distinct performance obligation, the amount of consideration is allocated to each distinct performance obligation based on the relative stand-alone selling price of the goods or services promised in the contract.

In respect of a completed development property where the Group has no enforceable right to payment until the control of the property is transferred to the customer, revenue is recognised at a point in time when the control is transferred to the customer. Revenue is measured at the transaction price agreed under the contract.

Road building and quarry segments

Revenue from road building is recognised over time using the cost incurred method.

Revenue from sand quarry and premix aggregate are recognised at the point in time. Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, net of returns and allowances, trade discounts and volume rebates.

Leisure and hospitality segment

The income from water theme park entrance fees, rental of rooms, subscription and green fees, rental of golfing facilities and other related income are recognised at the point in time.

Oil palm fresh fruit bunches

Revenue is recognised at the point in time. Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, net of returns and allowances, trade discounts and volume rebates.

(ii) 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.

(iii) Dividend income

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Revenue and other income (continued)

(iv) Management fees

Management fees are recognised when services are rendered.

(v) Interest income and profit from Islamic deposit

Interest income is recognised as it accrues, using the effective interest method in profit or loss.

(vi) Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and that the Company will comply with the conditions associated with the grant; they are then recognised in profit or loss as other operating income on a systematic basis.

Grants that compensate the Group for expenses incurred are recognised in profit or loss as other operating income on a systematic basis in the same periods in which the expenses are recognised.

(p) Borrowing costs

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

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

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

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

(q) Income tax

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Income tax (continued)

Where investment properties are carried at their fair value in accordance with the accounting policy set out in Note 2(e), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

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

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

(r) Earnings per ordinary share

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

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

(s) Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments results are reviewed regularly by the chief operating decision maker, which in this case is the Chief Executive Officer/Chief Corporate Officer of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(t) 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 not recognised in the statements of financial position and 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Fair value measurement

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

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

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

3. PROPERTY, PLANT AND EQUIPMENT

	* LAND, BUILDINGS AND ESTATE DEVELOPMENT EXPENDITURE RM'000	PLANT AND MACHINERY AND SITE EQUIPMENT RM'000	# OTHERS RM'000	MOTOR VEHICLES RM'000	CONSTRUCTION WORK-IN- PROGRESS RM'000	TOTAL RM'000
Group						
Cost						
At 1 January 2019	85,386	64,757	19,292	13,877	619	183,931
Additions	1,194	401	1,169	-	2,246	5,010
Disposals	-	(2,286)	(67)	(1,337)	-	(3,690)
Written off	(1)	(51)	(26)	-	-	(78)
Reclassification	620	-	-	-	(620)	-
At 31 December 2019 / 1 January 2020	87,199	62,821	20,368	12,540	2,245	185,173
Additions	450	2,309	252	2,246	186	5,443
Disposals	-	(830)	(18)	(1,051)	-	(1,899)
Written off	-	-	(56)	-	-	(56)
Transfer from investment properties (Note 4)	5,338	-	-	-	-	5,338
At 31 December 2020	92,987	64,300	20,546	13,735	2,431	193,999

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	* LAND, BUILDINGS AND ESTATE DEVELOPMENT EXPENDITURE RM'000	PLANT AND MACHINERY AND SITE EQUIPMENT RM'000	# OTHERS RM'000	MOTOR VEHICLES RM'000	CONSTRUCTION WORK-IN- PROGRESS RM'000	TOTAL RM'000
Group						
Accumulated depreciation and impairment loss						
Accumulated depreciation - At 1 January 2019	15,569	45,375	13,133	10,535	-	84,612
Depreciation charge for the year	2,229	3,490	2,397	1,685	-	9,801
Disposals	-	(2,270)	(64)	(1,168)	-	(3,502)
Impairment loss	6,237	-	473	-	-	6,710
Written off	(1)	(51)	(21)	-	-	(73)
At 31 December 2019 / 1 January 2020	17,797	46,544	15,445	11,052	-	90,838
Accumulated impairment loss	6,237	-	473	-	-	6,710
	24,034	46,544	15,918	11,052	-	97,548
Depreciation charge for the year	1,593	3,564	1,947	1,233	-	8,337
Disposals	-	(830)	(17)	(1,051)	-	(1,898)
Impairment loss	148	-	-	-	-	148
Written off	-	-	(52)	-	-	(52)
At 31 December 2020	19,390	49,278	17,323	11,234	-	97,225
Accumulated impairment loss	6,385	-	473	-	-	6,858
	25,775	49,278	17,796	11,234	-	104,083
Carrying amounts						
At 1 January 2019	69,817	19,382	6,159	3,342	619	99,319
At 31 December 2019 / 1 January 2020	63,165	16,277	4,450	1,488	2,245	87,625
At 31 December 2020	67,212	15,022	2,750	2,501	2,431	89,916

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

	FREEHOLD LAND RM'000	LEASEHOLD LAND RM'000	OFFICE BUILDING RM'000	GOLF COURSE RM'000	CLUB HOUSE, CHALET AND OTHER BUILDINGS RM'000	ESTATE DEVELOPMENT EXPENDITURE RM'000	TOTAL RM'000
Group							
Cost							
At 1 January 2019	9,595	6,316	28,669	9,606	30,339	861	85,386
Additions	-	-	913	-	281	-	1,194
Written off	-	-	-	-	(1)	-	(1)
Reclassification	-	-	-	-	620	-	620
At 31 December 2019 / 1 January 2020	9,595	6,316	29,582	9,606	31,239	861	87,199
Additions	-	-	-	-	450	-	450
Transfer from investment properties (Note 4)	5,338	-	-	-	-	-	5,338
At 31 December 2020	14,933	6,316	29,582	9,606	31,689	861	92,987
Accumulated depreciation and impairment loss							
Accumulated depreciation - At 1 January 2019	-	1,291	5,160	-	8,257	861	15,569
Impairment loss	-	-	6,237	-	-	-	6,237
Depreciation charge for the year	-	79	1,073	-	1,077	-	2,229
Written off	-	-	-	-	(1)	-	(1)
At 31 December 2019 / 1 January 2020	-	1,370	6,233	-	9,333	861	17,797
Accumulated impairment loss	-	-	6,237	-	-	-	6,237
At 31 December 2020	-	1,370	12,470	-	9,333	861	24,034
Depreciation charge for the year	-	79	733	-	781	-	1,593
Impairment loss	-	-	148	-	-	-	148
At 31 December 2020	-	1,449	6,385	-	10,114	861	18,809
Accumulated impairment loss	-	-	6,966	-	-	-	6,966
At 31 December 2020	-	1,449	13,351	-	10,114	861	25,775

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

	FREEHOLD LAND RM'000	LEASEHOLD LAND RM'000	OFFICE BUILDING RM'000	GOLF COURSE RM'000	CLUB HOUSE, CHALET AND OTHER BUILDINGS RM'000	ESTATE DEVELOPMENT EXPENDITURE RM'000	TOTAL RM'000
Group							
Carrying amounts							
At 1 January 2019	9,595	5,025	23,509	9,606	22,082	-	69,817
At 31 December 2019 / 1 January 2020	9,595	4,946	17,112	9,606	21,906	-	63,165
At 31 December 2020	14,933	4,867	16,231	9,606	21,575	-	67,212
	LEASEHOLD LAND RM'000	OFFICE BUILDING RM'000	ESTATE DEVELOPMENT EXPENDITURE RM'000	PLANT AND MACHINERY RM'000	# OTHERS RM'000	MOTOR VEHICLES RM'000	TOTAL RM'000
Company							
Cost							
At 1 January 2019	6,000	11,458	861	3,408	5,285	1,103	28,115
Additions	-	-	-	-	73	-	73
Disposals	-	-	-	-	(2)	(459)	(461)
Written off	-	-	-	-	(1)	-	(1)
At 31 December 2019 / 1 January 2020	6,000	11,458	861	3,408	5,355	644	27,726
Additions	-	-	-	-	131	-	131
Disposals	-	-	-	-	(15)	-	(15)
Written off	-	-	-	-	(18)	-	(18)
At 31 December 2020	6,000	11,458	861	3,408	5,453	644	27,824
Accumulated depreciation							
At 1 January 2019	1,237	3,438	861	3,344	3,906	616	13,402
Depreciation charge for the year	75	229	-	6	612	179	1,101
Disposals	-	-	-	-	(2)	(291)	(293)
Written off	-	-	-	-	(1)	-	(1)
At 31 December 2019 / 1 January 2020	1,312	3,667	861	3,350	4,515	504	14,209
Depreciation charge for the year	75	229	-	6	485	68	863
Disposals	-	-	-	-	(15)	-	(15)
Written off	-	-	-	-	(18)	-	(18)
At 31 December 2020	1,387	3,896	861	3,356	4,967	572	15,039

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	LEASEHOLD LAND RM'000	OFFICE BUILDING RM'000	ESTATE DEVELOPMENT EXPENDITURE RM'000	PLANT AND MACHINERY RM'000	# OTHERS RM'000	MOTOR VEHICLES RM'000	TOTAL RM'000
Company							
Carrying amounts							
At 1 January 2019	4,763	8,020	-	64	1,379	487	14,713
At 31 December 2019 / 1 January 2020	4,688	7,791	-	58	840	140	13,517
At 31 December 2020	4,613	7,562	-	52	486	72	12,785

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

3.1 Assets under hire purchase

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

	2020 RM'000	2019 RM'000
Group		
Hire purchase	4,358	-
Cash and cash equivalents	1,085	5,010
	5,443	5,010
Company		
Cash and cash equivalents	131	73

Included in the carrying amount of property, plant and equipment are the following assets acquired under hire purchase arrangement:

	2020 RM'000	2019 RM'000
Group		
Plant and machinery	9,726	6,861
Motor vehicles	256	346
	9,982	7,207

3.2 Fully depreciated assets

Included in property, plant and equipment of the Group and of the Company are fully depreciated assets which are still in use costing RM50,552,000 (2019 : RM45,356,000) and RM8,396,000 (2019 : RM7,088,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. INVESTMENT PROPERTIES

	FREEHOLD LAND RM'000	LEASEHOLD LAND RM'000	BUILDING RM'000	ASSETS UNDER CONSTRUCTION RM'000	TOTAL RM'000
Group					
At fair value					
At 1 January 2019	21,812	16,600	-	2,148	40,560
Additions	1,680	-	-	11,209	12,889
Transfer from inventories (Note 6.1)	3,658	-	-	-	3,658
Reclassification	-	-	13,357	(13,357)	-
Change in fair value recognised in profit or loss	5,892	1,175	(2,887)	-	4,180
At 31 December 2019 / 1 January 2020	33,042	17,775	10,470	-	61,287
Transfer to property, plant and equipment (Note 3)	(5,338)	-	-	-	(5,338)
At 31 December 2020	27,704	17,775	10,470	-	55,949

	FREEHOLD LAND RM'000	BUILDING RM'000	TOTAL RM'000
Company			
At 1 January 2019 / 31 December 2019 / 1 January 2020 / 31 December 2020	2,326	14,030	16,356

4.1 The following are recognised in profit or loss :

	2020 RM'000	2019 RM'000
Group		
Rental income	500	-
Direct operating expenses:		
- income generating investment property	16	-
- non-income generating investment property	1,974	2,420
Company		
Rental income	120	120
Direct operating expenses:		
- income generating investment property	12	12

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. INVESTMENT PROPERTIES (CONTINUED)

4.2 Security

Investment properties of the Group with carrying amount of RM45,479,000 (2019: RM45,479,000) are pledged as security for borrowing (Note 15.1).

4.3 Operating lease payments receivable

The operating lease payments to be received are as follows:

	2020 RM'000	2019 RM'000
Group		
Less than one year	608	133
One to two years	646	185
Two to three years	327	185
Three to four years	299	299
Four to five years	299	299
More than five years	4,435	4,809
Total undiscounted lease payments	6,614	5,910

4.4 Fair value information

Investment property of the Group comprises undeveloped land located at Langkawi, Axis Commercial Hub and petrol station. Investment property of the Company comprises serviced apartment that is leased to a subsidiary to earn rental income or held for capital appreciation. The fair value of the properties is classified as level 3 where there have been no recent transactions of similar properties at or near reporting date.

Level 3 fair value is estimated using unobservable inputs for the investment properties. The valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models are disclosed in the following paragraphs.

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

The most significant input into this valuation approach is price per square foot which would increase / (decrease) the estimated fair value if the price per square foot is higher / (lower).

4.5 Valuation processes applied by the Group for Level 3 fair value

The fair value of investment properties is determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The valuation companies provide the fair value of the Group's investment properties every twelve months. Changes in Level 3 fair values are analysed by the management every twelve months after obtaining valuation reports from the valuation companies.

4.6 Highest and best use

The Group's and the Company's investment properties are currently valued at their highest and best use. The investment properties are situated within sizeable populations.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. INVESTMENT IN SUBSIDIARIES - COMPANY

	2020 RM'000	2019 RM'000
Unquoted shares, at cost	77,825	78,325
Accumulated impairment losses	(15,485)	(13,941)
	62,340	64,384
Advance in subsidiaries*	49,946	50,955
Impairment loss	(5,272)	-
	44,674	50,955
	107,014	115,339

* The advances to subsidiaries as at year end were classified as non-current as the Company recognised these amounts as a long term source of capital to those subsidiaries.

5.1 The details of the subsidiaries are as follows:

NAME OF SUBSIDIARIES	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	EFFECTIVE OWNERSHIP INTEREST AND VOTING INTEREST	
			2020 %	2019 %
BDB Land Sdn. Bhd. (BDB Land)*	Malaysia	Property development, investment holding and project management services	100	100
BDB Synergy Sdn. Bhd.	Malaysia	Building and general contractor	100	100
BDB Infra Sdn. Bhd.	Malaysia	Granite quarry operator and civil engineering contractor	100	100
Kedah Holdings Sdn. Bhd.*	Malaysia	Property development and property investment	100	100
BDBMBI Langkawi Ventures Sdn. Bhd.*	Malaysia	Granite quarry operator and construction material supplier	100	100
Aman Lagenda Sdn. Bhd.*	Malaysia	Property investment	100	100
BDB Leisure Sdn. Bhd.*	Malaysia	Water theme park operator	100	100
BDB Construction Sdn. Bhd.	Malaysia	Dormant	100	100
BDB Hotels Sdn. Bhd.*	Malaysia	Dormant	100	100
BDB I Holdings Berhad**	Malaysia	Dormant	100	100
Subsidiary of BDB Land				
BDB Darulaman Golf Resort Berhad (BDGRB)*^	Malaysia	Golf resort owner and operator	99	99

* The Company has provided financial support to these subsidiaries.

^ 52,218 ordinary shares are equivalent to 99% and are held by a subsidiary of the Company.

A wholly-owned subsidiary of which 2 ordinary shares are held in trust by one of the Directors of the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. INVESTMENT IN SUBSIDIARIES - COMPANY (CONTINUED)

5.2 Non-controlling interest in a subsidiary

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

	2020 RM'000	2019 RM'000
NCI percentage of ownership interest and voting interest - BDGRB	1%	1%
Carrying amount of NCI	-	-
Loss allocated to NCI	22	-
Summarised financial information before intra-group elimination :		
As at 31 December		
Non-current assets	13,250	14,149
Current assets	1,224	1,074
Non-current liabilities	(246)	(447)
Current liabilities	(18,597)	(17,440)
Net liabilities	(4,369)	(2,664)
Year ended 31 December		
Revenue	3,493	5,351
Loss and total comprehensive expense for the year	(1,705)	(1,951)
Cash flows from operating activities	(345)	195
Cash flows used in investing activities	(14)	(28)
Cash flows used in financing activities	522	(390)
Net decrease in cash and cash equivalents	(163)	(223)
Dividend paid to NCI	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. INVENTORIES

	NOTE	2020 RM'000	2019 RM'000
Group			
<i>Non-current</i>			
Land held for property development	6.1	336,419	326,913
<i>Current</i>			
At cost:			
Properties held for sale	6.3	17,311	32,117
Consumables and spares		1,779	1,476
Building materials		4,622	4,680
		23,712	38,273
Property development costs	6.2	33,913	31,045
		57,625	69,318
Company			
<i>Non-current</i>			
Land held for property development	6.1	217,602	217,602
<i>Current</i>			
At cost:			
Properties held for sale		394	2,055

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. INVENTORIES (CONTINUED)

6.1 Land held for property development

	FREEHOLD LAND RM'000	LEASEHOLD LAND RM'000	TOTAL RM'000
Group			
At 1 January 2019	299,645	54,165	353,810
Additions	20,678	-	20,678
Transferred to property development costs (Note 6.2)	(3,140)	-	(3,140)
Transfer to investment properties (Note 4)	(3,658)	-	(3,658)
Disposals of development land	(19,145)	-	(19,145)
Transfer to assets held for sale (Note 13)	(21,632)	-	(21,632)
At 31 December 2019 / 1 January 2020	272,748	54,165	326,913
Additions	4,841	-	4,841
Transfer to property development costs (Note 6.2)	(5,677)	-	(5,677)
Transfer from assets held for sale (Note 13)	10,342	-	10,342
At 31 December 2020	282,254	54,165	336,419
Company			
At 1 January 2019 / 31 December 2019 / 1 January 2020 / 31 December 2020	165,352	52,250	217,602

6.1.1 Other outgoing costs

Included in land held for property development of the Group and of the Company are amounts of RM90,802,000 (2019 : RM88,153,000) and RM11,076,000 (2019 : RM11,076,000) respectively representing other outgoing cost incurred.

6.1.2 Security

Freehold land of the Group with carrying amount of RM23,676,677 (2019 : RM29,688,504) are pledged as security for borrowings (Note 15.1).

6.1.3 Profit sharing arrangement

Included in land held for property development is an amount of RM385,000 (2019 : RM385,000) representing freehold land and development expenditure incurred for a profit sharing project.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. INVENTORIES (CONTINUED)

6.1 Land held for property development (continued)

6.1.3 Profit sharing arrangement (continued)

	2020	2019
The Group	80%	80%
Ultimate holding company	20%	20%

Losses, if any, from the profit sharing project will be borne by the Group.

Contingent liabilities from the profit sharing arrangement may arise due to the possible obligation on profit sharing from the land held for development.

6.2 Property development costs - Group

	2020 RM'000	2019 RM'000
At 1 January		
Land	7,117	7,180
Development costs	23,928	11,792
	31,045	18,972
Add :		
Development costs incurred during the year	43,467	58,772
Transfer from land held for property development (Note 6.1)	5,677	3,140
	49,144	61,912
Less :		
Transferred to properties held for sale	(4)	(7,816)
Cost transferred to cost to fulfil contract (Note 9.2)	(46,272)	(42,023)
	(46,276)	(49,839)
At 31 December *	33,913	31,045
* This amount comprises:		
Freehold land	9,450	7,117
Development costs	24,463	23,928
	33,913	31,045

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. INVENTORIES (CONTINUED)

6.2 Property development costs - Group (continued)

6.2.1 Security

The freehold land with carrying amount of RM7,075,369 (2019 : RM7,023,000) are pledged on security for borrowings (Note 15.1).

6.3 Properties held for sale

During the year, the amount of inventories recognised as an expense in cost of sales of the Group was RM14,806,000 (2019 : RM21,480,000).

7. OTHER INVESTMENTS

	2020 RM'000	2019 RM'000
Group		
Financial assets at fair value through profit or loss		
- non-current	135	135
- current	3,315	2,653
	3,450	2,788
Company		
Financial assets at fair value through profit or loss		
- current	3,315	2,653

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. DEFERRED TAX ASSETS / (LIABILITIES)

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	ASSETS		LIABILITIES		NET	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Group						
Property, plant and equipment - capital allowances	-	-	(573)	(1,166)	(573)	(1,166)
Other temporary differences	1,610	1,112	-	-	1,610	1,112
Real Property Gain Tax (RPGT) on changes in fair value of investment property	-	-	(453)	(453)	(453)	(453)
Tax assets / (liabilities)	1,610	1,112	(1,026)	(1,619)	584	(507)
Set-off of tax	(1,026)	(1,112)	1,026	1,112	-	-
	584	-	-	(507)	584	(507)
Company						
RPGT on changes in fair value of investment property	-	-	(842)	(842)	(842)	(842)
Other temporary dif ferences	103	103	-	-	103	103
	103	103	(842)	(842)	(739)	(739)

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. DEFERRED TAX ASSETS / (LIABILITIES) (CONTINUED)

Recognised deferred tax assets and liabilities (continued)

Movements in temporary differences during the year are as follows :

	AT 1 JANUARY 2019 RM'000	CHARGED TO PROFIT OR LOSS (NOTE 23) RM'000	AT 31 DECEMBER 2019/ 1 JANUARY 2020 RM'000	CHARGED TO PROFIT OR LOSS (NOTE 23) RM'000	AT 31 DECEMBER 2020 RM'000
Group					
Property, plant and equipment-capital allowances	(1,314)	148	(1,166)	593	(573)
Other temporary differences	704	408	1,112	498	1,610
RPGT on changes in fair value of investment properties	(203)	(250)	(453)	-	(453)
	(813)	306	(507)	1,091	584
Company					
RPGT on changes in fair value of investment property	(842)	-	(842)	-	(842)
Other temporary differences	-	103	103	-	103
	(842)	103	(739)	-	(739)

Unrecognised deferred tax assets

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

	2020 RM'000	2019 RM'000
Group		
Unutilised tax losses	55,749	62,015
Unabsorbed capital allowances	21,126	19,104
Other temporary differences	5,775	4,439
	82,650	85,558
Company		
Unutilised tax losses	24,464	21,724
Unabsorbed capital allowances	4,067	3,745
Other temporary differences	1,843	627
	30,374	26,096

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. DEFERRED TAX ASSETS / (LIABILITIES) (CONTINUED)

Unrecognised deferred tax assets (continued)

The unutilised tax losses will be expired in year of assessments under the tax legislation of Malaysia. The expiry of the various unutilised tax losses are shown below :

	GROUP		COMPANY	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Unutilised tax losses				
- Expire in YA2025	44,653	56,270	17,978	17,978
- Expire in YA2026	5,745	5,745	3,746	3,746
- Expire in YA2027	5,351	-	2,740	-
	55,749	62,015	24,464	21,724

The unabsorbed capital allowances do not expire under current tax legislation. Certain deferred tax assets have not been recognised as it is not probable that future taxable profits will be available against which the Group and the Company can utilise the benefits therefrom.

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

9. CONTRACT WITH CUSTOMERS - GROUP

9.1 Contract assets / (liabilities)

	2020 RM'000	2019 RM'000
Contract assets	42,852	22,994
Contract liabilities	(3,653)	(10,191)

Significant changes to contract assets and contract liabilities balances during the period are as follows:

	2020 RM'000	2019 RM'000
Opening balance	7,005	(6,611)
Revenue recognised during the financial year	89,689	100,897
Progress billings raised during the financial year	(57,495)	(81,483)
Closing balance	39,199	12,803
Represented by:		
Contract assets	42,852	22,994
Contract liabilities	(3,653)	(10,191)
	39,199	12,803

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. CONTRACT WITH CUSTOMERS - GROUP (CONTINUED)

9.1 Contract assets / (liabilities) (continued)

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

	2020 RM'000	2019 RM'000
Rental of premises	30	-
Staff costs	3,919	4,022

The contract assets primarily relate to the Group's rights to consideration for work performed but not yet billed at the reporting date for its property development and construction activities. The contract assets will be transferred to trade receivables when the rights become unconditional.

The contract liabilities primarily relate to the advance consideration received from a customer for construction contract, which revenue is recognised over time during the property development and constructions activities.

9.2 Contracts costs

	2020 RM'000	2019 RM'000
Cost to fulfil a contract	1,037	232
Cost to obtain a contract	521	-
	1,558	232

Movements in contract costs during the financial year are as follows:

	2020 RM'000	2019 RM'000
Opening balance	232	131
Additions	1,342	-
Transfer from property development costs (Note 6.2)	46,272	42,023
Costs charged to profit or loss	(46,288)	(41,922)
Closing balance	1,558	232

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. TRADE AND OTHER RECEIVABLES

	NOTE	2020 RM'000	2019 RM'000
Group			
Trade			
Third parties		70,066	61,970
Amount due from ultimate holding company	10.1	-	730
		70,066	62,700
Less : Allowance for impairment		(3,235)	(3,250)
		66,831	59,450
Retention sums		4,786	9,469
Less : Allowance for impairment		-	(441)
		4,786	9,028
		71,617	68,478
Non-trade			
Amount due from ultimate holding company	10.1	12	12
Prepayments		1,169	813
Refundable deposits		2,587	2,597
Other receivables		1,159	2,838
		4,927	6,260
Less : Allowance for impairment - third parties		(464)	(464)
		4,463	5,796
		76,080	74,274
Company			
Trade			
Third parties		51	51
Non-trade			
Amount due from subsidiaries	10.2	12,555	12,466
Prepayments		64	95
Refundable deposits		243	250
Other receivables		15	290
Dividend receivable		10,000	-
		22,877	13,101
Less : Allowance for impairment on subsidiaries		(9,327)	(7,975)
		13,550	5,126
		13,601	5,177

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. TRADE AND OTHER RECEIVABLES (CONTINUED)

10.1 Amounts due from ultimate holding company

The trade amount due from ultimate holding company was unsecured and subject to normal trade terms. The non-trade amount due from ultimate holding company is unsecured, interest-free and repayable on demand.

10.2 Amount due from subsidiaries

The non-trade amount due from subsidiaries is unsecured, interest-free and repayable on demand.

11. DEPOSITS WITH LICENSED BANKS - GROUP

	2020 RM'000	2019 RM'000
Aged more than 3 months	9,161	8,340
Aged within 3 months	5,392	10,135
Closing balance	14,553	18,475

Deposits placed with the licensed banks which are government-related entities amounted to RM12,090,000 (2019 : RM16,157,000).

Deposits of the Group amounted to RM8,629,000 (2019 : RM9,983,000) are pledged for bank facilities granted to the Group (Note 15.1).

12. CASH AND BANK BALANCES

Included in cash and bank balances of the Group are amounts of RM15,936,000 (2019 : RM8,062,000), where the utilisation is subject to the Housing Development (Housing Development Account) Regulations 1991.

Cash and bank balances of the Group and of the Company that were placed in banks which are government-related entities amounted to RM39,157,000 (2019 : RM39,216,000) and RM3,758,000 (2019 : RM5,728,000) respectively.

13. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE - GROUP

Part of the development land is presented as asset held for sale following the commitment of the Group's management to a plan to sell portion of the land. Efforts to sell the disposal development land had commenced.

The details of the non-current assets held for sale are as follows:

	2020 RM'000	2019 RM'000
At beginning of the year	21,632	-
Transfer (to) / from Inventories - land held for property development (Note 6.1)	(10,342)	21,632
Disposal	(11,290)	-
At end of the year	-	21,632

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE - GROUP (CONTINUED)

The carrying value of the land held for property development is the same as its carrying value before it was being reclassified to current asset.

14. SHARE CAPITAL

	2020		2019	
	AMOUNT RM'000	NUMBER OF SHARES	AMOUNT RM'000	NUMBER OF SHARES
Issued and fully paid ordinary shares with no par value classified as equity instruments	331,020	303,855	331,020	303,855

Ordinary shares

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.

15. LOANS AND BORROWINGS

	NOTE	2020 RM'000	2019 RM'000
Group			
Current			
Secured:			
Term loan 1	15.1	11,412	5,885
Term loan 2	15.1	1,970	1,970
Term loan 3	15.1	5,010	7,089
Term loan 4	15.1	4,500	-
Term loan 5		5,438	-
Bankers' acceptances	15.1	4,641	1,572
Unsecured:			
Bank overdrafts		15,176	12,121
Revolving credit	15.1	39,000	42,000
Islamic commercial papers-Sukuk Wakalah Programme (SUKUK)	15.1	-	30,000
Hire purchase liabilities	15.2	2,227	1,807
		89,374	102,444
Non-current			
Secured:			
Term loans:			
Term loan 1	15.1	6,224	18,212
Term loan 2	15.1	354	1,339
Term loan 4	15.1	25,000	-
Term loan 5	15.1	-	8,000
Hire purchase liabilities	15.2	3,481	1,608
		35,059	29,159
		124,433	131,603

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. LOANS AND BORROWINGS (CONTINUED)

	NOTE	2020 RM'000	2019 RM'000
Company			
Current			
Term loan 4	15.1	4,500	-
Islamic commercial papers-Sukuk Wakalah Programme (SUKUK)	15.1	-	30,000
Hire purchase liabilities	15.2	54	57
		4,554	30,057
Non-current			
Term loan	15.1	25,000	-
Hire purchase liabilities	15.2	18	73
		25,018	73
		29,572	30,130

15.1 Security

Term loan 1

Term loan 1 relates to Murabahah Term Financing-i up to RM25.6 million by Affin Islamic Bank Berhad to finance 80% of the purchase price of 2 parcels of industrial land located at Langkawi and is secured by way of:

- first legal charge over the land as disclosed in Note 4.2; and
- corporate guarantee by the Company of RM25.6 million.

Term loan 2

Term loan 2 relates to Musharakah Mutanaqisah Term Financing-i up to RM9.85 million by Affin Islamic Bank Berhad to finance 80% of the purchase price of 2 parcels of land located at Kubang Pasu and Kuala Kangsar and is secured by way of:

- first legal charge over the land held for development as disclosed in Notes 6.1.2 and 6.2.1; and
- corporate guarantee by the Company of RM9.85 million.

Term loan 3

Term loan 3 relates to facility from Maybank Islamic Bank Berhad to finance the construction cost and development expenditures and is secured by way of:

- first legal charge over the land held for development as disclosed in Note 6.1.2; and
- corporate guarantee by the Company of RM280 million.

Term loan 4

Term loan 4 relates to facility from Maybank Islamic Bank Berhad to refinance the SUKUK issued by the Company and subscribed by Maybank Global Market amounting to RM30 million. Term loan 4 is secured by way of:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. LOANS AND BORROWINGS (CONTINUED)

15.1 Security (continued)

Term loan 4 (continued)

- first legal charge over agriculture land located at Langkawi and Kulim; and
- third party charge over agriculture land located at Jitra.

Term loan 5

Term loan 5 relates to facility from Small Medium Development Bank Malaysia Berhad to part finance mixed development expenditures at Pokok Sena amounting to RM18 million. Term loan 5 is secured by way of:

- third party first legal charge over the property Kulim;
- first party second legal charge over land held for development as disclosed in Notes 6.1.2; and
- Corporate guarantee by Company of RM5 million.

Islamic Commercial Papers – Sukuk Wakalah Programme (SUKUK)

The unsecured Islamic Commercial Papers bear interest rates at 5.25% per annum for year 2019. The amount was fully settled during the financial year.

Bankers' acceptances

Bankers' acceptances which bear interest rate at 3.30 % (2019: 3.80%) per annum were related to facility from OCBC Al-Amin Bank Berhad for working capital purposes and was secured by cash deposits (Note 11) and a corporate guarantee from the Company.

Revolving credit

Revolving credit which bears interest rate at 4.80% (2019: 5.65%) per annum relates to facility from Affin Islamic Bank Berhad and Bank Islam Malaysia Berhad for working capital purpose.

15.2 Hire purchase liabilities

Hire purchase liabilities are payable as follows:

	FUTURE MINIMUM LEASE PAYMENTS 2020 RM'000	INTEREST 2020 RM'000	PRESENT VALUE OF MINIMUM LEASE PAYMENTS 2020 RM'000
Group			
Less than one year	2,491	264	2,227
Between one and five years	3,765	284	3,481
	6,256	548	5,708
Company			
Less than one year	62	8	54
Between one and five years	20	2	18
	82	10	72

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. LOANS AND BORROWINGS (CONTINUED)

15.2 Hire purchase liabilities (continued)

Hire purchase liabilities are payable as follows: (continued)

	FUTURE MINIMUM LEASE PAYMENTS 2019 RM'000	INTEREST 2019 RM'000	PRESENT VALUE OF MINIMUM LEASE PAYMENTS 2019 RM'000
Group			
Less than one year	1,964	157	1,807
Between one and five years	1,692	84	1,608
	3,656	241	3,415
Company			
Less than one year	63	6	57
Between one and five years	82	9	73
	145	15	130

16. TRADE AND OTHER PAYABLES

	NOTE	2020 RM'000	2019 RM'000
Group			
Trade			
Trade payables		97,370	94,769
Amount due to ultimate holding company	16.1	1,298	2,529
		98,668	97,298
Non-trade			
Other payables and accruals		30,153	32,513
Refundable deposits		1,200	584
Amount due to ultimate holding company	16.1	7,206	4,125
Amount due to related companies	16.2	356	5,437
		38,915	42,659
		137,583	139,957
Company			
Non-trade			
Other payables and accruals		2,661	1,901
Refundable deposits		280	269
Amount due to ultimate holding company	16.1	4,127	4,125
Amount due to subsidiaries	16.2	2,473	1,130
		9,541	7,425

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. TRADE AND OTHER PAYABLES (CONTINUED)

16.1 Amount due to ultimate holding company

The trade amount due to ultimate holding company is unsecured and subject to normal trade term.

The non-trade amount due to ultimate holding company is unsecured, interest-free and payable on demand.

16.2 Amount due to related companies and subsidiaries

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

17. REVENUE

	GROUP		COMPANY	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Revenue from contract customers				
<i>Over time</i>				
- Sales of development properties	58,700	52,387	-	-
- Revenue from construction contracts	30,989	48,510	-	-
	89,689	100,897	-	-
<i>At a point in time</i>				
- Sales of completed properties and land	40,574	73,728	2,030	3,065
- Revenue from sand quarry, road paving and premix aggregate	84,021	63,684	-	-
- Revenue from water theme park, golf resort and hotel operations	3,455	8,525	-	-
- Sales of oil palm fresh fruit bunches	887	1,178	883	1,095
	128,937	147,115	2,913	4,160
	218,626	248,012	2,913	4,160
Other revenue				
Management fees from subsidiaries	-	-	3,633	3,633
Dividend income from subsidiaries	-	-	10,000	8,000
Others	959	208	-	-
	959	208	13,633	11,633
	219,585	248,220	16,546	15,793

17.1 Transaction price allocated to the remaining performance obligations

The following table shows revenue from performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date. The disclosure is only providing information for contracts that have a duration of more than one year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. REVENUE (CONTINUED)

17.1 Transaction price allocated to the remaining performance obligations (continued)

	2021 RM'000	2022 RM'000	2023 RM'000	TOTAL RM'000
Group				
2020				
Sales of development properties and land	15,824	3,923	-	19,747
Revenue from road paving	70,000	70,000	11,516	151,516
Revenue from construction contracts	20,586	6,793	-	27,379
	106,410	80,716	11,516	198,642
				2020 RM'000
Group				
2019				
Sales of development properties and land				35,590
Revenue from construction contracts				15,331
				50,921

The above revenue does not include variable consideration other than rebates given to customers.

The Group applies the following practical expedients:

- exemption on disclosure of information on remaining performance obligations that have original expected durations of one year or less.
- exemption not to adjust the promised amount of consideration for the effects of a significant financing component when the period between the transfer of a promised good or service to a customer and when the customer pays for that good or service is one year or less.

17.2 Significant judgements and assumptions arising from revenue recognition

The Group applied the following judgements and assumptions that significantly affect the determination of the amount and timing of revenue recognised from contracts with customers:

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. REVENUE (CONTINUED)

17.3 Revenue

Nature of goods and services

The following information reflects the typical transactions of the Group:

NATURE OF GOODS OR SERVICES	TIMING OF RECOGNITION OR METHOD USED TO RECOGNISED REVENUE	SIGNIFICANT PAYMENT TERMS	VARIABLE ELEMENT IN CONSIDERATION	OBLIGATION FOR RETURNS OR REFUNDS	WARRANTY
Sales of development properties	Revenue is recognised over time as costs are incurred. These contracts would meet the no alternative use and the Group have rights to payment for work performed.	Credit period of 30 days from invoice date.	Not applicable.	Not applicable.	Defect liability period of 2 years is given to the customer.
Sales of completed properties and land	Revenue is recognised when the goods are delivered and accepted by the customers.	Credit period of 90 days from invoice date.	Not applicable.	Not applicable.	Defect liability period of 0.5 years is given to the customer.
Revenue from sand quarry, and premix aggregate	Revenue is recognised when the goods are delivered and accepted by the customers.	Credit period of 60 days from invoice date.	Not applicable.	Not applicable.	Not applicable.
Revenue from road paving and construction contracts	Revenue is recognised over time using the cost incurred method.	Based on agreed milestones, certified by architects.	Not applicable.	Not applicable.	Defect liability period of 1 years is given to the customer.
Revenue from water theme park, golf resort and hotel operations	Revenue is recognised at point in time when the goods and services are rendered.	Credit period of 30 days from invoice date.	Not applicable.	Not applicable.	Not applicable.
Revenue of oil palm fresh fruit bunches	Revenue is recognised at point in time when the goods and services are rendered.	Credit period of 30 days from invoice date.	Not applicable.	Not applicable.	Not applicable.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. COSTS OF SALES

	GROUP		COMPANY	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Cost of development properties and land sold	74,230	62,971	1,661	2,616
Sand quarry, road paving and premix aggregate costs	72,503	60,122	-	-
Construction contract costs	22,727	63,105	-	-
Cost of water theme park, golf resort and hotel operations	5,856	8,611	-	-
Cost of oil palm fresh fruit bunches sold	605	954	603	904
Others	46	277	-	-
	175,967	196,040	2,264	3,520

19. FINANCE COSTS

	GROUP		COMPANY	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Interest expenses of financial liabilities that are not at fair value through profit or loss	7,379	9,629	1,386	1,763

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. PROFIT / (LOSS) BEFORE TAX

Profit / (Loss) before tax is arrived at:

	GROUP		COMPANY	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
After charging:				
Auditors' remuneration:				
- Statutory audit	348	350	135	135
- Prior year	(2)	6	-	-
Non-audit fees				
- KPMG PLT	83	73	8	8
- affiliate of KPMG PLT	101	90	31	26
Depreciation of property, plant and equipment	8,337	9,801	863	1,101
Property, plant and equipment written off	4	5	-	-
Expenses relating to short-term leases	220	181	108	146
Expenses relating to leases of low-valued assets	43	42	43	42
Impairment loss on:				
- Investment in subsidiaries	-	-	2,044	8,825
- Advances to subsidiaries	-	-	5,272	-
- Property, plant and equipment	148	6,710	-	-
Bad debts written off	-	88	-	88
Royalties and tributes	1,358	1,393	-	-
and after crediting:				
Changes in fair value of investment properties	-	4,180	-	-
Rental income	959	895	1,241	1,164
Gain on disposal of property, plant and equipment	494	801	-	137
Interest income				
- Other investments	228	466	228	466
- Others	651	1,204	1,630	2,357
Dividend income from subsidiaries	-	-	10,000	8,000
Government grants*	1,807	-	-	-
Net loss / (gain) on impairment of financial instruments and contract assets				
Financial assets at amortised cost				
- Trade receivables	998	471	-	(434)
- Subsidiaries	-	-	1,352	1,135
	998	471	1352	701

* The Group and the Company received government grants as wages subsidy to retain local employees during the approved period of economic uncertainty brought about by the Coronavirus (COVID-19) outbreaks.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. EMPLOYEE BENEFITS

	GROUP		COMPANY	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Personnel expense (including key management personnel)				
Wages and salaries	22,906	22,069	5,451	4,868
Social security costs	342	410	56	54
Contributions to employee provident fund	3,076	3,273	706	671
Other benefits	1,552	3,825	521	995
	27,876	29,577	6,734	6,588

22. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensation are as follows:

	GROUP		COMPANY	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current Non-Executive Directors:				
Fees	216	196	194	156
Other emoluments	447	551	447	546
	663	747	641	702
Past Non-Executive Directors:				
Fees	130	-	89	-
Other emoluments	190	-	190	-
	320	-	279	-
Total directors' remuneration	983	747	920	702
Estimated monetary value of benefits-in-kind	66	3	66	3
Total directors' remuneration including benefits-in-kind	1,049	750	990	705
Key management remuneration:				
Salaries and other emoluments	2,141	2,324	1,709	1,878
	3,190	3,074	2,699	2,583

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. TAX EXPENSE

Recognised in profit or loss

	GROUP		COMPANY	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Tax expense	3,264	2,092	-	(103)

Major components of income tax expense include:

	GROUP		COMPANY	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Income tax expense				
- Current year	3,428	3,096	-	-
- Over / (Under) provision in prior years	927	(698)	-	-
	4,355	2,398	-	-
Deferred tax expense				
- Origination and reversal of temporary differences	(296)	(62)	-	(103)
- Under provision in prior years	(795)	(244)	-	-
	(1,091)	(306)	-	(103)
Total tax expense	3,264	2,092	-	(103)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. TAX EXPENSE (CONTINUED)

Reconciliation of tax expense

	GROUP		COMPANY	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Profit / (Loss) before tax	8,534	6,799	(5,142)	(7,627)
Tax calculated using Malaysian tax rate at 24%	2,048	1,632	(1,234)	(1,830)
Non-deductible expenses	1,782	2,892	2,607	1,915
Non-taxable income	-	-	(2,400)	(1,920)
Effect of deferred tax assets (recognised) / not recognised	(698)	(1,490)	1,027	1,938
Under / (Over) provision in prior years	132	(942)	-	-
Income tax expense recognised in profit or loss	3,264	2,092	-	(103)

24. BASIC/DILUTED EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 December was based on the profit attributable to ordinary shareholders and number of ordinary shares in issue during the year, calculated as follows:

	GROUP	
	2020	2019
Profit for the year attributable to owners (RM'000)	5,292	4,707
Number of ordinary shares at 31 December	303,855	303,855
Basic earnings / (loss) per ordinary share (sen)	1.74	1.55

Diluted earnings per ordinary share

The diluted earnings per ordinary share is the same as basic earnings per ordinary share as there are dilutive potential ordinary shares.

25. COMMITMENTS

	GROUP		COMPANY	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Property, plant and equipment				
Contracted but not provided for	600	1,405	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. RELATED PARTY TRANSACTIONS

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.

The Group has related party relationship with its significant investors, subsidiaries of the Company and significant investors, government related entities, Directors and key management personnel.

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

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

	GROUP		COMPANY	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Subsidiaries:				
Rental income	-	-	282	282
Dividend income	-	-	10,000	8,000
Management fees	-	-	3,633	3,633
Rendering of services	-	-	3,514	85
Interest income	-	-	1,630	2,357
Rental expenses	-	-	24	134
Ultimate holding company:				
Rental of quarry land	100	100	-	-
Tributes charged	589	608	-	-
Acquisition of land	-	4,632	-	-
Profit sharing on the sale of a development land	3,079	4,257	-	-
Related party - subsidiaries of ultimate holding company:				
Insurance payable	1,469	1,009	229	155
Medical benefit payable	-	248	-	-
Property management fee payable	41	44	41	44
Revenue from oil palm	847	1,178	842	1,095
Estate agency fee payable	62	79	62	79
Rental income	92	-	92	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. RELATED PARTY TRANSACTIONS (CONTINUED)

	GROUP		COMPANY	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Government-related financial institutions:				
Interest income	665	1,025	227	465
Interest expenses	6,794	8,347	1,386	1,763
State Government-related entities:				
Quit rent and assessment	1,024	671	115	124
Water expenses	184	261	7	8
Progress billing	53,937	46,170	-	-
Royalties payable	695	786	-	-
Federal Government-related entities:				
Sewerage expenses	88	69	9	7
Electricity expenses	1,864	2,484	125	167
Progress billing	5,839	23,330	-	-

(b) Transaction with Directors and key management personnel

There were no transactions with the Directors and key management personnel other than the remuneration package paid to them in accordance with the terms and conditions of their appointment as disclosed in Note 22.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. FINANCIAL INSTRUMENTS

27.1 Categories of financial instruments

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

- (a) Amortised cost ("AC"); and
(b) Fair value through profit or loss ("FVTPL").

	CARRYING AMOUNT RM'000	AC RM'000	FVTPL RM'000
2020			
Financial assets			
Group			
Other investments	3,450	-	3,450
Trade and other receivables (excluding prepayments)	74,911	74,911	-
Deposits with licensed banks	14,553	14,553	-
Cash and bank balances	55,293	55,293	-
	148,207	144,757	3,450
Company			
Other investments	3,315	-	3,315
Trade and other receivables (excluding prepayments)	13,537	13,537	-
Cash and bank balances	3,765	3,765	-
	20,617	17,302	3,315

	CARRYING AMOUNT RM'000	AC RM'000
Financial liabilities		
Group		
Loans and borrowings	(124,433)	(124,433)
Trade and other payables	(137,583)	(137,583)
	(262,016)	(262,016)
Company		
Loans and borrowings	(29,572)	(29,572)
Trade and other payables	(9,541)	(9,541)
	(39,113)	(39,113)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. FINANCIAL INSTRUMENTS (CONTINUED)

27.1 Categories of financial instruments (continued)

	CARRYING AMOUNT RM'000	AC RM'000	FVTPL RM'000
2019			
Financial assets			
Group			
Other investments	2,788	-	2,788
Trade and other receivables (excluding prepayments)	73,461	73,461	-
Deposits with licensed banks	18,475	18,475	-
Cash and bank balances	57,133	57,133	-
	151,857	149,069	2,788
Company			
Other investments	2,653	-	2,653
Trade and other receivables (excluding prepayments)	5,082	5,082	-
Cash and bank balances	5,731	5,731	-
	13,466	10,813	2,653

	CARRYING AMOUNT RM'000	AC RM'000
2019		
Financial liabilities		
Group		
Loans and borrowings	(131,603)	(131,603)
Trade and other payables	(139,957)	(139,957)
	(271,560)	(271,560)
Company		
Loans and borrowings	(30,130)	(30,130)
Trade and other payables	(7,425)	(7,425)
	(37,555)	(37,555)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. FINANCIAL INSTRUMENTS (CONTINUED)

27.2 Net gains and losses arising from financial instruments:

	GROUP		COMPANY	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Net gains / (losses) arising on:				
- Fair value through profit or loss	228	466	228	466
- Financial assets at amortised cost	(347)	645	278	1,568
- Financial liabilities measured at amortised cost	(7,379)	(9,629)	(1,386)	(1,763)
	(7,498)	(8,518)	(880)	271

27.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Interest rate risk

27.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from the individual characteristics of each customer. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries. There are no significant changes as compared to prior periods.

Trade receivables and contract assets

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

At each reporting date, the Group or the Company assesses whether any of the trade receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. FINANCIAL INSTRUMENTS (CONTINUED)

27.4 Credit risk (continued)

Trade receivables and contract assets (continued)

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets are represented by the carrying amounts in the statement of financial position.

At the reporting date, approximately 62% (31.12.2019 : 50%) of the Group's trade receivables were due from a group of customers which are past due but not impaired. The Directors of the Company are of the opinion that no allowance for impairment is necessary as the balances are still considered fully recoverable.

Other than the above the Group and the Company have no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

The disclosure of the credit risk exposure for trade receivables as at the end of the reporting period by geographic region is not disclosed as the Group's and the Company's business is operated solely in Malaysia.

Financial assets that are neither past due nor impaired

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

Recognition and measurement of impairment losses

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances.

The Group uses an allowance matrix to measure ECLs of trade receivables for all segments except for construction, road paving and property development segments. Consistent with the debt recovery process, invoices which are past due 90 days will be considered as credit impaired.

For construction contracts and road paving, as there are only a few customers, the Group assessed the risk of loss of each customer individually based on their financial information, past trend of payments and external credit ratings, where applicable. All of these customers have low risk of default.

The Group does not have any significant credit risk from its property development activities as its products are predominantly sold to a large number of property purchasers with end financing facilities from reputable financiers. In addition, the credit risk is limited as the ownership and rights to the properties revert to the Group in the event of default, and the products do not suffer from physical, technological nor fashion obsolescence.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets which are grouped together as they are expected to have similar risk nature.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. FINANCIAL INSTRUMENTS (CONTINUED)

27.4 Credit risk (continued)

Trade receivables and contract assets (continued)

Recognition and measurement of impairment losses (continued)

	2020			2019		
	GROSS CARRYING AMOUNT RM'000	LOSS ALLOWANCES RM'000	NET BALANCE RM'000	GROSS CARRYING AMOUNT RM'000	LOSS ALLOWANCES RM'000	NET BALANCE RM'000
Group						
Current (not past due)	72,047	-	72,047	55,654	-	55,654
1 - 30 days past due	25,324	-	25,324	11,247	-	11,247
31 - 60 days past due	7,079	-	7,079	6,414	-	6,414
61 - 90 days past due	4,426	-	4,426	2,563	-	2,563
	108,876	-	108,876	75,878	-	75,878
Credit impaired						
More than 90 days past due	5,593	-	5,593	15,594	-	15,594
Individually impaired	3,235	(3,235)	-	3,691	(3,691)	-
	117,704	(3,235)	114,469	95,163	(3,691)	91,472
Trade receivables	74,852	(3,235)	71,617	72,169	(3,691)	68,478
Contract assets	42,852	-	42,852	22,994	-	22,994
	117,704	(3,235)	114,469	95,163	(3,691)	91,472
Company						
Current (not past due)	51	-	51	51	-	51
More than 90 days past due	-	-	-	-	-	-
	51	-	51	51	-	51

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. FINANCIAL INSTRUMENTS (CONTINUED)

27.4 Credit risk (continued)

Trade receivables and contract assets (continued)

Recognition and measurement of impairment losses (continued)

The movement in the allowance for impairment losses in respect of trade receivables during the year is as follows:

	GROUP RM'000	COMPANY RM'000
Trade receivable credit impaired		
Balance at 1 January 2019	3,893	434
Amount written off	(673)	-
Net remeasurement of loss allowance	471	(434)
Balance at 31 December 2019 / 1 January 2020	3,691	-
Amount written off	(1,454)	-
Net remeasurement of loss allowance	998	-
Balance at 31 December 2020	3,235	-

Investments and other financial assets

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

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

The investments and other financial assets are unsecured.

Inter company balances

Recognition and measurement of impairment loss

Generally, the Company considers loans and advances to subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when:

- The subsidiary is unlikely to repay its loan or advance to the Company in full;
- The subsidiary's loan or advance is overdue for more than 365 days; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. FINANCIAL INSTRUMENTS (CONTINUED)

27.4 Credit risk (continued)

Inter company balances (continued)

Recognition and measurement of impairment loss (continued)

The Company determines the probability of default for these loans and advances individually using internal information available.

The following table provides information about the exposure to credit risk and ECLs for subsidiaries' loans and advances.

	GROSS CARRYING AMOUNT RM'000	LOSS ALLOWANCES RM'000	NET BALANCE RM'000
Company			
2020			
Low credit risk	47,902	-	47,902
Credit impaired	14,599	(14,599)	-
	62,501	(14,599)	47,902
2019			
Low credit risk	55,446	-	55,446
Credit impaired	7,975	(7,975)	-
	63,421	(7,975)	55,446

The movements in the allowance for impairment losses of inter-company loans and advances during the financial year were:

	2020 RM'000	2019 RM'000
Balance at 1 January	7,975	6,840
Impairment loss recognised	6,624	1,135
Balance at 31 December	14,599	7,975

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. FINANCIAL INSTRUMENTS (CONTINUED)

27.4 Credit risk (continued)

Financial guarantees

Risk management objectives, policies and processes for managing the risk

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

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM89.2 million (2019: RM98.2 million) representing the outstanding banking facilities to certain subsidiaries as at the end of the reporting period.

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

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

27.5 Liquidity risk

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

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

27. FINANCIAL INSTRUMENTS (CONTINUED)

27.5 Liquidity risk (continued)

Maturity analysis

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

	CARRYING AMOUNT RM'000	CONTRACTUAL INTEREST RATES %	CONTRACTUAL CASH FLOWS RM'000	UNDER 1 YEAR RM'000	1 - 2 YEARS RM'000	2 - 5 YEARS RM'000	MORE THAN 5 YEARS RM'000
2020							
Group							
<i>Non-derivative financial liabilities</i>							
Term loans	59,908	4.16 - 8.60	63,612	30,583	13,425	19,604	-
Revolving credit	39,000	4.71 - 4.80	39,000	39,000	-	-	-
Hire purchase liabilities	5,708	3.30 - 7.21	6,256	2,491	1,576	2,189	-
Bank overdraft	15,176	6.56 - 6.65	15,176	15,176	-	-	-
Bankers' acceptances	4,641	3.20 - 3.40	4,641	4,641	-	-	-
Trade and other payables	137,583	-	137,583	137,583	-	-	-
	262,016		266,268	229,474	15,001	21,793	-
Company							
<i>Non-derivative financial liabilities</i>							
Term loan	29,500	4.16	31,768	5,492	6,672	19,604	-
Hire purchase liabilities	72	4.66 - 4.90	82	62	20	-	-
Trade and other payables	9,541	-	9,541	9,541	-	-	-
Financial guarantee	-	-	89,225	89,225	-	-	-
	39,113		130,616	104,320	6,692	19,604	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. FINANCIAL INSTRUMENTS (CONTINUED)

27.5 Liquidity risk (continued)

Maturity analysis (continued)

2019	CARRYING AMOUNT RM'000	CONTRACTUAL INTEREST RATES %	CONTRACTUAL CASH FLOWS RM'000	UNDER 1 YEAR RM'000	1 - 2 YEARS RM'000	2 - 5 YEARS RM'000	MORE THAN 5 YEARS RM'000
Group							
<i>Non-derivative financial liabilities</i>							
Term loans and SUKUK	72,495	4.50 - 8.60	76,266	47,234	14,324	14,708	-
Revolving credit	42,000	5.65	42,000	42,000	-	-	-
Hire purchase liabilities	3,415	2.39 - 5.10	3,656	1,964	1,238	454	-
Bank overdraft	12,121	6.65	12,121	12,121	-	-	-
Bankers' acceptances	1,572	3.80	1,572	1,572	-	-	-
Trade and other payables	139,957	-	139,957	139,957	-	-	-
	271,560		275,572	244,848	15,562	15,162	-
Company							
<i>Non-derivative financial liabilities</i>							
SUKUK	30,000	4.60 - 4.72	30,000	30,000	-	-	-
Hire purchase liabilities	130	2.46 - 2.59	145	63	61	21	-
Trade and other payables	7,425	-	7,425	7,425	-	-	-
Financial guarantee	-	-	98,200	98,200	-	-	-
	37,555		135,770	135,688	61	21	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. FINANCIAL INSTRUMENTS (CONTINUED)

27.6 Interest rate risk

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

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

Exposure to interest rate risk

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

	GROUP	
	2020 RM'000	2019 RM'000
Fixed rate instruments		
Financial assets		
- Deposits placed with licensed banks	14,553	18,475
Financial liabilities		
Hire purchase liabilities	5,708	3,415
Floating rate instruments		
Financial liabilities		
- Term loans and SUKUK	59,908	72,495
- Revolving credit	39,000	42,000
- Bank overdraft	15,176	12,121
- Bankers' acceptances	4,641	1,572
	118,725	128,188

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. FINANCIAL INSTRUMENTS (CONTINUED)

27.6 Interest rate risk (continued)

Exposure to interest rate risk (continued)

	COMPANY	
	2020 RM'000	2019 RM'000
Fixed rate instrument		
Financial liabilities		
Hire purchase liabilities	72	130
Floating rate instrument		
Financial liabilities		
- Term loan and SUKUK	29,500	30,000

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

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

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 50 basis points lower/higher, with all other variables held constant, the Group's post-tax loss or profit would have been increased/decreased by RM451,000 (2019 : RM487,000) and the Company's post-tax profit would have been decreased by RM112,000 (2019 : RM114,000). The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

27.7 Fair value information

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. FINANCIAL INSTRUMENTS (CONTINUED)

27.7 Fair value information (continued)

	TOTAL FAIR VALUE RM'000	FAIR VALUE OF FINANCIAL INSTRUMENTS NOT CARRIED AT FAIR VALUE					TOTAL FAIR VALUE RM'000	CARRYING AMOUNT RM'000
		LEVEL 1 RM'000	LEVEL 2 RM'000	LEVEL 3 RM'000	LEVEL 1 RM'000	LEVEL 2 RM'000		
Group								
2020								
Financial assets								
Other investments	3,450	-	-	-	-	-	3,450	
Financial liabilities								
Term loans	-	-	-	-	-	59,908	59,908	
2019								
Financial assets								
Other investments	2,788	-	-	-	-	-	2,788	
Financial liabilities								
Term loans	-	-	-	-	-	42,495	42,495	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. FINANCIAL INSTRUMENTS (CONTINUED)

27.7 Fair value information (continued)

	FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE				FAIR VALUE OF FINANCIAL INSTRUMENTS NOT CARRIED AT FAIR VALUE				TOTAL FAIR VALUE RM'000	CARRYING AMOUNT RM'000
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
Company										
31.12.2020										
Financial asset										
Other investments	3,315	-	-	3,315	-	-	-	-	3,315	3,315
Financial liabilities										
Term loans	-	-	-	-	-	-	29,500	29,500	29,500	29,500
31.12.2019										
Financial asset										
Other investments	2,653	-	-	2,653	-	-	-	-	2,653	2,653

The Company provides guarantees to banks for credit facilities extended to certain subsidiaries. The fair value of such financial guarantee is negligible as the probability of the subsidiaries defaulting on the credit lines is remote.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. FINANCIAL INSTRUMENTS (CONTINUED)

27.7 Fair value information (continued)

Policy on transfer between levels

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

Level 1 fair value

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

Level 2 fair value

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

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year. (2019 : no transfer in either directions)

Level 3 fair value

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

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. The carrying amount of floating rate term loans approximately fair value as their effective interest rate changes accordingly to movements in the market interest rate.

28. 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 year ended 31 December 2020.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. SEGMENT INFORMATION

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

- (i) Property development - the development of residential and commercial properties
- (ii) Road building and quarry - civil engineering contractor and granite quarry operator
- (iii) Engineering and construction - building and general contractor
- (iv) Leisure and hospitality - golf resort owner and operator, hotel operation and water theme park operator
- (v) Investment holding - provision of management services and others

Segment profit

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

Segment assets

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

Segment liabilities

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

Segment capital expenditure

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. SEGMENT INFORMATION (CONTINUED)

	PROPERTY DEVELOPMENT RM'000	ROAD BUILDING AND QUARRY RM'000	ENGINEERING AND CONSTRUCTION RM'000	LEISURE AND HOSPITALITY RM'000	INVESTMENT HOLDING RM'000	TOTAL REPORTABLE SEGMENTS RM'000	ELIMINATION RM'000	CONSOLIDATED RM'000
2020								
Revenue								
External sales	99,274	84,021	30,989	3,455	1,846	219,585	-	219,585
Inter-segment sales	599	-	144	598	13,953	15,294	(15,294)	-
Total revenue	99,873	84,021	31,133	4,053	15,799	234,879	(15,294)	219,585
Segment profit / (loss)	6,696	7,645	3,706	(4,093)	(5,142)	8,812	(278)	8,534
Included in the measure of segment profit are:								
- Finance income	222	163	266	1	1,859	2,511	(1,632)	879
- Finance costs	7,482	257	-	11	1,386	9,136	(1,757)	7,379

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. SEGMENT INFORMATION (CONTINUED)

	PROPERTY DEVELOPMENT RM'000	ROAD BUILDING AND QUARRY RM'000	ENGINEERING AND CONSTRUCTION RM'000	LEISURE AND HOSPITALITY RM'000	INVESTMENT HOLDING RM'000	TOTAL REPORTABLE SEGMENTS RM'000	ELIMINATION RM'000	CONSOLIDATED RM'000
2020								
Assets								
Segment assets	702,067	112,355	73,476	27,953	156,132	1,071,986	(337,675)	734,308
Included in the measure of segment assets is:								
Additions to non-current assets other than financial instruments and deferred tax assets								
- Property, plant and equipment	36	4,900	367	9	131	5,443	-	5,443
- Land held for development	4,841	-	-	-	-	4,841	-	4,841
Liabilities								
Segment liabilities	273,542	45,734	34,750	28,423	39,276	421,725	(156,056)	265,669
Other information								
Tax expense	(296)	2,506	967	1	-	3,178	86	3,264
Depreciation of property, plant and equipment	1,075	4,616	257	1,620	862	8,430	(93)	8,337

29. SEGMENT INFORMATION (CONTINUED)

	PROPERTY DEVELOPMENT RM'000	ROAD BUILDING AND QUARRY RM'000	ENGINEERING AND CONSTRUCTION RM'000	LEISURE AND HOSPITALITY RM'000	INVESTMENT HOLDING RM'000	TOTAL REPORTABLE SEGMENTS RM'000	ELIMINATION RM'000	CONSOLIDATED RM'000
2019								
Revenue								
External sales	126,115	63,684	48,510	8,525	1,386	248,220	-	248,220
Inter-segment sales	1,875	-	28,528	300	11,633	42,336	(42,336)	-
Total revenue	127,990	63,684	77,038	8,825	13,019	290,556	(42,336)	248,220
Segment profit / (loss)								
Segment profit / (loss)	33,338	7,880	2,142	(10,663)	(7,537)	25,160	(18,361)	6,799
Included in the measure of segment profit are:								
- Finance income	317	78	342	8	3,283	4,028	(2,358)	1,670
- Finance costs	9,251	254	5	26	1,762	11,298	(1,669)	9,629

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. SEGMENT INFORMATION (CONTINUED)

	PROPERTY DEVELOPMENT RM'000	ROAD BUILDING AND QUARRY RM'000	ENGINEERING AND CONSTRUCTION RM'000	LEISURE AND HOSPITALITY RM'000	INVESTMENT HOLDING RM'000	TOTAL REPORTABLE SEGMENTS RM'000	ELIMINATION RM'000	CONSOLIDATED RM'000
2019								
Assets								
Segment assets	727,346	99,738	84,829	30,171	158,793	1,100,877	(355,250)	745,627
Included in the measure of segment assets is:								
Additions to non-current assets other than financial instruments and deferred tax assets								
- Property, plant and equipment	1,223	2,122	2,490	56	74	5,965	(955)	5,010
- Land held for development	20,678	-	-	-	-	20,678	-	20,678
- Investment properties	12,889	-	-	-	-	12,889	-	12,889
Liabilities								
Segment liabilities	285,722	34,532	45,913	26,552	38,554	431,273	(149,015)	282,258
Other information								
Tax expense	249	1,698	524	3	(103)	2,371	(279)	2,092
Depreciation of property, plant and equipment	1,338	4,881	252	2,321	1,102	9,894	(93)	9,801

Geographical segments

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. SEGMENT INFORMATION (CONTINUED)

Major customers

The following are the major customers with revenue equal or more than 10% of the Group's revenue:

	2020 RM'000	2019 RM'000
Customer A	58,484	44,954
Customer B	24,024	-
Customer C	-	32,237
Customer D	-	48,000

30. SIGNIFICANT EVENT

On 11 March 2020, the World Health Organisation declared the Coronavirus (COVID-19) outbreak to be a pandemic, which has caused severe global social and economic disruptions and uncertainties, including markets where the Group and the Company operate.

The consequences brought about by COVID-19 have partly impacted the operations of the Group and the Company during the financial year. Whilst the consequences brought about by the pandemic continue to evolve, the Group and the Company are actively monitoring and managing its operations to respond to these changes and minimise any impacts that may arise.

STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

In the opinion of the Directors, the financial statements set out on pages 99 to 181 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2020 and of their financial performance and cash flows for the financial year then ended.

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

.....
Dato' Asri bin Hamidon

Director

.....
Dato' Haji Abdul Rahman bin Abdullah

Director

Alor Setar,

Date: 30 April 2021

STATUTORY DECLARATION PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, **Mohd Nasir bin Ismail**, the officer primarily responsible for the financial management of Bina Darulaman Berhad, do solemnly and sincerely declare that the financial statements set out on pages 99 to 181 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed **Mohd Nasir bin Ismail**, NRIC: 790806-02-5637, MIA CA 29437 at Georgetown of Penang on 30 April 2021.

.....
Mohd Nasir bin Ismail

Before me:

Goh Suan Bee

(No. P125)

Penang

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BINA DARULAMAN BERHAD

(REGISTRATION NO. 199501003751 (332945 - X))
(INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Bina Darulaman Berhad, which comprise the statements of financial position as at 31 December 2020 of the Group and of the Company, and the statements of profit or loss and other 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 notes to the financial statements, including a summary of significant accounting policies, as set out on pages 99 to 181.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BINA DARULAMAN BERHAD (CONTINUED)

(REGISTRATION NO. 199501003751 (332945 - X))
(INCORPORATED IN MALAYSIA)

Key Audit Matters (continued)

REVENUE RECOGNITION ON THE SALES OF PROPERTIES UNDER CONSTRUCTIONS	
Refer to the Note 2(o)(i) – Significant accounting policies: Revenue and Note 17 – Revenue.	
THE KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN OUR AUDIT
<p>The Group recognises revenue relating to properties under construction based on the stage of completion. The stage of completion of the said properties is determined by the proportion that the actual property development costs incurred for work performed to date to the estimated total property development costs. The recognition of revenue is therefore dependent on the Group's estimated gross development costs, which includes estimates and judgement by the Directors on costs to be incurred in the development.</p> <p>We have identified this area as a key audit matter because there is a risk that the actual development costs are different to those estimated resulting in material variance in the amount of revenue recognised to date and in the current period.</p>	<p>Our audit procedures performed in this area included, among others:</p> <ul style="list-style-type: none"> • Tested the operating effectiveness of Group's controls by checking for evidence of reviews and approvals over estimated development cost, setting budgets and authorising and recording of actual costs incurred; • Checked contracts with customers, on a sample basis, by agreeing to the contracted selling price of the property development units and multiplied with their respective stage of completion; • Compared the architect certificate against stage of completion of certain projects to ascertain the accuracy of the percentage of completion recognised in the profit or loss; • Checked samples from the estimated property development costs of all ongoing projects, allocation of costs and subsequent changes to the costs to supporting documentation such as approved budgets, letter of awards, quotations, correspondences, contracts and variation orders with sub-contractors; and • Agreed samples of costs incurred to date to the respective invoice and/or the respective progress claim, checked that they were allocated to the appropriate construction site, and met the definition of development costs.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BINA DARULAMAN BERHAD (CONTINUED)

(REGISTRATION NO. 199501003751 (332945 - X))
(INCORPORATED IN MALAYSIA)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' Report and Statement on Risk Management and Internal Control, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the remaining parts of the annual report, which are expected to be made available to us after that date.

Our opinion on the financial statements of the Group and of the Company does not cover other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining parts of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors of the Company and take appropriate actions in accordance with approved standards on auditing in Malaysia and International Standards on Auditing.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BINA DARULAMAN BERHAD (CONTINUED)

(REGISTRATION NO. 199501003751 (332945 - X))
(INCORPORATED IN MALAYSIA)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BINA DARULAMAN BERHAD (CONTINUED)

(REGISTRATION NO. 199501003751 (332945 - X))
(INCORPORATED IN MALAYSIA)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
LLP0010081-LCA & AF 0758
Chartered Accountants

Penang

Date: 30 April 2021

Tai Yoon Foo
Approval Number: 02948/05/2022 J
Chartered Accountant

LIST OF MAIN PROPERTIES 2020

NO.	TITLE / LOCATION	BRIEF DESCRIPTION / EXISTING USE	LAND AREA	TENURE	AGE OF BUILDING (YEAR)	DATE / YEAR OF ACQUISITION / PURCHASE	NET BOOK VALUE	
							2020 (RM)	2020 (RM)
1	Lot 120, Section 34, Bandar Alor Setar, Kedah Darul Aman	Land	8,095 sq meter	Leasehold (Expiring 2083)	-	2002	4,612,500	
2	Lot 120, Section 34, Bandar Alor Setar, Kedah Darul Aman	10-storey Office Building	8,095 sq meter	Leasehold (Expiring 2083)	13	2004	7,562,069	
3	GM 178050 Lot 8867, Bandar Darulaman, Daerah Kubang Pasu, Kedah Darul Aman	8-storey Serviced Apartments	6,003.9 sq meter	Freehold	11	2005	16,356,000	
4	GM 178050 Lot 8867, Bandar Darulaman, Daerah Kubang Pasu, Kedah Darul Aman	Land	6,003.9 sq meter	Freehold	-	2005		
5	HS (D) 1175, PT 1716 Bandar Kuah, Langkawi Kedah Darul Aman	Land for Development	1,890 sq meter	Leasehold (Expiring 2073)	-	2013		
6	HS (D) 1176, PT 1717 Bandar Kuah, Langkawi Kedah Darul Aman	Land for Development	1,890 sq meter	Leasehold (Expiring 2073)	-	2013		
7	HS (D) 1117, PT 1718 Bandar Kuah, Langkawi Kedah Darul Aman	Land for Development	22,890 sq meter	Leasehold (Expiring 2073)	-	2013		793,473
8	HS (D) 1178, PT 1719 Bandar Kuah, Langkawi Kedah Darul Aman	Land for Development	3,240 sq meter	Leasehold (Expiring 2073)	-	2013		
9	HS (D) 1179, PT 1720 Bandar Kuah, Langkawi Kedah Darul Aman	Land for Development	2,220 sq meter	Leasehold (Expiring 2073)	-	2013		
10	HS (D) 1180, PT 1721 Bandar Kuah, Langkawi Kedah Darul Aman	Land for Development	4,070 sq meter	Leasehold (Expiring 2073)	-	2013		

LIST OF MAIN PROPERTIES 2020 (CONTINUED)

BINA DARULAMAN BERHAD							
NO.	TITLE / LOCATION	BRIEF DESCRIPTION / EXISTING USE	LAND AREA	TENURE	DATE / YEAR OF ACQUISITION / PURCHASE	NET BOOK VALUE 2020 (RM)	
11	HS (D) 69188 - 69197, PT 2333 - 2342 Mukim Sungai Ular, Kulim Kedah Darul Aman	Land for Development	151.41 hectares	Freehold	2014	40,000,603	
12	HS (D) 2979, PT 2516 Bandar Pokok Sena, Pokok Sena, Kedah Darul Aman	Land for Development	51.45 hectares	Freehold	2014	17,153,652	
13	HS (D) 126043, PT 2416 HS (D) 126045, PT 2418 HS (D) 126050, PT 2423 HS (D) 34392, PT 65003 Bandar Amanjaya, Kuala Muda, Kedah Darul Aman	Land for Development	60.03 hectares	Freehold	2014	48,407,068	
14	HS (D) 90453, PT 48856 Bandar Sungai Petani Kuala Muda Kedah Darul Aman	Land for Development	33.04 hectares	Freehold	2014	63,068,886	
15	GRN 11523, 1659 Mukim Hosba, Kubang Pasu, Kedah Darul Aman	Land for Development	83.49 hectares	Freehold	2014	48,178,544	
16	HS (D) 1149 & 1150, PT 2042 & 2043, Mukim Ulu Melaka, Langkawi, Kedah Darul Aman HS (D) 1149 & 1150, PT 2042 & 2043, Mukim Ulu Melaka, Langkawi, Kedah Darul Aman	Land for Development Building	79.30 hectares 12.26 hectares	Leasehold (Expiring 2111)	2014	246,132,795	

LIST OF MAIN PROPERTIES 2020 (CONTINUED)

BDB INFRA SDN BHD							
NO.	TITLE / LOCATION	BRIEF DESCRIPTION / EXISTING USE	LAND AREA	TENURE	AGE OF BUILDING (YEAR)	DATE / YEAR OF ACQUISITION / PURCHASE	NET BOOK VALUE 2020 (RM)
1	No.127 Taman Tunku Hosna Jalan Tanjung Bendahara 05300 Alor Setar Kedah Darul Aman	Commercial land with a 3-storey shop office	130 sq meter	Freehold	21	1996	265,970
2	No.128 Taman Tunku Hosna Jalan Tanjung Bendahara 05300 Alor Setar Kedah Darul Aman	Commercial land with a 3-storey shop office	130 sq meter	Freehold	21	1996	0
3	HS (M) 70/1986 PT 70 Bandar Alor Setar Daerah Kota Setar Kedah Darul Aman	Land held for Development	130 sq meter	Freehold	-	1999	143,673
4	8 Bungalow Lots at Kulim Golf & Country Resort - HS (D) 369/ 1996, PT 591 Mukim Pdang China, Daerah Kulim, Kedah Darul Aman HS (D) 1424, PT 1730 - Plot No. B718 HS (D) 1425, PT 1731 - Plot No. B719 HS (D) 1426, PT 1732 - Plot No. B720 HS (D) 1427, PT 1733 - Plot No. B721 HS (D) 1428, PT 1734 - Plot No. B722 HS (D) 1429, PT 1735 - Plot No. B723 HS (D) 1319, PT 1625 - Plot No. A613 HS (D) 1238, PT 1544 - 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	-	2010	1,090,000
5	HS (M) 151 PT 315 Pekan Sungai Karangan, Daerah Kulim, Kedah Darul Aman	Industrial Land	20,230 sq meter	Freehold	-	2016	4,982,580
							6,482,222

LIST OF MAIN PROPERTIES 2020 (CONTINUED)

KEDAH HOLDING SDN BHD									
NO.	TITLE / LOCATION	BRIEF DESCRIPTION / EXISTING USE	LAND AREA	TENURE	AGE OF BUILDING (YEAR)	DATE / YEAR OF ACQUISITION / PURCHASE	NET BOOK VALUE 2020 (RM)		
1	Lot No. 118 (Second Floor) Lot No. 139 (Second Floor) Lot No. 146 (First Floor) Lot No. 149 (Second Floor) Lot No. 152 (First Floor) Lot No. 153 (Second Floor) Lot No. 154 (Second Floor) Lot No. 157 (First Floor) Lot No. 157 (Second Floor) Kompleks Kanchut Alor Setar Kedah Darul Aman	Office Lots	930 930 1,060 2,105 1,060 930 930 1,060 930 sq ft	Leasehold Expiring in 2083	30	1984	952,004		
2	HS (D) 5439 PT 3908 Seksyen 8, Bandar Pokok Sena Daerah Pokok Sena Kedah Darul Aman	Land for Development	32.82 acres	-	-	2016	8,686,286		
3	Lot 2506 Mukim Sayung Daerah Kuala Kangsar Perak Darul Ridzuan Lot no. 14295 to 14306, Lot no. 14308 to 14315, Lot no. 14307, Lot no. 14316 to 14338, Lot no. 14339 to 14346, Lot no. 14347, Lot no. 14259 to 14294	Residential Development	8.6 acres	-	-	2016	8,800,000		
4	No. Hakmilik 127938 Lot 2541 Pekan Napoh Daerah Kubang Pasu Kedah Darul Aman	Land for Development	13.61 acres	-	-	2016	7,113,175		
							25,551,465		

LIST OF MAIN PROPERTIES 2020 (CONTINUED)

BDB LAND SDN BHD									
NO.	TITLE / LOCATION	BRIEF DESCRIPTION / EXISTING USE	LAND AREA	TENURE	DATE / YEAR OF ACQUISITION / PURCHASE	NET BOOK VALUE 2020 (RM)			
1	HS (D) 17297 PT. 7263 HS (D) 17298 PT. 7264 HS (D) 17299 PT. 7266 HS (D) 17300 PT. 7266 Lot 891 Bandar Darulaman Kedah Darul Aman	Agriculture	4.08 acres	Freehold	1983	4			
2	GRN 42482 Lot 910 Bandar Darulaman Kedah Darul Aman	Agriculture	1.13 acres	Freehold	1983	1			
3	GRN 42483 Lot 911 Bandar Darulaman HS (D) 17909 PT 1825 HS (D) 17910 PT 1826 HS (D) 17911 PT 1827 HS (D) 17912 PT 1828 HS (D) 17913 PT 1829 HS (D) 17914 PT 1830	Building	0.61 acres	Freehold	1983	1			
4	GRN 42484 Lot 909 Bandar Darulaman Kedah Darul Aman	Agriculture	2.32 acres	Freehold	1983	1			
5	GRN 42485 Lot 892 Bandar Darulaman Kedah Darul Aman	Building	0.55 acres	Freehold	1983	1			
6	HS (D) 1174 PT 4691 Mukim Naga Kedah Darul Aman	Agriculture	4.60 acres	Freehold	1983	1			
7	HS (D) 384 PT 3993 - HS (D) 390 PT 3999 (Suasana Indah) Plot 42 - Plot 48 Mukim Naga Kedah Darul Aman	Building	0.83 acres	Freehold	1983	1,025,459			

LIST OF MAIN PROPERTIES 2020 (CONTINUED)

BDB LAND SDN BHD						
NO.	TITLE / LOCATION	BRIEF DESCRIPTION / EXISTING USE	LAND AREA	TENURE	DATE / YEAR OF ACQUISITION / PURCHASE	NET BOOK VALUE 2020 (RM)
8	HS (D) 17949 - 17976 PT 1596 - 1625 HS (D) 18044 - 18095 PT 1693 - 1744 Plot 235 Mukim Naga Kedah Darul Aman	Residential	27.21 acres	Freehold	1983	109,291
9	HS (D) 17977 - 17988 PT 1626 - 1637 Plot 236 Mukim Naga Kedah Darul Aman	Residential	15.36 acres	Freehold	1983	140,051
10	HS (D) 580 PT 4189 Plot 238 Mukim Naga Kedah Darul Aman	Agriculture	132.14 acres	Freehold	1983	1,816,055
11	Geran 5035 PT 1237 Mukim Jitra Daerah Kubang Pasu Kedah Darul Aman	Agriculture	43.12 acres	Freehold	1983	470,060
12	SP 6986 PT 440 Mukim Jitra Daerah Kubang Pasu Kedah Darul Aman	Residential	4.92 acres	Freehold	1983	49,828

LIST OF MAIN PROPERTIES 2020 (CONTINUED)

BDB LAND SDN BHD						
NO.	TITLE / LOCATION	BRIEF DESCRIPTION / EXISTING USE	LAND AREA	TENURE	DATE / YEAR OF ACQUISITION / PURCHASE	NET BOOK VALUE 2020 (RM)
13	SP 6987 PT 441 Mukim Jitra Daerah Kubang Pasu HS (D) 19284 - 19289 PT 2170 - 2175 HS (D) 19295 - 19297 PT 2181 - 2183 HS (D) 3171 PT 2093 HS (D) 20211 PT 4619 HS (D) 20215 PT 4623	Residential	84.47 acres	Freehold	1983	220,008
14	HS (D) 3356 PT 2059 HS (D) 3165 PT 2061 HS (D) 3170 PT 2092 HS (D) 3172 PT 2094 Bandar Darulaman Kedah Darul Aman	Agriculture / Building	213.06 acres	Freehold	1983	1,247,064
	HS (D) 16284 Lot 281 Bandar Darulaman Kedah Darul Aman	Agriculture	13.60 acres		1983	

LIST OF MAIN PROPERTIES 2020 (CONTINUED)

BDB LAND SDN BHD									
NO.	TITLE / LOCATION	BRIEF DESCRIPTION / EXISTING USE	LAND AREA	TENURE	AGE OF BUILDING (YEAR)	DATE / YEAR OF ACQUISITION / PURCHASE	NET BOOK VALUE 2020 (RM)		
15	Lot 3105, 3106 & 3127 Mukim Sungai Petani Daerah Kuala Muda Kedah Darul Aman	Agriculture	258.51 acres	Freehold	-	1995	4,772,790		
16	Lot 3107 & 3203 Mukim Sungai Petani Daerah Kuala Muda Kedah Darul Aman	Residential	155.08 acres	Freehold	-	1995	4,652,523		
17	Geran No. 65187 Lot 3271 Mukim Sungai Petani Daerah Kuala Muda Kedah Darul Aman	Mixed Development	20.00 acres	Freehold	-	1996	1,380,676		
18	PT 6934 PT 6935 Kuala Ketil Industrial Estate II Lot 3979 Mukim Tawar Daerah Baling Kedah Darul Aman	Agriculture Agriculture	15.62 2.5 acres	Freehold	-	1996	385,081		
19	HS(D)21341-21355 PT.4114-4128 15 unit Shoplot Axis	Building	0.5 acre	Freehold	-	1983	1,499,000		
20	HS(D)21358 PT.4152 Update : HS (D) 23593 PT 6341 - HS (D) 23594 PT 6342 Petrol Station	Building	2.1 acre	Freehold	-	1983	5,480,000		
21	GRN131746 Lot 1237 & HS(D) 21872 PT 4936 Mukim Naga Kedah Darulaman	Residential	17.687 hektar	Freehold	-	1983	25,700,000		
							48,947,894		

LIST OF MAIN PROPERTIES 2020 (CONTINUED)

DARULAMAN GOLF BERHAD									
NO.	TITLE / LOCATION	BRIEF DESCRIPTION / EXISTING USE	LAND AREA	TENURE	AGE OF BUILDING (YEAR)	DATE / YEAR OF ACQUISITION / PURCHASE	NET BOOK VALUE 2020 (RM)		
1	Geran 42474 Lot 898 Mukim Bandar Darulaman Daerah Kubang Pasu Kedah Darul Aman	Agriculture	179.98 acres	Freehold	-	1983	131,500,000		
2	Geran 178049, Lot 8866 Mukim Bandar Darulaman Daerah Kubang Pasu Kedah Darul Aman	Building	8.14 acres	Freehold	26	1983	12,800,000		
							144,300,000		

AMAN LEGENDA SDN BHD									
NO.	TITLE / LOCATION	TYPE OF ASSET	BRIEF DESCRIPTION / EXISTING USE	LAND AREA	TENURE	DATE / YEAR OF ACQUISITION / PURCHASE	NET BOOK VALUE 2020 (RM)		
1	HS (M) 353, PT 1304 Mukim Kedawang Daerah Langkawi Kedah Darul Aman	IP	Industrial Land	5.487 acres	Freehold	2015	20,725,000		
2	HS (M) 354, PT 1301 Mukim Kedawang Daerah Langkawi Kedah Darul Aman	IP	Industrial Land	6.926 acres	Leasehold (Expiring 2089)	2015	17,775,000		
							38,500,000		

LIST OF MAIN PROPERTIES 2020 (CONTINUED)

NO.	TITLE / LOCATION	TYPE OF ASSET	BRIEF DESCRIPTION / EXISTING USE	LAND AREA	TENURE	DATE / YEAR OF ACQUISITION / PURCHASE	NET BOOK VALUE 2020 (RM)
1	International Lot, Plot No.130, No.196, Jalan Indah 2, Taman Tunku Intan Syafinaz, Bandar Darulaman, 06007 Jitra, Kedah.	PPE	Double Storey Bungalow House	5607 sq ft		2018	758,223
2	No. 157, Jalan 9/1 Presint 9, Darulaman Perdana, Bandar Darulaman 08000 Sungai Petani, Kedah	PPE	Double Storey Semi-Detached House	385 sq meter	Freehold	2018	581,122
3	No. 157-B, Kompleks Alor Setar, Labuhraya Darulaman, 05100 Alor Setar, Kedah	PPE	Shop Office - Kompleks Alor Setar	130 sq meter		2019	120,625
4	Lakehomes Phase III, No.46 Jalan Darulaman 3/3, Darulaman Lakehome, Bandar Darulaman, 06007 Jitra Kedah.	PPE	BREEZE (Plot 46) - 2 Storey Bungalow	496 sq ft	Leasehold (Expiring 2117)	2019	885,534
5	Simfoni West, HSD 22476, PT 6160, Bandar Darulaman, Daerah Kubang Pasu, Kedah.	PPE	HARMONI (Plot 720) - Double Storey	133 sq meter	Leasehold (Expiring 2117)	2019	395,404
6	Simfoni West, HSD 22475, PT 6159, Bandar Darulaman, Daerah Kubang Pasu, Kedah.	PPE	HARMONI (Plot 719) - Double Storey	133 sq meter	Leasehold (Expiring 2117)	2019	395,404
7	Simfoni West, HSD 22277, PT 5961, Bandar Darulaman, Daerah Kubang Pasu, Kedah.	PPE	MELODI (Plot 483) - Double Storey	353 sq meter	Leasehold (Expiring 2117)	2019	605,052
							3,741,374

ANALYSIS OF SHAREHOLDINGS AS AT 3 MAY 2021

Total Number of Issued Shares : 303,854,977 Ordinary Shares
 Class of Shares : Ordinary Shares
 Voting Rights : 1 vote per share on a poll
 Number of Shareholders : 3,355

DISTRIBUTION OF SHAREHOLDINGS

HOLDINGS	NO. OF HOLDERS	%	TOTAL HOLDINGS	%
Less than 100	229	6.83	3,132	0.00
100 - 1,000	515	15.35	224,545	0.07
1,001 - 10,000	1,623	48.38	7,138,922	2.35
10,001 - 100,000	829	24.71	26,558,690	8.74
100,001 - and below 5%	158	4.71	65,485,300	21.55
5% and above	1	0.03	204,444,388	67.28
TOTAL	3,355	100.00	303,854,977	100.00

SUBSTANTIAL SHAREHOLDERS

HOLDINGS	DIRECT		INDIRECT	
	NO. OF SHARES	%	NO. OF SHARES	%
Perbadanan Kemajuan Negeri Kedah	204,444,388	67.28	-	-
TOTAL	204,444,388	67.28	-	-

DIRECTORS' INTEREST

Shares Held in the Company

HOLDINGS	DIRECT		INDIRECT	
	NO. OF SHARES	%	NO. OF SHARES	%
Dato' Mohamed Sharil Bin Mohamed Tarmizi	30,000	0.01	*40,000	0.01
TOTAL	30,000	0.01	40,000	0.01

*Shares held by family member

LIST OF TOP 30 SHAREHOLDERS AS AT 3 MAY 2021

NO.	NAME	SHAREHOLDINGS	%
1	PERBADANAN KEMAJUAN NEGERI KEDAH	204,444,388	67.28
2	CIMSEC NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : CIMB FOR GENERAL TECHNOLOGY SDN. BHD. (PB)	4,526,600	1.49
3	RHB NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR TAN GAIK SUAN	3,385,900	1.11
4	LOH ENG CHEANG	3,300,000	1.09
5	TA NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR LOH ENG CHEANG	2,340,000	0.77
6	ONN PING LAN	2,213,500	0.73
7	OOI BENG LIEW & SONS SDN. BHD	1,735,200	0.57
8	LUCKY STAR PTE.LTD	1,664,500	0.55
9	TEH SENG HOCK	1,650,000	0.54
10	RESON SDN BHD	1,567,000	0.52
11	CHENG HON SANG	1,477,000	0.49
12	TEN KIN KOK	1,458,900	0.48
13	RHB NOMINEES (TEMPATAN) SDN BHD BENEFICIARY : PLEDGED SECURITIES ACCOUNT FOR NG HAR CHAI	1,411,400	0.46
14	ANG HIOH	1,381,900	0.45
15	LEE SEE JIN	1,279,800	0.42
16	ANG HIOH	1,124,700	0.37
17	ONN PING LAN	1,093,500	0.36
18	ALLIANCE GROUP NOMINEES (TEMPATAN) SDN BHD BENEFICIARY: PLEDGE SECURITIES FOR CHARMAINE GOH MIN YEE	1,050,300	0.35
19	YEO KHEE HUAT	1,025,000	0.34
20	HUANG PHANG LYE	794,800	0.26
21	MAH SIEW SEONG	725,000	0.24
22	FONG CHEONG KOK	647,000	0.21
23	RHB NOMINEES (TEMPATAN) SDN BHD BENEFICIARY: PLEDGE SECURITIES FOR MICHAEL LIM BACK SIM	618,000	0.20
24	CHEAN SENG HONG	616,700	0.20
25	CHENG HON SANG	571,000	0.19
26	HLB NOMINEES (TEMPATAN) SDN BHD BENEFICIARY: PLEDGE SECURITIES FOR LIM YAW SHING	530,000	0.17
27	PUBLIC NOMINEES (TEMPATAN) SDN BHD BENEFICIARY: PLEDGE SECURITIES FOR HOW CHEE KONG	510,700	0.17
28	TECTONA (M) SDN BHD	508,400	0.17
29	SEE KIM LEONG	478,200	0.16
30	OPEN ROAD ASIA SDN BHD	472,600	0.16
	TOTAL	244,601,988	80.50



SPIRIT OF ACHIEVEMENT

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