



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.



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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)**, 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.



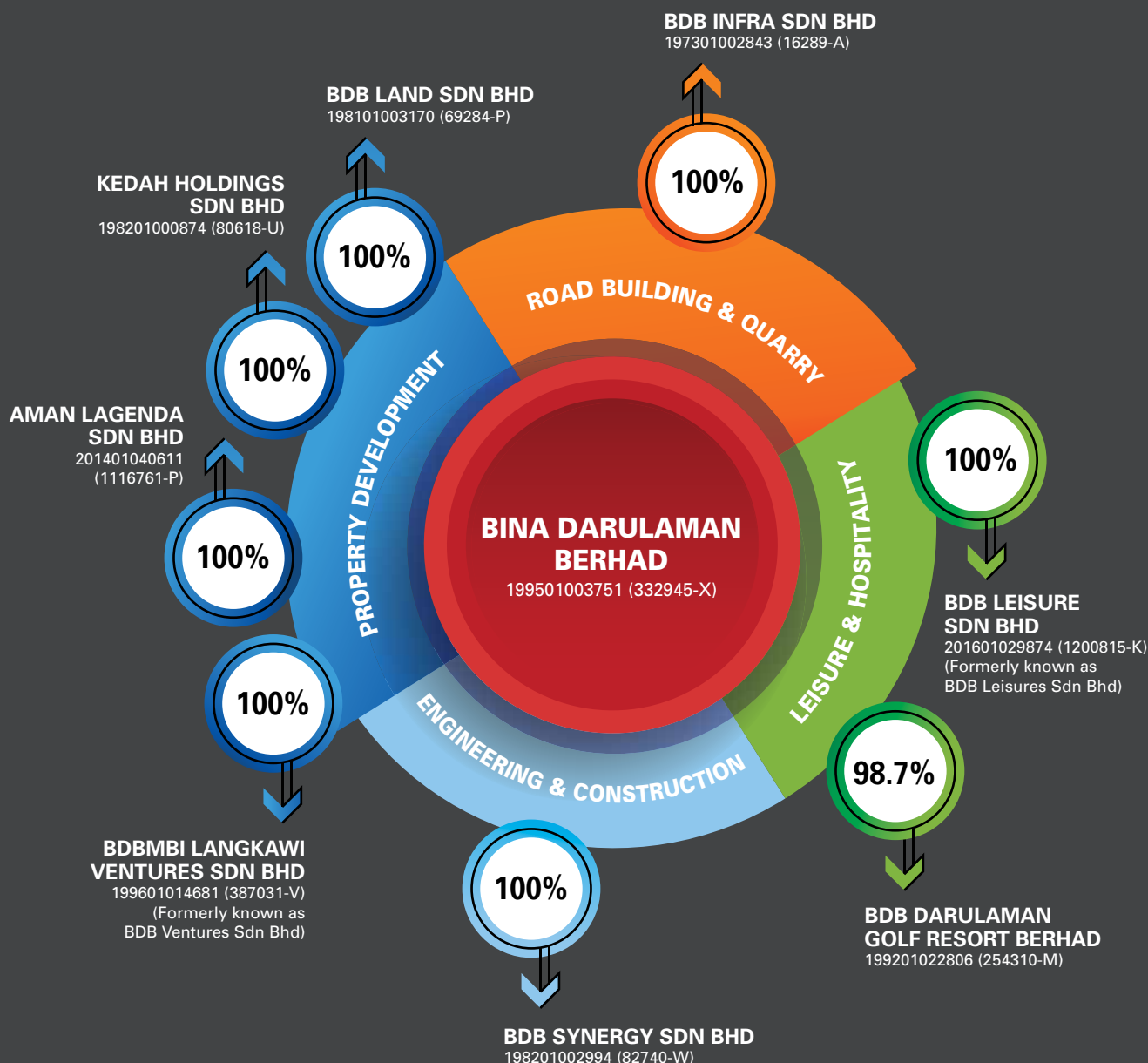
BDB DGRB improved safety and facilities for the surrounding community and club members in 2020.

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,
05100, Alor Setar,
Kedah Darul Aman.
Tel : +604 730 0303
Fax : +604 734 2714
E-mail : bina_darulaman@bdb.com.my
Website : www.bdb.com.my

AUDITORS

KPMG PLT
Level 18, Hunza Tower,
163E Jalan Kelawei,
10250 Pulau Pinang.
Tel : +604 238 2288
Fax : +604 238 2222

PRINCIPAL BANK

MAYBANK ISLAMIC BANK BERHAD
1535, Jalan Sultan Badlishah,
05710 Alor Setar,
Kedah Darul Aman.
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



**MOHAMAD IBRAHIM
BIN GHAZALI**
Director
Independent and Non-Executive



**DATO' ZAKIAH BINTI
KASSIM**
Director
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



**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 Yussof 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.