

BCB BERHAD (172003-W)

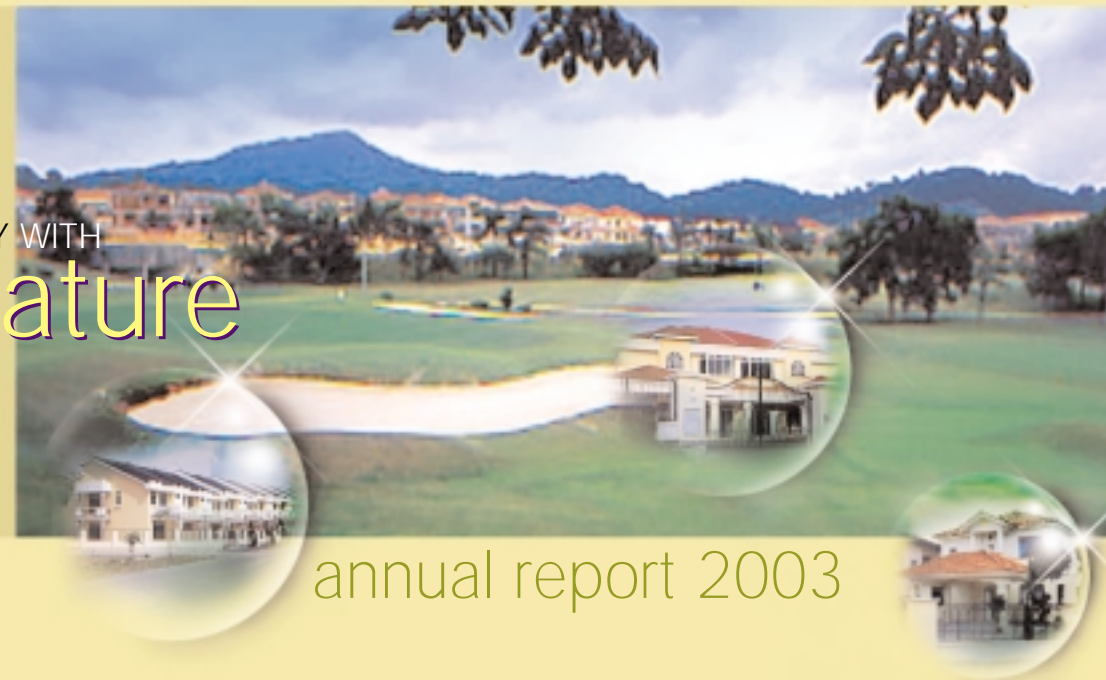
REGISTERED OFFICE

7th Floor, Plaza BCB (Hotel Tower Block), No. 20, Jalan Bakawali, 86000 Kluang, Johor Darul Takzim.

Tel: 607-772 2567 (8 Lines) Fax: 607-772 2108 E-mail: bcbhd@bcbhd.com.my

IN HARMONY WITH

Nature



annual report 2003

BCB
龍城集團

BCB BERHAD
(172003-W)

At BCB, our mission is to be the choice developer for enhancing the quality of life of our customers, making available a diversified range of products and services.

we will STRIVE FOR



- Total customer satisfaction through the provision of quality and value-added products, consistent delivery and a dedication to continuous improvement.
- Strong growth and earnings capacity.
- Cost competitiveness in all undertakings.
- Greater environmental concern and a more caring, eco-friendly attitude.
- And an efficient and effective work culture emphasising personal development, teamwork and performance-based rewards.

CONTENTS

- [2](#) Corporate Information
- [3](#) Corporate Structure
- [4](#) Board of Directors and Profile
- [6](#) 5 Years' Financial Highlights
- [8](#) Chairman's Statement
- [13](#) Audit Committee
- [16](#) Corporate Governance
- [20](#) Statement on Internal Control
- [21](#) Financial Statements
- [65](#) Shareholdings Statistics
- [68](#) List of Landed Properties
- [70](#) Notice of Annual General Meeting
- [71](#) Statement Accompanying
Notice of Annual General Meeting
Form of Proxy

Corporate Information

Board of Directors

Dato' Ismail Bin Yusof

Independent Non-Executive Chairman

Dato' Tan Seng Leong

Group Managing Director

Tan Lay Kim

Executive Director

Tan Lay Hiang

Executive Director

Tan Seng Hong

Executive Director

Sofian Bin Arshad

Independent Non-Executive Director

Ash'ari Bin Ayub

Independent Non-Executive Director

Audit Committee

Chairman

Dato' Ismail Bin Yusof

Independent Non-Executive Director

Member

Dato' Tan Seng Leong

Group Managing Director

Member

Sofian Bin Arshad

Independent Non-Executive Director

Member

Ash'ari Bin Ayub

Independent Non-Executive Director

Nomination & Remuneration Committee

Chairman

Ash'ari Bin Ayub

Independent Non-Executive Director

Member

Dato' Ismail Bin Yusof

Independent Non-Executive Director

Member

Sofian Bin Arshad

Independent Non-Executive Director

Company Secretary

Yeap Kok Leong, ACIS

(MAICSA: 0862549)

Registered Office

7th Floor, Plaza BCB

(Hotel Tower Block)

No 20 Jalan Bakawali

86000 Kluang

Johor Darul Takzim

Tel : 07-772 2567

Fax : 07-772 2108

Share Registrar

Tenaga Koperat Sdn Bhd (118401-V)

20th Floor, East Wing

Plaza Permata, Jalan Kampar,

Off Jalan Tun Razak

50400 Kuala Lumpur

Tel : 03-4041 6522

Fax : 03-4042 6352

Principal Bankers

Malayan Banking Berhad

OCBC Bank Berhad

Arab Merchant Bank Berhad

Bank Islam Malaysia Berhad

Southern Finance Berhad

Auditors

PriceWaterHouseCoopers

Public Accountants

Level 16, Menara Ansar

No 65, Jalan Trus

80730 Johor Bahru

Johor Darul Takzim

Tel : 07-222 4448

Fax : 07-224 8088

Stock Exchange Listing

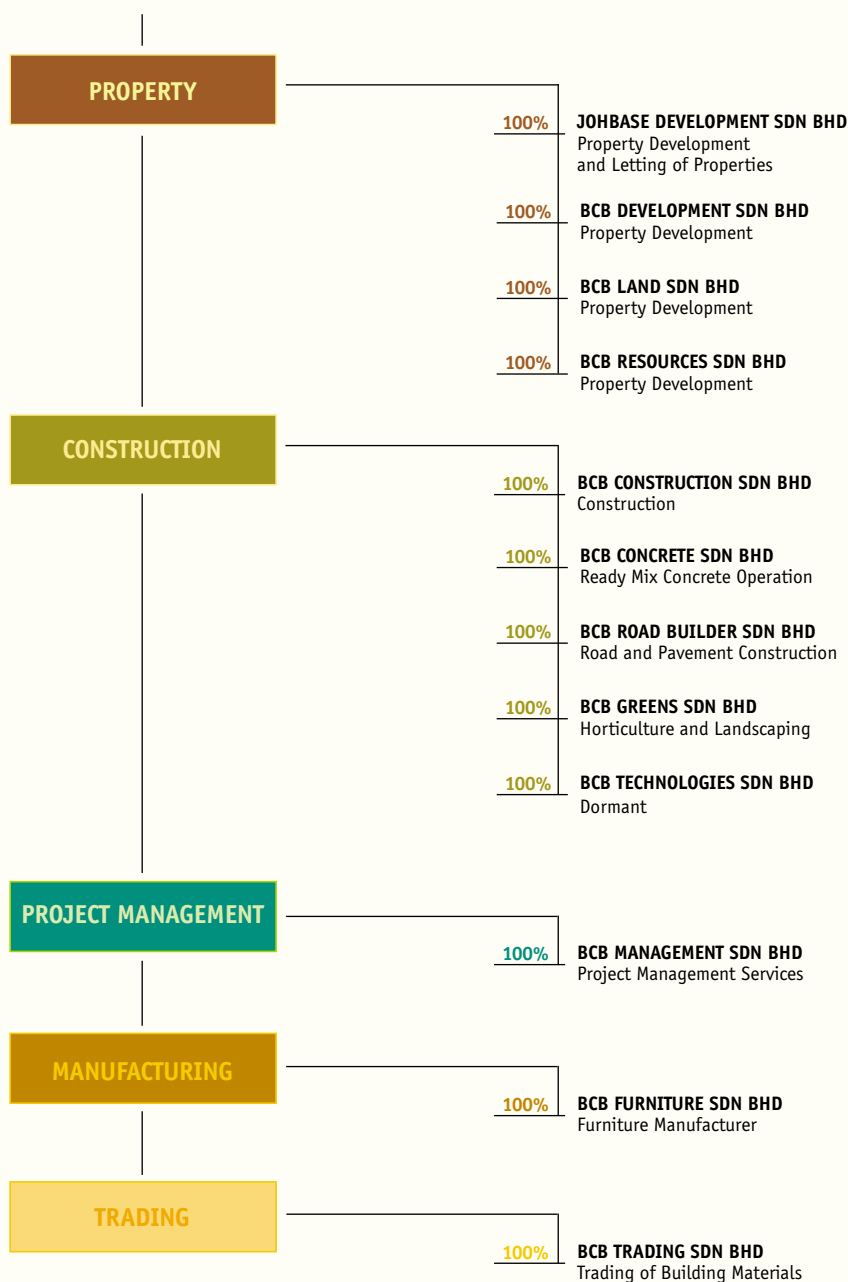
Main Board of the

The Kuala Lumpur Stock Exchange

Stock Number: BCB 6602

BCB BERHAD

Investment Holding, Property Development
And Hotel Operations

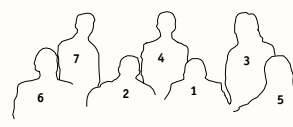


Board of Directors and Profile

1. **Dato' Ismail Bin Yusof**
Independent Non-Executive Chairman
2. **Dato' Tan Seng Leong**
Group Managing Director
3. **Tan Lay Kim**
Executive Director

4. **Sofian Bin Arshad**
Independent Non-Executive Director
5. **Tan Lay Hiang**
Executive Director
6. **Ash'ari Bin Ayub**
Independent Non-Executive Director

7. **Tan Seng Hong**
Executive Director



1 Dato' Ismail Bin Yusof*[@]

Independent Non-Executive Chairman

Dato' Ismail Bin Yusof, aged 59, a Malaysian, was appointed to the Board on 14 July 1998 as an Independent Non-Executive Chairman. He holds a Bachelor of Arts (Hons) from University of Malaya. Previously, he was The Secretary of The Federal Territory Development Division in the Prime Minister's Department. Dato' Ismail also holds other non-executive directorships in Minho (M) Bhd, South Malaysia Industries Bhd and Mercury Industries Bhd.

2 Dato' Tan Seng Leong*

Group Managing Director

Dato' Tan Seng Leong, aged 47, a Malaysian, was appointed to the Board on 9 November 1988. He is presently the Group Managing Director. Dato' Tan is the founding member of BCB. He holds directorships in all of BCB's wholly-owned

subsidiaries. Dato' Tan has more than 20 years experience in the property development industry, particularly in the State of Johor.

Dato' Tan is deemed in conflict of interest with the Company by virtue of his interests and directorships in certain privately-owned companies which are also involved in property development/holdings. However, these privately-owned companies are presently not in direct competition with the business of the Company.

3 Tan Lay Kim

Executive Director

Ms Tan Lay Kim, aged 41, a Malaysian, was appointed to the Board on 9 November 1988. She is responsible for the daily management and operations of BCB's Prime City Hotel in Kluang. She also holds directorships in BCB's subsidiaries.

4 Sofian Bin Arshad*[@]

Independent Non-Executive Director

Encik Sofian Bin Arshad, aged 39, a Malaysian, was appointed to the Board on 4 December 2000. He holds a Bachelor Degree in Urban and Regional Planning from UTM, Malaysia. Encik Sofian has more than 15 years of experience in project management.

5 Tan Lay Hiang

Executive Director

Ms Tan Lay Hiang, aged 35, a Malaysian, was appointed to the Board on 16 July 1994. She manages the sales, marketing and conveyancing aspects of BCB's property development projects. Prior to joining BCB in 1989, she was attached to several other property developers in Kluang. She also holds directorships in BCB's subsidiaries.

6 Ash'ari Bin Ayub*[@]

Independent Non-Executive Director

Encik Ash'ari Bin Ayub, aged 61, a Malaysian, was appointed to the Board on 16 May 2001. He is a member of Malaysian

Institute of Accountant (MIA) and Malaysian Association of Certified Public Accountants (MACPA). He was previously the Partner-in-Charge of the Tax Department of Coopers & Lybrand, Kuala Lumpur. Encik Ash'ari also holds non-executive directorships in Auto Industries Ventures Berhad, Jotech Holdings Berhad and Metrod (Malaysia) Berhad.

7 Tan Seng Hong

Executive Director

Mr Tan Seng Hong, aged 28, a Malaysian, was appointed to the Board on 21 September 1999 and is responsible for the Group's Construction and Trading Divisions. He holds a Bachelor of Business Administration in Finance from Western Michigan University, USA. Upon his graduation, Mr Tan joined the BCB Group as the Corporate Planning Manager. He was subsequently appointed to his present position.

* Member of Audit Committee

[@] Member of Nomination and Remuneration Committee

Other Information

- Dato' Tan Seng Leong, Ms Tan Lay Kim, Ms Tan Lay Hiang and Mr Tan Seng Hong are siblings.
- Except as disclosed above, none of the other Directors has any family relationship with any Directors and/or major shareholders of the Company.

Conflict of Interest

None of the other Directors has any conflict of interest with the Company except as disclosed.

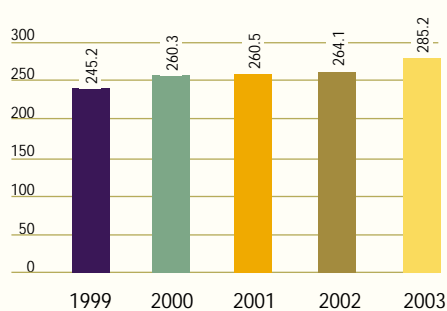
Conviction for Offences

None of the Directors has been convicted for any offences within the past ten (10) years.

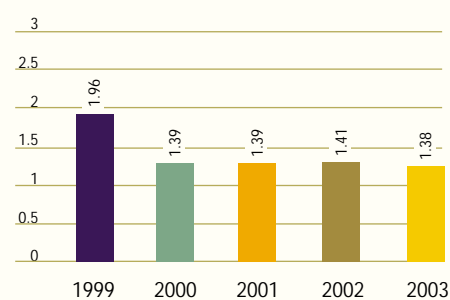
5 Years' Financial Highlights

Consolidated Balance Sheet as at 30 June

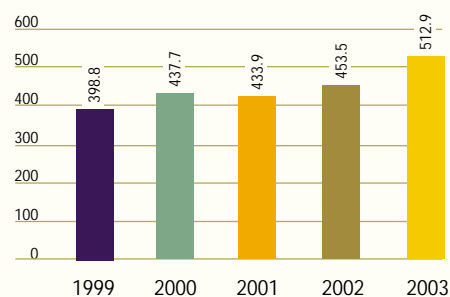
	1999*	2000*	2001*	2002*	2003
	RM'000	RM'000	RM'000	RM'000	RM'000
Share Capital	125,000	187,500	187,500	187,500	206,250
Non-Distributable Reserve	17,102	7,199	7,199	7,199	7,199
Retained Earnings	103,107	65,593	65,848	69,385	71,767
Shareholders' Funds	245,209	260,292	260,547	264,084	285,216
Represented by:					
Property, Plant and Equipment	48,483	51,171	58,246	65,596	59,878
Investment Properties	19,482	19,482	19,482	19,482	19,482
Land Held for Development	31,565	25,596	19,682	18,957	64,594
Current Assets	299,286	341,424	336,573	352,458	368,904
Current Liabilities	(138,466)	(151,898)	(133,164)	(155,614)	(165,604)
Less: Non Current Liabilities	160,820	189,526	203,409	196,844	203,300
	(15,141)	(25,483)	(40,272)	(33,795)	(62,038)
	245,209	260,292	260,547	264,084	285,216
Number of ordinary share of RM1.00 in issue ('000)	125,000	187,500	187,500	187,500	206,250
Net Tangible Assets Per Share (RM)	1.96	1.39	1.39	1.41	1.38
Total Assets	398,816	437,673	433,983	453,494	512,858



Shareholders' Funds (RM Million)



Net Tangible Assets Per Share (RM)

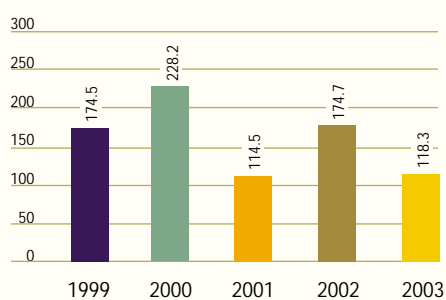


Total Assets (RM Million)

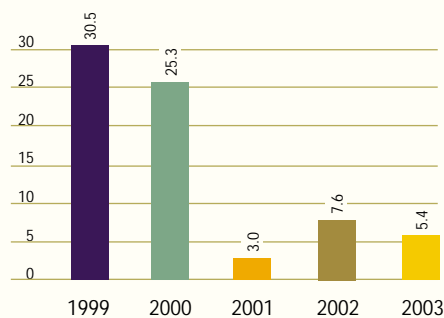
* Restated to reflect the change in Accounting Policy due to adoption of MASB 25.

Consolidated Profit and Loss accounts for the Year Ended 30 June

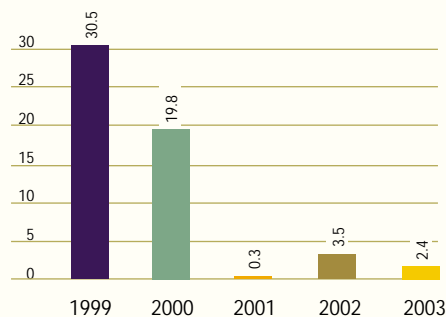
	1999*	2000*	2001*	2002*	2003
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover	174,505	228,188	114,483	174,699	118,292
Profit Before					
Charging Depreciation and Interest	35,761	31,760	12,264	17,779	16,249
Depreciation	(2,445)	(2,985)	(3,572)	(4,059)	(4,133)
Interest Expenses	(2,840)	(3,429)	(5,647)	(6,137)	(6,750)
Profit Before Taxation	30,476	25,346	3,045	7,583	5,366
Taxation	-	(5,538)	(2,790)	(4,046)	(2,984)
Profit After Taxation	30,476	19,808	255	3,537	2,382
Adjusted Weighted Average Number of Shares in Issue					
adjusted for:					
- Bonus Issue 32 for 10 on 22 July 1996					
- Bonus Issue 1 for 2 on 15 March 2000 &					
- Private Placement of 10% on 9 August 2002	187,500	187,500	187,500	187,500	204,247
Gross EPS (sen)	16.25	13.52	1.62	4.04	2.63
Basic EPS (sen)	16.25	10.56	0.14	1.89	1.17
Dividend Rate	5	3.5	-	-	-



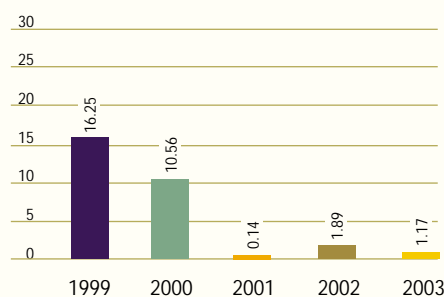
Turnover (RM Million)



Profit Before Taxation (RM Million)



Profit After Taxation (RM Million)



Basic EPS (sen)

* Restated to reflect the change in Accounting Policy due to adoption of MASB 25.

Chairman's Statement

The Group will continue to improve and add value to the projects in order to remain competitive in the aspects of quality, design, concept and innovation.



On behalf of the Board of Directors, I am pleased to present the Annual Report and Financial Statements for the financial year ended 30 June 2003.

Financial review

Coming out of an international slowdown, the economic outlook for Malaysia remains cautiously optimistic. Although there were signs of recovery in mid 2002, the property market was affected by a various global and domestic events such as the Iraq war, the Bali and Jakarta incidents, onslaught of SARS and the repatriation of foreign workers. Amidst these challenging operating conditions, the Group recorded turnover of RM118.3million a decline of 32% from RM174.7million in year 2002. The Group pre-tax profit stood at RM5.4million as compared to RM7.6million in year 2002. With the exception of the manufacturing division, all other operating divisions within the Group reported positive earnings for the year. Property development and construction remain the core business of the Group contributing a total of RM104.4million at approximately 88% of the Group's turnover.

Evergreen Heights the Group's new flagship, nestled next to Bukit Banang Golf & Country in Batu Pahat was launched in September 2002. A mixed development project with new unique living concept; offering both the bungalow and semi-detached property owners a golf course view and club house facilities set amidst vibrant landscapes in a sprawling 360-acre township in the making. Evergreen Heights



breaks new ground in landed development carrying with it BCB's hallmark of superior quality and branding as a reputable developer in the state of Johor. The project has a sales value of RM500million.

Dividend

In view of the on-going working capital needs, the Board does not recommend any dividend for the financial year.

Property development & project management division

The core division of the Group, posted turnover of RM91.5million a decline of 26% from RM123.6million in 2002.

The overall property market was relatively active in the first quarter of the financial year although the Johor property market remained rather soft. Measures in the 2002 Budget; packaging a mixture of tax cuts, pay increases in the public sector, stamp duty waiver, low interest rates and attractive loan packages benefited the residential property sector. However, towards the second and third quarter of the financial year, the

market was adversely affected by the uncertainties from various global and domestic events ranging from wars, terrorist attacks to health threat of SARS. The property industry was also muted by the repatriation of foreign workers resulting in severe labour shortage. Fortunately these negative events were contained which enabled the property market to continue its recovery.

The Board's focus in the development of affordable residential units in strategic locations has mitigated the impact of the soft market conditions. The Group's projects in Kluang, Johor Bahru, Batu Pahat, Pontian and Seremban continue to receive favorable support from the buyers. We are confident that more buyers will be attracted to BCB's projects given the availability of wide range of affordable houses, good infrastructure and community facilities.

A total of 959 units of residential and commercial properties were sold during the year as compared to 1,354 units in 2002. In view of the current market conditions and the number of developments being launched, it is imminent that competition is expected to increase considerably in the near future.

To capitalize on the growing demand for residential properties, the Property Division had collected its resources to plan and strategise on various development projects and marketing programmes. As a result, various property launches and joint promotions with financiers were organized together with participation in property fairs and exhibitions to further enhance the sales of new projects launched.



Launches underway includes:-

- 114 units of double storey terrace houses and shops in Taman Sri Kluang translating into sales value of RM20.5million.
- Phase 1 of Taman Kluang Baru II consisting of 175 units of double storey terrace houses, low cost terrace house and flats translating into sales value of RM16.6million.
- 60 units of double storey terrace houses in Taman Megah, Pontian with sales value of RM12.0million.
- A total of 160 units of single and double storey terrace houses and double storey semi-detached in Taman Bukit Perdana II, Batu Pahat. Total sales value of RM30.0million is expected from this launch.
- 115 units of double storey terrace houses and shops in Taman Seremban Jaya translating into sales value of RM20.0million.

- Evergreen Heights, Batu Pahat; we are set to launch another parcel comprising 190 units of single storey and double storey terrace houses. Total sales value of RM26million is expected from this parcel.

Construction division

The division contributed RM12.9million for the year as compared to RM35.0million in year 2002. The construction activities during the second and third quarter of the financial year were muted by severe shortage of labour with the repatriation of foreign workers. The division had taken steps to contain the negative effects of the severe shortage with strict allocation of resources to maintain its operational efficiency and coordinated with relevant authorities to expedite the replacement of the workforce.

The division will continue to provide and support the construction needs of the Group encompassing building construction, concrete and road works.

Trading division

Set up in February 2001, functions as the purchasing arm of the Construction Division. Effectively pooling the resources to take advantage of a superior purchasing power through the economies of scale. The division posted a profit of RM146,000 for the financial year under review.



and social activities of the surrounding areas. The division posted a profit of RM353,000 as compared to a loss of RM57,000 in year 2002. The loss recorded in 2002 was mainly due to the higher maintenance costs incurred during the year.

Manufacturing division

With continued weak overseas demand for steel frame furniture, the division realigned its business strategy and implemented various cost-cutting exercises in order to increase its efficiency. Besides supplying the metalwork requirement of the Group such as doorframes, grills and gates; the division continued to supply its quality steel frame furniture to its existing customers in Australia and New Zealand while targeting the more lucrative European market to increase its customer base and improve its profitability.

The division posted a slightly lower loss for the year of RM2.3million as compared to a loss of RM2.8million in 2002.

The division is expected to turn in a better result for the coming financial year 2004.

Hotel division

The division contributed sales of RM8.5million to the Group in the year under review. Prime City Hotel, the premier hotel in the heart of Kluang town, provides facilities for commercial

Share capital

The issued and paid up share capital of the Company had been increased by 10% from RM187,500,000 to RM206,250,000 with the completion of the private placement exercise in August 2002. The entire proceeds of RM18,750,000 was utilized to part finance the Group's acquisition of freehold land, bungalow lots, homestead land and club memberships (Evergreen Heights) in Batu Pahat, Johor.





Group prospects for 2004

The country is in an upbeat mood over its economic performance with 2nd quarter 2003 growth rate of 4.4%, giving rise to optimistic projection in the 2003/2004 Economic Report projecting Malaysia's growth rate at 5.5% and 6.0% for next year.

Reflecting this buoyancy, the property market should continue to benefit from the improving local economy and the government announcement of the stimulus package accompanied by the revitalizing stock market. Relaxation of foreign ownership rules and continued low interest rates are expected to provide additional conducive conditions for a more active property market in year 2004.

With that in mind, the Group is optimistic that results for financial year 2004 to be better than 2003. The residential sector will remain the lead contributor to the Group's performance, with properties in choice locations commanding the best demands. The Group will continue to improve and add value to the projects in order to remain competitive in the aspects of quality, design, concept and innovation.

Acknowledgement

On behalf of the Board of Directors, I wish to express sincere appreciation to our valued customers, business associates and shareholders for their loyalty and continued trust in our



products, our bankers, consultants, contractors and suppliers for providing wholehearted support and all relevant governmental authorities for their much needed cooperation. To the management and staff, I am grateful as our Company's continued success is largely due to their total professionalism and dedication to the Company.

Last but not least, my thanks and appreciation to the Board of Directors for its counsel and understanding in the past year, and I look forward to their continued support in the future.

Thank you.

Dato' Ismail Bin Yusof

Chairman

Audit Committee

Membership

The Audit Committee comprises the following members:-

- Chairman : **Dato' Ismail Bin Yusof**
(Chairman/Independent Non-Executive Director)
- Members : **Dato' Tan Seng Leong**
(Member/Group Managing Director)
- Sofian Bin Arshad**
(Member/Independent Non-Executive Director)
- Ash'ari Bin Ayub**
(Member/Independent Non-Executive Director)

(b) if not a member of the Malaysian Institute of Accountants, must have at least 3 years' working experience and:

- (i) must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act 1967; or
- (ii) must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.

TERMS OF REFERENCE

1) Objectives

The primary objectives of the Audit Committee are to:

- (i) Provide assistance to the Board in fulfilling its fiduciary responsibilities to the accounting and internal control systems, financial reporting and business ethics policies of the Company and all its subsidiaries.
- (ii) Provide greater emphasis on the audit function by serving as the focal point for communication between non-Committee directors, the external auditors, internal auditors and the management and providing a forum for discussion that is independent of the management. It is the Board's principal agent in assuring the independence of the Company's external auditors, the objectivity of the Company's internal auditors, the integrity of the management and the adequacy of disclosure to shareholders.
- (iii) Undertake all such additional duties as may be deemed appropriate and necessary to assist the Board.

2) Composition of Audit Committee

The Committee shall be appointed by the Board of Directors amongst their number and shall fulfill the following requirements:-

- (i) the Committee must be composed of no fewer than 3 members;
- (ii) a majority of the Committee must be independent directors; and
- (iii) at least one member of the Committee:
- (a) must be a member of the Malaysian Institute of Accountants; or

The Committee shall elect a Chairman from among its members who is an independent director. No alternate Director can be appointed as a member of the Committee.

In the event of vacancy in the Committee should a member resigns, dies or for any other reason ceases to be a member resulting in the number of members reduced to below three (3), the Board of Directors shall, within three (3) months of that event, appoint such new members to make up the minimum number of three (3) members.

The term of office and performance of the Committee and each of its members must be reviewed by the Board of Directors at least once every 3 years.

3) Meetings and Reporting Procedures

(i) Frequency

The Committee shall meet at least four (4) times a year and such additional meetings as the Chairman shall decide in order to fulfill its duties. The Chairman shall also convene a meeting of the Committee if requested to do so by any member, the management, the external or internal auditors to consider any matter within the scope of responsibilities of the Committee.

(ii) Quorum

A quorum shall consist of a majority of independent directors.

(iii) Secretary and Minutes

The Company Secretary shall be the secretary of the Committee and as reporting procedure, the minutes shall be circulated to all members of the Board.

(iv) Attendance

The Financial Director, the Head of Internal Audit (where such a function exists) and a representative of the external auditor shall normally be invited to attend meetings. Other Directors and employees may attend any particular meeting only at the Committee's invitation, specific to the relevant meeting. At least once a year, the Committee shall meet with the external auditors without the presence of any executive Board member.

(v) Meeting Procedure

The Committee shall regulate its own procedure, in particular:-

- (a) the calling of meetings;
- (b) the notice to be given of such meetings;
- (c) the voting and proceedings of such meetings;
- (d) the keeping of minutes; and
- (e) the custody, production and inspection of such minutes.

4) Authority of the Audit Committee

The Committee is authorized by the Board to investigate any activity within its terms of reference. It shall have:

- (i) The resources which are required to perform its duties;
- (ii) Full and unrestricted access to any information pertaining to the Company and its subsidiary companies;
- (iii) Direct communication channels with the external auditor and person(s) carrying out the internal audit function or activity (if any);
- (iv) Able to obtain independent professional or other advice; and
- (v) Able to convene meetings with external auditors, excluding the attendance of the executive members of the committee, whenever deemed necessary.

5) Functions of the Audit Committee

In fulfilling its primary objectives, the Audit Committee shall, amongst others, discharge the following functions:

- (i) To review:
 - (a) The quarterly results and year end financial statements, prior to the approval by the Board of Directors, focusing particularly on:-
 - (i) the going concern assumption;
 - (ii) changes in or implementation of major accounting policy changes;
 - (iii) significant and unusual events; and
 - (iv) compliance with accounting standards and other legal requirements.
 - (b) Any related party transaction and conflict of interest situation that may arise within the Company or group including any transaction, procedure or course of conduct that raises questions or management integrity.
 - (c) With the external auditor:
 - (i) the audit plan;
 - (ii) the evaluation of the system of internal controls;
 - (iii) the audit report;
 - (iv) the management letter and management's response;
 - (v) the assistance given by the Company's employees to the external auditor;
- (ii) To monitor the management's risk management practices and procedures.
- (iii) In respect of the appointment of external auditors:
 - a. to review whether there is reason (supported by grounds) to believe that the external auditor is not suitable for reappointment;
 - b. to consider the nomination of a person or persons as external auditors and the audit fee;
 - c. to consider any questions of resignation or dismissal of external auditors.

- (iv) In respect of the internal audit function:
- a. to review the adequacy of the scope, functions and resources of the internal audit function and that it has the necessary authority to carry out its work;
 - b. to review the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
 - c. to approve any appointment or termination of senior staff members of the internal audit function;
 - d. to review any appraisal or assessment of the performance of members of the internal audit function; and
 - e. to inform itself of any resignation of internal audit staff member and provide the resigning staff member an opportunity to submit his reasons for resigning.
- (v) To promptly report such matter to the Exchange if the Committee is of the view that the matter reported by it to the Board of Directors has not been satisfactorily resolved resulting in a breach of the Listing Requirements.
- (vi) To carry out such other functions as may be agreed to by the Committee and the Board of Directors.

6) Audit Committee Meetings

The Audit Committee held six (6) meetings during the financial year ended 30 June 2003. Details of the attendance of the meetings by the Committee Members are as follows:-

Members	No. of Meetings attended	%
Dato' Ismail Bin Yusof	6/6	100.00
Dato' Tan Seng Leong	5/6	83.33
Sofian Bin Arshad	6/6	100.00
Ash'ari Bin Ayub	5/6	83.33

7) Activities Undertaken by the Audit Committee

During the financial year, the activities of the Audit Committee included:-

- (i) reviewing the external auditor's scope of work and audit plan for the financial year ended 30 June 2003;
- (ii) reviewing the external auditors' audit reports, management letter and management's response;
- (iii) reviewing and approving the risk management policy and framework appraised by the appointed firm of internal auditors;
- (iv) reviewing the findings on the internal control reviews conducted by the firm of internal auditors and where necessary ensure that the appropriate action is taken on the recommendations of the internal audit function;
- (v) reviewing the audited accounts for the financial year ended 30 June 2003 and unaudited quarterly financial results prior to the approval by the Board of Directors for subsequent announcements;
- (vi) review any related party transaction; and
- (vii) reviewing the Company's compliance with the revamped Listing Requirements of the Kuala Lumpur Stock Exchange.

8) Internal Audit Function

The Board has outsourced its Internal Audit functions to BDO Governance Advisory Sdn Bhd ("BDOGA"); a reputed firm of internal audit professionals to provide independent assurance to, and assist, the Board in discharging its duties and responsibilities.

The annual internal audit plan is reviewed and approved by the Committee at the beginning of each financial year prior to their execution. BDOGA performs routine audit on and reviews all operating business units within the Group, with emphasis on principal risk areas. The audit adopts a risk-based approach towards planning and conduct of audits, guided by the risk management framework adopted.

Four (4) audit assignments were completed during the financial year on four (4) business units of the Group; namely the Construction, Hotel, Property Development and Management Divisions. Audit reports were issued to the Committee and the Board and tabled at the Committee's meetings. The Audit reports incorporated BDOGA's findings, recommendations for improvements and follow-ups on the implementations of the recommendations and Management's improvement actions.

Corporate Governance

The Board of Directors fully supports the principles and best practices outlined in the Malaysian Code on Corporate Governance. Set out below is a statement on how the Group has applied the principles and the extent of its compliance with the best practices of the Code.

Board of Directors Roles and Principal Duties

The Board has overall responsibility for the strategic direction and control of the Group.

The executive directors take the primary responsibility for managing the Group's business and resources. The intimate knowledge of the executive directors and their "hands-on" management practices has enabled the Group to have leadership positions in its business divisions.

Board Committees

The Board has delegated specific responsibilities to three (3) committees to assist in its functions. The committees, namely; Audit, ESOS and Nomination & Remuneration Committee, have the authority to examine particular issues according to their respective terms of reference and report back to the Board with their recommendations. The ultimate responsibility for the final decision on all matters, however, rests with the entire Board.

Board Composition and Balance

The Board currently comprises seven (7) members, of whom three (3) are Independent Non-Executive Directors. The board has within its members drawn from varied backgrounds; bringing in-depth and diversity in experience and perspectives to the Group's business operations. The Directors' profiles are presented on pages 4 to 5 of the Annual Report.

There is a clear division of responsibility between the Chairman and the Group Managing Director to ensure that there is balance of power and authority. The key functions of the Chairman are to conduct Board Meetings and meetings of shareholders and to ensure that all Directors are properly briefed for a full and constructive part in Board discussions. The Group Managing Director is responsible for the day-to-day management of the Group in ensuring that the strategies, policies and matters approved by the Board and/or respective Board Committees are effectively implemented. The separation of duties together with the ratio of Board membership between Executive and Non-Executive Directors ensures that there is a balance of power and authority at the head of the Group.

Dato' Ismail Bin Yusof has been identified as the Senior Independent Non-Executive Director of the Board to whom concerns may be conveyed.

Board Meetings

The Board ordinarily meets four times a year at quarterly intervals with additional meetings convened when necessary. In intervals between Board meetings, for matters requiring Board decisions, Board approvals are sought via circular resolutions (DCR) with sufficient information required to make an informed decision. A summary of the DCR approved will be tabled at the following Board meetings for notation.

During the financial year, the Board met five times, whereat it deliberated and considered a variety of matters including the Group's financial results, major investments and strategic decisions and direction of the Group. Where a potential of conflict arises in the Group's transactions involving any Director's interest, such Director is required to declare his/her interest and abstain from the decision making process.

Shown below are the number of meetings attended by each Director for the financial year ended 30 June 2003:-

Name of Director	Designation	No. of Meetings Attended	%
Dato' Ismail Bin Yusof	Chairman, Independent Non-Executive Director	5/5	100.0
Dato' Tan Seng Leong	Group Managing Director	4/5	80.0
Tan Lay Kim	Executive Director	5/5	100.0
Tan Lay Hiang	Executive Director	5/5	100.0
Tan Seng Hong	Executive Director	5/5	100.0
Sofian Bin Arshad	Independent Non-Executive Director	5/5	100.0
Ash'ari Bin Ayub	Independent Non-Executive Director	4/5	80.0

Supply of Information

All Board members are supplied with information in a timely manner. The Board report includes, amongst others, financial and corporation information, significant operational, financial and corporate issues, performance of the Group and management proposals, which requires the approval of the Board. All directors are entitled to call for additional clarification and information to assist them in matters that required their decision.

All directors have access to the services of the Company Secretary for any information or advice they may require, and if need be, they may take independent advice if necessary at the Company's expense.

Appointments to the Board

The Nomination & Remuneration Committee is responsible for making recommendations for any appointments to the Board. In making these recommendations, the Committee considers the required mix of skills and experience, which the Director(s) brings to the Board. Any new nomination received is put to the full Board for assessment and endorsement.

Directors' Training

All the Directors have attended the Mandatory Accreditation Programme ("MAP") conducted by the Research Institute of Investment Analysts Malaysia (RIIAM). The Directors will continue to undergo other relevant training programmes to keep abreast with new regulatory development and requirements in compliance with KLSE Listing Requirements on the Continuing Education Programme.

Re-election

In accordance with the Company's Articles of Association ("Articles"), all Directors who are appointed by the Board are subject to election by shareholders at the first opportunity after their appointment. The Articles also provide that at least one-third of the remaining Directors be subject to re-election by rotation at each Annual General Meeting provided always that all Directors (including the Managing Director) shall retire from office at least once every three years but shall be eligible for re-election.

Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

Upon the recommendation of the Nomination & Remuneration Committee, Tan Seng Hong and Tan Lay Kim shall retire by rotation at the forthcoming Annual General Meeting and, being eligible, offers themselves for re-election.

Nomination & Remuneration Committee

The Committee comprises the following Independent Non-Executive Directors:-

Ash'ari Bin Ayub (Chairman)

Dato' Ismail Bin Yusof

Sofian Bin Arshad

The Committee meets once a year and also when required to make its recommends on the candidates for any appointments to the Board. In addition, the Committee also meets to evaluate and make its recommendations on all aspects of the Executive Directors' performance, terms of employment, remuneration package and incentives.

Directors' Remuneration

The Nomination & Remuneration Committee recommends to the Board the remuneration structure and incentives for each Executive Director. The Committee has the right to obtain independent consultants' advice and information about remuneration practices elsewhere.

Non-Executive Directors' remuneration will be a matter to be decided by the Board as a whole. Nevertheless, the determination of remuneration packages for all Directors (Executive and Non-Executive Directors) is a matter to be decided by the Board as a whole with the Director concerned abstaining from deliberations and voting on decision in respect of the individual's remuneration.

The Committee recommends the Directors' fees (Executive and Non-Executive Directors) to the Board for endorsement and subsequent approval by the shareholders of the Company at its Annual General Meeting.

The individual Directors' remuneration paid/payable to all Directors of the Company by the Group and categorized in appropriate components for the financial year are as follows:-

	← RM'000 →					
	Directors' Fees	Salaries	Bonuses	Benefits in kind	EPF	Total
Dato' Ismail Bin Yusof	60	-	-	-	-	60
Dato' Tan Seng Hong	-	1,745	-	53	332	2,130
Tan Lay Kim	-	185	-	10	35	230
Tan Lay Hiang	-	185	-	7	35	227
Tan Seng Hong	-	185	-	11	35	231
Sofian Bin Arshad	60	-	-	-	-	60
Ash'ari Bin Ayub	36	-	-	-	-	36
	156	2,300	-	81	437	2,974

Shareholders

Relationship with Shareholders and Investors

The Board recognizes the importance of an effective communication channel between the Board, shareholders and the general public. The annual reports, quarterly results, press releases and any announcements on material corporate exercises are the primary modes of disseminating information on the Group's business activities and performance.

The Annual General Meeting (AGM)

The Company's AGM provides an opportunity for direct interaction with shareholders where questions and concerns raised could be addressed. The questions and concerns raised would serve as feedback to the Group's business and corporate decisions. The notice of AGM will be published in at least one newspaper of national circulation for a wider dissemination of such notice and to encourage greater shareholder participation at general meetings.

Accountability and Audit

Directors' Responsibility for Preparing the Annual Audited Financial Statements

The Directors are required by the Companies Act, 1965 ("the Act") to prepare financial statements, which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cash flows of the Group and the Company for the financial year then ended.

In preparing the financial statements, the Directors have:-

- Adopted appropriate accounting policies and applied them consistently;
- Made judgments and estimates that are reasonable and prudent;

- Ensured that all applicable approved accounting standards in Malaysia have been followed; and
- Considered the going concern basis used as being appropriate.

The Directors are responsible for ensuring that the Company maintains accounting records that disclose with reasonable accuracy the financial position of the Group and of the Company; which enables them to ensure that the financial statements comply with the Companies Act, 1965.

The Directors have overall responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Group and of the Company, and to prevent and detect fraud and other irregularities.

Financial Reporting

The Board aims to provide and present a balanced and meaningful assessment of the Group's performance and prospects in all their reports and announcements to the shareholders, investors, regulatory bodies and the general public. The Board is assisted by the Audit Committee to oversee the Group's financial reporting process and the quality of its financial reporting.

Internal Controls

The Board acknowledges that it is responsible for maintaining a sound system of internal controls covering financial controls but also operational, compliance as well as risk management. The internal control system is designed to meet the Group's particular needs and to manage the risk to which it is exposed. The system, by its nature, can only provide reasonable but not absolute assurance against misstatement or loss.

The Board's Statement of Internal Control is set out on page 20 of the Annual Report.

Relationship with the Auditors

An appropriate relationship is maintained with the Group's Auditors through the Audit Committee. The Audit Committee has been accorded the power to communicate directly with both the External and Internal Auditors. From time to time, the External Auditors will bring to the attention of the Audit Committee, any significant deficiency in the Group's system of control.

A full Audit Committee Report and its terms of reference, detailing its role in relation to the Auditors, is set out on pages 13 to 15 of the Annual Report.

ADDITIONAL COMPLIANCE INFORMATION

To comply with the Listing Requirements, the following additional information is provided:-

Utilization of proceeds

There were no corporate proposals announced but not completed at the date of this report. The full proceeds of RM18.75million raised from the Private Placement exercise in year 2002 had been utilized to part finance the purchase consideration of additional land bank by a wholly-owned subsidiary, BCB Resources Sdn Bhd.

Share buybacks

On 17th October 2003, the Company announced to the Kuala Lumpur Stock Exchange a proposal to seek authorization from its shareholders for the proposed share buyback of its own shares of up to ten percent (10%) of its issued and paid-up capital. At the date of this report, the proposal is pending approvals from the relevant authorities and the shareholders.

Options, Warrants or convertible securities

A total of 5,621,000 options in respect of the ESOS Scheme remains unexercised to the date of this report. The total represents the total options granted since the inception of the ESOS Scheme in year 2000.

American Depository Receipt(ADR) or Global Depository Receipt (GDR)

During the financial year, the Company did not sponsor any ADR or GDR programme.

Imposition of sanctions/penalties

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies.

Non-audit fees

During the financial year, non-audit fees payable to the external auditors, Messrs PriceWaterhouseCoopers by the Company in respect of professional services on tax compliance amounted to RM15,000.

Profit estimate, forecast or projection

There were no profit estimation, forecast or projection made or released by the Company during the financial year.

Profit Guarantee

The Company in respect of the financial year gave no profit guarantees.

Material contracts

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests.

Contracts relating to loans

There were no contracts relating to loans by the Company and its subsidiaries in respect of the preceding item.

Revaluation of landed properties

The Company's revaluation policy is disclosed in note 3(e) of the Notes to the financial statements – 30 June 2003.

Statement on Internal Control

INTRODUCTION

This Statement is made pursuant to the KLSE Listing Requirement with regard to the Group's compliance with the Principles and Best Practices provisions relating to internal controls as stipulated in the Malaysia Code on Corporate Governance.

As a follow through from last year's disclosure, set out below is the Board's Statement on Internal Control providing a status review of the Group's state of internal control.

BOARD RESPONSIBILITY

The Board has ultimate responsibility for the Group's systems of internal controls that includes the assurance of its adequacy and integrity at all times, and its alignment with our business objectives. It should be appreciated that such systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives. However effective systems are, they can only provide reasonable and not absolute assurance against misstatement or loss.

NATURE OF OUR INTERNAL CONTROLS

The Group has in place an on-going process for identifying, evaluating and managing the significant risks that may affect the achievement of its business objectives. This process is on-going and reviewed by the Board on a quarterly basis.

RISK MANAGEMENT FRAMEWORK

The Board has established an organization structure with clearly defined lines of accountability and delegated authority. The risk management functions and effectiveness of such controls have been formalized in February 2002.

INTERNAL AUDIT FUNCTION

The internal audit function of the Group has been outsourced to a reputed professional consultancy firm, BDO Governance Advisory Sdn Bhd ("BDOGA"). The Audit Committee reviews and

approves the internal audit plan for the year prior to their execution. BDOGA independently review the internal controls in the various operating business units of the Group and reports to the Board Audit Committee on a quarterly basis. BDOGA's reviews highlight weaknesses in control procedures and makes recommendations for improvements. Additionally, it monitors the implementation of the recommendations made and Management's improvement actions.

Apart from its risk management and internal audits, the other key elements of the Group's internal control systems are as follows:-

- An organizational structure with clearly defined delegations of responsibilities to committees of the board and to management which promotes accountabilities for appropriate risk management and control procedures. The procedures include the establishment of authority levels for all aspects of the business which is subject to regular review as to their implementation and continuing suitability;
- Independent assurance on the system of internal control from regular internal audit visits by the appointed consultants;
- Regular information provided to management on key business indicators, such as sales performance, staff turnover and cashflow performance;
- Scheduled operations and management meetings;
- Centralized procurement function that ensures approval procedures are adhered to as well as to leverage on the Group's purchasing power.

During the year, no weaknesses in internal control that have resulted in any material losses, contingencies or uncertainties, which would require disclosure in the Group's annual report were noted. Management continues to take measures to strengthen the control environment and certain aspects of the controls highlighted by BDOGA are currently being improved.

FINANCIAL STATEMENTS

- 22** Directors' Report
- 26** Statement by Directors
- 26** Statutory Declaration
- 27** Report of the Auditors
- 28** Income Statements
- 29** Balance Sheets
- 30** Consolidated Statement of Changes in Equity
- 31** Company Statement of Changes in Equity
- 32** Cash Flow Statements
- 34** Notes to the Financial Statements

Directors' Report for the financial year ended 30 June 2003

The Directors are pleased to submit their annual report to the members together with the audited financial statements of the Group and Company for the financial year ended 30 June 2003.

Principal activities

The principal activities of the Company consist of investment holding, property development and hotel operations. The principal activities of the Group consist of property development, letting of properties, provision of project management, road construction and landscaping services, manufacturing of concrete products and furniture, and trading of building materials.

There were no significant change in the nature of these activities for the Group and Company during the financial year.

Financial results

	<i>Group</i> <i>RM</i>	<i>Company</i> <i>RM</i>
Profit (loss)/after taxation	2,381,614	(906,779)

Dividends

No dividends were paid or declared by the Company since 30 June 2002.

The Directors do not recommend the payment of any dividends for the financial year ended 30 June 2003.

Reserves and provisions

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

Issue of new shares

On 9 August 2002, the Company allotted and issued 18,750,000 new ordinary shares of RM1.00 each at an issued price of RM1.00 each through a private placement exercise. The entire proceeds were utilised to part finance the acquisition of freehold land in Batu Pahat, Johor.

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

Employee Share Option Scheme ("ESOS")

The ESOS is governed by the by-laws which were approved by the shareholders on 4 February 2000.

The main features of the ESOS are as follows:

- (a) The total number of ordinary shares to be issued by the Company under the ESOS shall not exceed 10% of the total issued and paid-up ordinary shares of the Company.
- (b) The option price under the ESOS is the average of the mean market quotation of the shares of the Company as quoted in the Daily Official List issued by the Kuala Lumpur Stock Exchange for the five market days preceding the offer date, or the par value of the shares of the Company of RM1.00, whichever is the higher.

Employee Share Option Scheme ("ESOS") (Cont'd)

(c) The options granted may be exercised at any time before the expiry of the ESOS on 14 March 2005.

(d) The basis on which the options may be exercised by virtue of By-Law 9.2 of the ESOS is as follows:

<i>Number of options granted and unexercised as at 30 June 2003</i>	<i>Percentage of options exercisable</i>	
	<i>Year 2004</i>	<i>Year 2005</i>
	<i>%</i>	<i>%</i>
800,000	80	20
1,200,000	80	20
500,000	100	-
2,333,000	100	-
788,000	80	20
<hr/>		
5,621,000		

The movements during the financial year in the number of options over the shares of the Company are as follows:

At 1 July 2002	6,798,000
Lapsed	(1,177,000)
Granted	-
Exercised	-
<hr/>	
At 30 June 2003	5,621,000

Directors

The Directors who have held office during the period since the date of the last report are as follows:

Dato' Ismail bin Yusof
Dato' Tan Seng Leong
Tan Lay Kim
Tan Lay Hiang
Tan Seng Hong
Sofian bin Arshad
Ash'ari bin Ayub

In accordance with Article 105 of the Company's Articles of Association, Tan Lay Kim and Tan Seng Hong retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

Directors' benefits

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects 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, other than the Company's Employee Share Option Scheme ("ESOS") (as disclosed in Note 23 to the financial statements).

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than directors' remuneration disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Directors' interests in shares

According to the register of Directors' shareholdings, particulars of interests of Directors who held office at the end of the financial year in shares and options over shares in the Company and its related corporations are as follows:

<u>Shareholdings in the name of the Director</u>	<i>Number of ordinary shares of RM1.00 each in the Company</i>			
	<i>At 1.7.2002</i>	<i>Bought</i>	<i>Sold</i>	<i>At 30.6.2003</i>
Dato' Tan Seng Leong	61,198,500	1,408,300	5,000	62,601,800
Tan Lay Kim	6,600,000	220,700	-	6,820,700
Tan Lay Hiang	-	40,000	-	40,000
Tan Seng Hong	1,978,500	269,000	340,500	1,907,000

<u>Shareholdings in which the Director is deemed to have an interest</u>	<i>Number of ordinary shares of RM1.00 each in the Company</i>			
	<i>At 1.7.2002</i>	<i>Bought</i>	<i>Sold</i>	<i>At 30.6.2003</i>
Dato' Tan Seng Leong	-	123,000	-	123,000 ¹
Tan Seng Hong	1,402,000	664,000	95,000	1,971,000 ¹

	<i>Number of ordinary shares of RM1.00 each under ESOS option</i>			
	<i>At 1.7.2002</i>	<i>Granted</i>	<i>Exercised</i>	<i>At 30.6.2003</i>
Dato' Tan Seng Leong	500,000	-	-	500,000
Tan Lay Kim	500,000	-	-	500,000
Tan Seng Hong	500,000	-	-	500,000
Tan Lay Hiang	500,000	-	-	500,000

Dato' Tan Seng Leong, Tan Lay Kim, Tan Seng Hong and Tan Lay Hiang, by virtue of their interests in the shares of the Company, are deemed to have an interest in the shares of the wholly-owned subsidiaries of the Company.

Note:

1. By virtue of the shareholdings of their spouse.

None of the other Directors held any interest in shares in the Company and its related corporations during the financial year.

Statutory information on the financial statements

Before the income statements and balance sheets were made out, the Directors took reasonable steps:

- to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and Company had 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:

- which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and Company inadequate to any substantial extent; or

Statutory information on the financial statements (Cont'd)

- (b) which would render the values attributed to current assets in the financial statements of the Group and Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and Company misleading or inappropriate.

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

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

- (a) any charge on the assets of the Group or Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group or Company which has arisen since the end of the financial year.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt within this report or the financial statements which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

- (a) the results of the Group's and Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or Company for the financial year in which this report is made.

Auditors

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with their resolution dated 16 October 2003.

Dato' Tan Seng Leong
Group Managing Director

Tan Seng Hong
Executive Director

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

We, Dato' Tan Seng Leong and Tan Seng Hong, two of the Directors of BCB Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 28 to 64 are drawn up so as to give a true and fair view of the state of affairs of the Group and Company as at 30 June 2003 and of the results and cash flows of the Group and Company for the financial year ended on that date in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

Signed on behalf of the Board of Directors in accordance with their resolution dated 16 October 2003.

Dato' Tan Seng Leong
Group Managing Director

Tan Seng Hong
Executive Director

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

I, Dato' Tan Seng Leong, the Director primarily responsible for the financial management of BCB Berhad, do solemnly and sincerely declare that the financial statements set out on pages 28 to 64 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Dato' Tan Seng Leong

At : Kluang

On : 16 October 2003

Before me : SUCHA SINGH
NO: J023
COMMISSIONER FOR OATHS

Report of the Auditors to the members of BCB Berhad

We have audited the financial statements set out on pages 28 to 64. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with approved auditing standards in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
 - (ii) the state of affairs of the Group and Company as at 30 June 2003 and of the results and cash flows of the Group and Company for the financial year ended on that date; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiaries have been properly kept in accordance with the provisions of the Act.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under subsection 3 of section 174 of the Act.

PricewaterhouseCoopers
(No: AF:1146)
Chartered Accountants

Mohd Daruis bin Zainuddin
(No. 969/03/05 (J/PH))
Partner of the firm

Dated: 16 October 2003

Income Statements for the financial year ended 30 June 2003

	<i>Note</i>	<i>Group</i>		<i>Company</i>	
		<i>2003</i>	<i>2002</i>	<i>2003</i>	<i>2002</i>
		<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Revenue	4	118,292,287	174,698,630	69,526,689	107,445,561
Cost of sales	5	(83,606,508)	(137,405,522)	(50,076,262)	(82,953,724)
Gross profit		34,685,779	37,293,108	19,450,427	24,491,837
Non-operating income		555,817	722,160	2,642,870	1,321,696
Administrative expenses		(8,830,188)	(10,014,581)	(3,419,767)	(3,379,289)
Marketing expenses		(5,089,061)	(5,433,261)	(4,392,334)	(4,835,841)
Other operating expenses		(9,206,826)	(8,846,745)	(7,913,182)	(5,753,706)
Profit from operations	6	12,115,521	13,720,681	6,368,014	11,844,697
Finance cost	8	(6,749,712)	(6,137,355)	(5,780,081)	(5,775,681)
Profit from ordinary activities before tax		5,365,809	7,583,326	587,933	6,069,016
Tax	9	(2,984,195)	(4,046,635)	(1,494,712)	(2,310,000)
Net profit/(loss) for the financial year		2,381,614	3,536,691	(906,779)	3,759,016
Basic earnings per share (sen)	10	1.17	1.89		

The notes on pages 34 to 64 form an integral part of these financial statements.

Balance Sheets as at 30 June 2003

		<i>Group</i>		<i>Company</i>	
	<i>Note</i>	<i>2003</i> <i>RM</i>	<i>2002</i> <i>RM</i>	<i>2003</i> <i>RM</i>	<i>2002</i> <i>RM</i>
Non current assets					
Property, plant and equipment	11	59,877,435	62,596,407	48,331,386	49,176,145
Investment properties	12	19,482,436	19,482,436	18,762,436	18,762,436
Land held for development	13	64,593,967	18,956,949	1,440,631	8,225,081
Subsidiaries	14	-	-	10,300,010	12,000,010
		143,953,838	101,035,792	78,834,463	88,163,672
Current assets					
Land and development expenditure	15	202,262,962	170,734,657	138,344,404	134,980,920
Inventories	16	60,967,535	65,420,471	34,278,961	38,699,098
Tax recoverable		135,039	74,663	-	-
Receivables, deposits and prepayments	17	100,694,994	111,200,915	133,869,138	104,878,348
Deposits, bank and cash balances	18	4,843,805	5,027,208	2,669,274	3,574,079
		368,904,335	352,457,914	309,161,777	282,132,445
Less: Current liabilities					
Payables	19	45,534,286	45,946,355	5,514,347	8,643,286
Current tax liabilities		971,030	1,828,577	291,670	1,056,667
Borrowings (interest bearing)	20	88,912,513	72,874,450	64,227,118	61,669,089
Bank overdrafts	21	30,186,301	34,964,852	26,674,606	28,117,941
		165,604,130	155,614,234	96,707,741	99,486,983
Net current assets		203,300,205	196,843,680	212,454,036	182,645,462
Less: Non current liabilities					
Borrowings (interest bearing)	20	57,790,586	29,492,629	17,342,929	14,698,785
Deferred tax liabilities	22	4,248,378	4,303,378	4,036,830	4,044,830
		62,038,964	33,796,007	21,379,759	18,743,615
		285,215,079	264,083,465	269,908,740	252,065,519
Capital and reserves					
Share capital	23	206,250,000	187,500,000	206,250,000	187,500,000
Revaluation reserves	24	7,198,677	7,198,677	6,865,267	6,865,267
Retained earnings		71,766,402	69,384,788	56,793,473	57,700,252
Shareholders' equity		285,215,079	264,083,465	269,908,740	252,065,519

The notes on pages 34 to 64 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity for the financial year ended 30 June 2003

	<i>Note</i>	<i>Issued and fully paid ordinary shares of RM1.00 each Number of shares</i>	<i>Nominal value RM</i>	<i>Non- distributable Revaluation reserves RM</i>	<i>Distributable Retained earnings RM</i>	<i>Total RM</i>
At 1 July 2001						
- as previously reported		187,500,000	187,500,000	10,161,055	67,098,097	264,759,152
- prior year adjustments	34	-	-	(2,962,378)	(1,250,000)	(4,212,378)
- as restated		187,500,000	187,500,000	7,198,677	65,848,097	260,546,774
Net profit for the financial year		-	-	-	3,536,691	3,536,691
At 30 June 2002		187,500,000	187,500,000	7,198,677	69,384,788	264,083,465
At 1 July 2002						
- as previously reported		187,500,000	187,500,000	10,161,055	70,334,788	267,995,843
- prior year adjustments	34	-	-	(2,962,378)	(950,000)	(3,912,378)
- as restated		187,500,000	187,500,000	7,198,677	69,384,788	264,083,465
Net profit for the financial year		-	-	-	2,381,614	2,381,614
Issue of shares	23	18,750,000	18,750,000	-	-	18,750,000
At 30 June 2003		206,250,000	206,250,000	7,198,677	71,766,402	285,215,079

The notes on pages 34 to 64 form an integral part of these financial statements.

Company Statement of Changes in Equity for the financial year ended 30 June 2003

	<i>Note</i>	<i>Issued and fully paid ordinary shares of RM1.00 each Number of shares</i>	<i>Nominal value RM</i>	<i>Non- distributable Revaluation reserves RM</i>	<i>Distributable Retained earnings RM</i>	<i>Total RM</i>
At 1 July 2001						
- as previously reported		187,500,000	187,500,000	9,810,097	55,191,236	252,501,333
- prior year adjustments	34	-	-	(2,944,830)	(1,250,000)	(4,194,830)
- as restated		187,500,000	187,500,000	6,865,267	53,941,236	248,306,503
Net profit for the financial year		-	-	-	3,759,016	3,759,016
At 30 June 2002		187,500,000	187,500,000	6,865,267	57,700,252	252,065,519
At 1 July 2002						
- as previously reported		187,500,000	187,500,000	9,810,097	58,650,252	255,960,349
- prior year adjustments	34	-	-	(2,944,830)	(950,000)	(3,894,830)
- as restated		187,500,000	187,500,000	6,865,267	57,700,252	252,065,519
Net loss for the financial year		-	-	-	(906,779)	(906,779)
Issue of shares	23	18,750,000	18,750,000	-	-	18,750,000
At 30 June 2003		206,250,000	206,250,000	6,865,267	56,793,473	269,908,740

The notes on pages 34 to 64 form an integral part of these financial statements.

Cash Flow Statements for the financial year ended 30 June 2003

	Note	Group		Company	
		2003 RM	2002 RM	2003 RM	2002 RM
Operating activities					
Net profit/(loss) for the financial year		2,381,614	3,536,691	(906,779)	3,759,016
Adjustments to reconcile net profit for the financial year to cash from operations:					
Property, plant and equipment					
- depreciation		4,132,643	4,059,244	1,764,740	1,946,226
- written off		23,919	87,214	141	23,579
- gain on disposal		(203,475)	(337,987)	(54,286)	(274,211)
Interest income		(95,534)	(98,014)	(1,683,495)	(755,576)
Interest expenses		6,749,712	6,137,355	5,780,081	5,775,681
Allowance for diminution in value of a subsidiary		-	-	2,000,000	-
Provision for foreseeable losses		848,610	1,393,680	848,610	1,393,680
Goodwill written off		-	3,572	-	-
Tax		2,984,195	4,046,635	1,494,712	2,310,000
		16,821,684	18,828,390	9,243,724	14,178,395
Changes in working capital:					
- land and development expenditure		(21,172,857)	18,832,630	4,990,480	12,099,928
- inventories		4,452,936	9,320,317	4,420,137	8,723,022
- receivables, deposits and prepayments		10,505,921	(40,930,107)	9,664,372	(3,519,409)
- payables		(440,027)	14,728,337	(3,128,939)	(1,209,635)
- amounts with subsidiaries		-	-	(38,655,162)	(9,096,443)
Cash from operations		10,167,657	20,779,567	(13,465,388)	21,175,858
Interest received		95,534	81,060	1,683,495	755,576
Interest paid		(12,991,516)	(8,462,948)	(8,198,205)	(8,101,411)
Tax paid		(3,957,118)	(6,763,164)	(2,267,709)	(4,442,248)
Net cash flow from operating activities		(6,685,443)	5,634,515	(22,247,807)	9,387,775
Investing activities					
Acquisition of subsidiaries	26	-	-	-	(4)
Investment in a subsidiary		-	-	(300,000)	(6,999,998)
Property, plant and equipment*					
- additions	11	(838,289)	(3,394,382)	(368,332)	(762,468)
- proceeds from disposals		1,035,132	1,327,460	55,496	283,110
Land held for development		(50,599,272)	1,297,794	-	3,329,620
Net cash flow from investing activities		(50,402,429)	(769,128)	(612,836)	(4,149,740)

The notes on pages 34 to 64 form an integral part of these financial statements.

		<i>Group</i>		<i>Company</i>	
	<i>Note</i>	<i>2003</i>	<i>2002</i>	<i>2003</i>	<i>2002</i>
		<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Financing activities					
Proceeds from issue of share capital		18,750,000	-	18,750,000	-
Proceeds from fixed deposit previously pledged to a licensed bank		-	20,000	-	-
Fixed deposit pledged to a licensed bank		-	(15,288)	-	-
Proceeds from bank borrowings		71,153,973	56,689,289	24,095,985	51,128,367
Repayments of bank borrowings		(26,582,174)	(56,349,502)	(19,149,736)	(52,247,391)
Finance lease principal payments		(1,638,779)	(1,807,527)	(297,076)	(223,305)
Net cash flow from financing activities		61,683,020	(1,463,028)	23,399,173	(1,342,329)
Net increase in cash and cash equivalents					
Cash and cash equivalents		4,595,148	3,402,359	538,530	3,895,706
- at start of financial year		(29,952,932)	(33,355,291)	(24,543,862)	(28,439,568)
- at end of financial year	27	(25,357,784)	(29,952,932)	(24,005,332)	(24,543,862)

* The principal non-cash transactions are the acquisition of property, plant and equipment by means of finance leases (Note 11).

The notes on pages 34 to 64 form an integral part of these financial statements.

Notes to the Financial Statements

1 General information

The principal activities of the Company are those of investment holding, property development and hotel operations. The principal activities of the subsidiaries are set out in Note 14 to the financial statements.

The number of employees at the end of the year amounted to 427 (2002: 516) employees in the Group and 214 (2002: 246) employees in the Company respectively.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Board of the Kuala Lumpur Stock Exchange.

The address of the registered office of the Company is 7th Floor, Plaza BCB (Hotel Tower Block), 20 Jalan Bakawali, 86000 Kluang, Johor Darul Takzim.

2 Financial risk management objectives and policies

The Group's overall financial risk management objective is to optimise the value creation for its shareholders. In addition, the Group seeks to ensure that adequate financial resources are available for the Group's business operations whilst managing its risk.

(a) Interest rate risk

The Group's interest rate risk relates primarily to the Group's debt obligations.

The Group actively reviews its debt portfolio, taking into account the nature and requirements of its businesses as well as the current business and economic environment. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and to achieve an optimum cost of capital whilst also looking in long term funding rates for long term investments.

(b) Liquidity and cash flow risk

The Group actively manages its debts maturity profile, operating cash flow and the availability of funding so as to ensure that all operating, investing and financing needs are met. As part of its overall prudent liquidity management, the Group forecasts its cash commitments, monitors and maintains sufficient levels of cash and cash equivalents to meet its working capital requirements. The Group strives to maintain available banking facilities at a reasonable level against its overall debt position.

(c) Credit risk

The Group is exposed to credit risk mainly from trade receivables. The Group extends credit to its customers based upon careful evaluation of the customers' creditworthiness. Trade receivables are monitored on an ongoing basis via the Group's management reporting procedures. If necessary, the Group may obtain collaterals/assignments as a mean of mitigating the risk of default.

(d) Foreign currency exchange risk

The Group is exposed to foreign currency risk as a result of the foreign currency transactions entered into by subsidiaries. The currency giving rise to the risk is primarily US Dollar.

With the imposition of currency controls via pegging of RM to USD at the fixed exchange rate of USD1.00 to RM3.80 by Bank Negara Malaysia, the Group's exposure to foreign currency exchange risk is minimal.

3 Summary of significant accounting policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

3 Summary of significant accounting policies (Cont'd)

(a) Basis of preparation

The financial statements of the Group and Company have been prepared under historical cost convention (as modified for the revaluation of the hotel properties and investment properties as further explained in Note 11 and Note 12 to the financial statements).

The financial statements comply with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act 1965. The new applicable approved accounting standards adopted in these financial statements are as follows:

(i) Retrospective application

Comparative figures have been adjusted or extended to conform with changes in presentation due to the requirements of the following new MASB Standards that have been applied retrospectively:

- MASB Standard 25 "Income Taxes"
- MASB Standard 27 "Borrowing Costs"

With the exception of MASB Standard 25 (see Note 34), there are no changes in accounting policy that affect net profit/loss for the financial year as a result of the adoption of the above standards in these financial statements as the Group was already following the recognition and measurement principles in those standards.

(ii) Prospective application from 1 July 2002

MASB Standard 23 "Impairment of Assets"

This Standard does not allow retrospective application. Applying this standard in the current financial year has the effect of decreasing net profit for the financial year of the Company by RM2,000,000 (Note 6).

MASB Standard 24 "Financial Instruments: Disclosure and Presentation"

Comparatives are not disclosed upon first application of MASB Standard 24, as permitted by the Standard.

(b) Subsidiaries

Subsidiaries are those enterprises in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

Subsidiaries are consolidated using acquisition method of accounting.

Under the acquisition method of accounting, the results of the subsidiaries acquired or disposed of are included from the date of acquisition up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the consolidated financial statements. The excess of the cost of acquisition over the fair value of the Group's shares of the subsidiaries' identifiable net assets at the date of acquisition is reflected as goodwill on consolidation.

Goodwill on consolidation is written off to income statement. Intra group transactions, balances and unrealised gains on transactions are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

3 Summary of significant accounting policies (Cont'd)

(c) Investments

Investments in subsidiaries are shown at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged/credited to income statement.

(d) Property, plant and equipment

Property, plant and equipment (except for hotel property and other equipment which are further explained below) are stated at historical cost less accumulated depreciation.

Freehold land is not amortised as it has an infinite life. Other property, plant and equipment are depreciated on the straight line basis to write off the cost of the assets to their residual values over their estimated useful lives, summarised as follows:

Buildings	2%
Plant and machinery	20%
Motor vehicles	20%
Renovation	2% - 15%
Furniture, fittings, office and site equipment	10% - 20%
Electrical and kitchen equipment	10%

Crockeries, glassware, cutlery, linen, kitchen utensils and general supplies are included as other equipment and are capitalised at the minimum level required for normal hotel operations. These base stocks are not depreciated but subsequent additions are charged out to income statement on a replacement basis.

Hotel property is stated at Director's valuation based on independent valuers' reports. It is the Group's policy to appraise the hotel property once in every five years by independent professional valuers based on their open market values with additional valuations in the intervening years where market conditions indicate that the carrying values on the revalued assets are materially different from the market values. Any surplus or deficit arising there from will be dealt with in the revaluation reserve. A deficit is set off against the revaluation reserve only to the extent of a surplus credited from the previous revaluation of the hotel property and the excess of the deficit is charged to the income statement.

No depreciation is provided for the hotel property as it is the Group's practice to maintain this property in such condition that the residual value is so high that depreciation would be insignificant. The related maintenance expenditure is dealt with in the income statement.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit from operations. On disposal of revalued assets, amounts in revaluation reserve relating to those assets are transferred to retained earnings.

(e) Investment properties

Investment properties, principally comprising retail space in a shopping complex, are held for long term rental yields and are not occupied by the Group. These properties are treated as long term investments and carried at fair value determined by independent professional valuers once in every five years. Investment properties are not subject to depreciation. Increases in carrying amount are credited to revaluation reserve. Decreases that offset previous increases of the same assets are charged against revaluation reserve; all other decreases are charged to the income statement.

On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement; Any amount in revaluation reserve relating to that investment property is transferred to retained earnings.

3 Summary of significant accounting policies (Cont'd)

(f) Land held for development

Land held for development consists of land held for future development where no significant development has been undertaken and are stated at cost of acquisition including all related costs incurred subsequent to the acquisition on activities necessary to prepare the land for its intended use.

Such assets are transferred to development properties at carrying value when significant development work has been undertaken and are expected to be completed within the normal operating cycle.

The carrying amounts of land held for development are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amounts of the assets are estimated. An impairment loss is recognised whenever the carrying amount of land held for development exceeds its recoverable amount. The impairment loss is charged to the income statement.

(g) Land and development expenditure

Land and development expenditure whereby significant development work has been undertaken and is expected to be completed within the normal operating cycle are classified as land and development expenditure. Land and development expenditure are stated at cost plus profits less losses and applicable progress billings. Cost includes cost of land, all direct building cost and other related development expenditure, including interest expenses incurred during the period of development.

(h) Finance leases

Leases of property, plant and equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases.

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance charge is charged to the income statement over the lease period.

Property, plant and equipment acquired under finance leases is depreciated over the estimated useful life of the asset. Where there is no reasonable certainty that the ownership will be transferred to the Group, the asset is depreciated over the shorter of the lease term and its estimated useful life.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of completed development properties comprises proportionate land and development expenditure determined on the specific identification basis. Cost of food and beverages and general supplies comprises the purchase price and other directly attributable cost determined on a weighted average basis. The cost of work in progress comprises raw materials, direct labour, finished goods and other direct costs and an appropriate proportion of production overheads (based on normal operating capacity) but excludes borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

(j) Construction contracts

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised over the period of the contract as revenue and expenses respectively. The Group uses the percentage of completion method to determine the appropriate amount of revenue and costs to recognise in a given period; the stage of completion is measured by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total costs for the contract.

3 Summary of significant accounting policies (Cont'd)

(j) Construction contracts (Cont'd)

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable; contract costs are recognised when incurred.

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

The aggregate of the costs incurred and the profit/loss recognised on each contract is compared against the progress billings up to the financial year end. Where costs incurred and recognised profits (less recognised losses) exceeds the progress billings, the balance is shown as amounts due from customers on construction contracts under receivables, deposits and prepayments. Where progress billings exceed costs incurred plus recognised profit (less recognised losses), the balance is shown as amounts due to customers on construction contracts under payables.

(k) Trade receivables

Trade receivables are carried at invoiced amount less an estimate made for doubtful debts based on a review of outstanding amounts at the financial year end. Bad debts are written off when identified.

(l) Cash and cash equivalents

For the purpose of the cash flow statements, cash and cash equivalents comprise cash in hand, deposits held at call with banks, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(m) Deferred taxation

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The principal temporary differences arise from depreciation on property, plant and equipment and provisions.

Tax rates enacted or substantively enacted by the balance sheet date are used to determine deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(n) Revenue recognition

Sales of goods are recognised upon delivery of products and customers' acceptance, if any, or performance of services, net of sales taxes and discounts, and after eliminating sales within the Group.

Income from the sale of development properties and long term contracts are accounted for under the percentage of completion method where the outcome of the development projects/contracts can be estimated reliably. Anticipated losses are provided in full in the income statement. The stage of completion of development properties is measured by reference to the value of work certified to date as a percentage of total value of project. The stage of completion of long term contract is measured by reference to the the actual costs incurred to date to estimated total costs for each contracts.

Management fees, interest income and rental income are recognised on a receivable basis unless collectibility is in doubt.

Revenue from hotel operations are recognised when earned.

3 Summary of significant accounting policies (Cont'd)

(o) Foreign currencies

Foreign currency transactions in Group companies are accounted for at exchange rates prevailing at the transaction dates. Foreign currency monetary assets and liabilities are translated at exchange rates prevailing at the balance sheet date. Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in the income statement.

The principal closing rate used in translation of foreign currency amounts is as follows:

<i>Foreign currency</i>	<i>2003</i> <i>RM</i>	<i>2002</i> <i>RM</i>
1 US Dollar	3.800	3.800

(p) Financial instruments

(i) Financial instruments recognised on the balance sheet

The particular recognition method adopted for financial instruments recognised on the balance sheet is disclosed in the individual policy statements associated with each item.

(ii) Fair value estimation for disclosure purposes

The face values, less any estimated credit adjustments, for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values.

4 Revenue

	<i>Group</i>		<i>Company</i>	
	<i>2003</i> <i>RM</i>	<i>2002</i> <i>RM</i>	<i>2003</i> <i>RM</i>	<i>2002</i> <i>RM</i>
Progress billings from sale of development properties	89,397,287	121,526,350	59,094,716	97,735,806
Rental income	2,140,361	2,030,698	1,925,164	1,875,738
Hotel revenue	8,506,809	7,834,017	8,506,809	7,834,017
Construction contracts	12,892,756	35,025,796	-	-
Sales of goods	4,149,286	6,610,589	-	-
Project management services	1,205,788	1,671,180	-	-
	118,292,287	174,698,630	69,526,689	107,445,561

5 Cost of sales

	<i>Group</i>		<i>Company</i>	
	<i>2003</i> <i>RM</i>	<i>2002</i> <i>RM</i>	<i>2003</i> <i>RM</i>	<i>2002</i> <i>RM</i>
Cost of inventories sold	25,210,263	57,046,891	50,076,262	82,953,724
Contract costs	58,396,245	80,358,631	-	-
	83,606,508	137,405,522	50,076,262	82,953,724

6 Profit from operations

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

	<i>Group</i>		<i>Company</i>	
	<i>2003</i>	<i>2002</i>	<i>2003</i>	<i>2002</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Auditors' remuneration				
- current year	91,000	76,000	37,000	37,000
- under/(over) provision in respect of prior year	6,100	(4,000)	-	-
- non audit services	15,000	10,000	15,000	10,000
Intangible asset written off	-	3,572	-	-
Allowance for diminution in value of a subsidiary	-	-	2,000,000	-
Property, plant and equipment				
- depreciation	4,132,643	4,059,244	1,764,740	1,946,226
- written off	23,919	87,214	141	23,579
- gain on disposal (less real property gains tax of RM28,568 (2002: RM9,000) for the Group and RM Nil (2002: RM Nil) for the Company)	(203,475)	(337,987)	(54,286)	(274,211)
Bad debts written off	-	200,000	-	-
Subcontractors' wages	34,365,844	33,934,126	-	-
Rental of premises	209,972	83,160	133,200	20,200
Staff costs (including remuneration of executive directors)	8,610,399	7,669,869	3,934,342	3,880,074
Hire charges of machinery	581,385	925,310	-	-
Provision for foreseeable losses	848,610	1,393,680	848,610	1,393,680
Allowance for doubtful debts	79,157	-	-	-
Rental income	(560,894)	(181,571)	-	-
Realised foreign exchange loss/(gain)	12,165	7,544	(3,818)	(3,860)
Interest income				
- subsidiaries	-	-	(1,595,861)	(685,386)
- overdue interest	(64,005)	(79,860)	(64,005)	(52,036)
- others	(31,529)	(18,154)	(23,629)	(18,154)

7 Directors' remuneration

The aggregate amount of emoluments receivable by Directors of the Company during the financial year are as follows:

	<i>Group</i>		<i>Company</i>	
	<i>2003</i>	<i>2002</i>	<i>2003</i>	<i>2002</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Non-executive Directors:				
- fees	156,000	156,000	156,000	156,000
Executive Directors:				
- fees	-	400,000	-	80,000
- estimated money value of benefits in kind	80,950	47,525	78,300	42,225
- basic salaries and bonus	2,737,000	3,095,400	827,050	878,033
	2,973,950	3,698,925	1,061,350	1,156,258

8 Finance cost

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Interest expenses				
- term loans/bridging loans	1,675,632	1,142,960	1,154,075	939,876
- short term borrowings	4,675,928	4,708,547	4,454,328	4,806,798
- finance leases	266,891	283,514	44,310	29,007
- others	131,261	2,334	127,368	-
	6,749,712	6,137,355	5,780,081	5,775,681

9 Tax

(a) Tax charge for the financial year

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Income tax				
- current year	2,797,402	3,894,430	1,250,000	2,198,530
- under provision in prior years	241,793	425,605	252,712	411,470
Deferred taxation (Note 22)				
- current year	(8,000)	26,600	(8,000)	-
- overprovision in prior years	(47,000)	-	-	-
- tax expense arising from change in accounting policy (Note 34)	-	(300,000)	-	(300,000)
	(55,000)	(273,400)	(8,000)	(300,000)
	2,984,195	4,046,635	1,494,712	2,310,000

(b) Numerical reconciliation between the average effective tax rate and the applicable tax rate

The average effective tax rate of the Group and Company differs from the statutory income tax rate of Malaysia as follows:

	Group		Company	
	2003 %	2002 %	2003 %	2002 %
Statutory income tax rate of Malaysia	28.0	28.0	28.0	28.0
Effect of different tax rates apply to different levels of taxable income	(0.4)	-	-	-
Income not subject to tax	(0.8)	(1.1)	-	(1.2)
Deferred tax not recognised	11.1	12.5	0.1	-
Expenses not deductible for tax purposes	14.4	8.4	183.2	4.5
Utilisation of unabsorbed losses to reduce current income tax	(0.3)	-	-	-
Under/(over) provision in prior years				
- current tax liability	4.5	5.6	43.0	6.8
- deferred tax liability	(0.9)	-	-	-
Average effective tax rate	55.6	53.4	254.3	38.1

9 Tax (Cont'd)

Subject to the agreement by the Inland Revenue Board, the Company has unabsorbed capital allowances and Investment Tax Allowance amounting to approximately RM3,307,000 (2002: RM4,049,867) and RM18,000,000 (2002: RM18,000,000) respectively, available to be set off against the future taxable income of the hotel business.

The Group and Company has tax exempt income under Section 12 of the Income Tax (Amendment) Act 1999 amounting to approximately RM31,411,000 (2002: RM31,411,000) and RM25,390,000 (2002: RM25,390,000) respectively available for distribution as tax exempt dividends to shareholders.

The Group and Company has sufficient tax credit under Section 108 of the Income Tax Act 1967 to frank all the retained earnings as at 30 June 2003 if paid out as dividends.

The effective tax rate of the Company was higher than the statutory tax rate mainly due to certain expenses not deductible for taxation purpose.

The effective tax rate of the Group was higher than the statutory tax rate mainly due to certain expenses not deductible for taxation purposes and losses of subsidiaries that are not available for set off against taxable profits of other subsidiaries.

Amount of unutilised tax losses for which the related tax effects have not been accounted for amounted to RM3,973,000 (2002: RM2,811,000) for the Group and RM Nil (2002: RM Nil) for the Company respectively.

10 Basic earnings per share

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

	<i>Group</i>	
	<i>2003</i>	<i>2002</i>
	<i>RM</i>	<i>RM</i>
Net profit for the financial year (RM)	2,381,614	3,536,691
Weighted average number of ordinary shares in issue	204,246,576	187,500,000
Basic earnings per share (sen)	1.17	1.89

11 Property, plant and equipment

Group

	<i>Hotel property</i>	<i>Freehold land</i>	<i>Buildings</i>	<i>Plant and machinery</i>	<i>Motor vehicles</i>	<i>Renovation</i>	<i>Furniture fittings, office and site equipment</i>	<i>Electrical and kitchen equipment</i>	<i>Other equipment</i>	<i>Total</i>
2003	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
At 1 July 2002										
At cost	23,036,437	5,017,704	13,563,683	5,744,336	7,999,894	5,174,390	6,600,209	3,270,434	588,925	70,996,012
At valuation	8,760,127	-	-	-	-	-	-	-	-	8,760,127
Additions	-	337,021	246,400	349,473	694,064	130,496	432,043	51,792	-	2,241,289
Disposals	-	(333,000)	(369,600)	(149,360)	(196,900)	-	(38,534)	-	-	(1,087,394)
Write off	-	-	-	(224,700)	(1,000)	-	(460)	-	-	(226,160)
Discount	-	-	-	-	-	(610)	-	-	-	(610)
At 30 June 2003	31,796,564	5,021,725	13,440,483	5,719,749	8,496,058	5,304,276	6,993,258	3,322,226	588,925	80,683,264
Accumulated depreciation										
At 1 July 2002										
	-	-	715,271	2,492,620	4,809,171	3,507,831	3,801,286	1,833,553	-	17,159,732
Charge for the financial year	-	-	300,335	1,012,297	1,173,604	459,005	857,405	329,997	-	4,132,643
Disposals	-	-	(10,061)	(59,651)	(196,899)	-	(17,694)	-	-	(284,305)
Write off	-	-	-	(201,431)	(750)	-	(60)	-	-	(202,241)
At 30 June 2003	-	-	1,005,545	3,243,835	5,785,126	3,966,836	4,640,937	2,163,550	-	20,805,829
Net book value										
30 June 2003	31,796,564	5,021,725	12,434,938	2,475,914	2,710,932	1,337,440	2,352,321	1,158,676	588,925	59,877,435

11 Property, plant and equipment (Cont'd)

Group (Cont'd)

	<i>Hotel property</i>	<i>Freehold land</i>	<i>Buildings</i>	<i>Plant and machinery</i>	<i>Motor vehicles</i>	<i>Renovation</i>	<i>Furniture fittings, office and site equipment</i>	<i>Electrical and kitchen equipment</i>	<i>Other equipment</i>	<i>Total</i>
2002	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
At 1 July 2001										
At cost	23,036,437	2,364,542	10,539,283	5,215,612	7,638,535	4,908,728	6,026,347	3,164,553	588,925	63,482,962
At valuation	8,760,127	-	-	-	-	-	-	-	-	8,760,127
Additions	-	3,156,762	3,640,400	532,808	1,144,503	321,403	708,171	118,457	-	9,622,504
Disposals/write off	-	(503,600)	(616,000)	(4,084)	(783,144)	(55,741)	(134,309)	(12,576)	-	(2,109,454)
At 30 June 2002	31,796,564	5,017,704	13,563,683	5,744,336	7,999,894	5,174,390	6,600,209	3,270,434	588,925	79,756,139
Accumulated depreciation										
At 1 July 2001	-	-	508,629	1,578,694	4,442,627	2,875,424	3,063,641	1,528,162	-	13,997,177
Charge for the financial year	-	-	213,213	918,010	1,145,819	663,731	805,534	312,937	-	4,059,244
Disposals/write off	-	-	(6,571)	(4,084)	(779,275)	(26,814)	(72,399)	(7,546)	-	(896,689)
Reclassifications	-	-	-	-	-	(4,510)	4,510	-	-	-
At 30 June 2002	-	-	715,271	2,492,620	4,809,171	3,507,831	3,801,286	1,833,553	-	17,159,732
Net book value										
30 June 2002	31,796,564	5,017,704	12,848,412	3,251,716	3,190,723	1,666,559	2,798,923	1,436,881	588,925	62,596,407

11 Property, plant and equipment (Cont'd)

Company

	<i>Hotel property</i>	<i>Freehold land</i>	<i>Buildings</i>	<i>Plant and machinery</i>	<i>Motor vehicles</i>	<i>Renovation</i>	<i>Furniture fittings, office and site equipment</i>	<i>Electrical and kitchen equipment</i>	<i>Other equipment</i>	<i>Total</i>
2003	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
At 1 July 2002										
At cost	23,036,437	2,364,542	10,539,283	1,144,212	3,753,878	3,862,745	4,403,783	3,270,434	588,925	52,964,239
At valuation	8,760,127	-	-	-	-	-	-	-	-	8,760,127
Additions	-	-	-	9,800	640,340	54,506	164,894	51,792	-	921,332
Disposals	-	-	-	-	(93,226)	-	(6,600)	-	-	(99,826)
Write off	-	-	-	-	-	-	(180)	-	-	(180)
At 30 June 2003	31,796,564	2,364,542	10,539,283	1,154,012	4,300,992	3,917,251	4,561,897	3,322,226	588,925	62,545,692
Accumulated depreciation										
At 1 July 2002	-	-	707,757	1,141,626	2,408,798	3,300,096	3,156,391	1,833,553	-	12,548,221
Charge for the year	-	-	210,786	3,470	397,095	313,378	510,014	329,997	-	1,764,740
Disposals	-	-	-	-	(93,226)	-	(5,390)	-	-	(98,616)
Write off	-	-	-	-	-	-	(39)	-	-	(39)
At 30 June 2003	-	-	918,543	1,145,096	2,712,667	3,613,474	3,660,976	2,163,550	-	14,214,306
Net book value										
30 June 2003	31,796,564	2,364,542	9,620,740	8,916	1,588,325	303,777	900,921	1,158,676	588,925	48,331,386

11 Property, plant and equipment (Cont'd)

Company (Cont'd)

	<i>Hotel property</i>	<i>Freehold land</i>	<i>Buildings</i>	<i>Plant and machinery</i>	<i>Motor vehicles</i>	<i>Renovation</i>	<i>Furniture fittings, office and site equipment</i>	<i>Electrical and kitchen equipment</i>	<i>Other equipment</i>	<i>Total</i>
2002	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
At 1 July 2001										
At cost	23,036,437	2,364,542	10,539,283	1,148,296	3,546,022	3,727,545	4,194,182	3,164,553	588,925	52,309,785
At valuation	8,760,127	-	-	-	-	-	-	-	-	8,760,127
Additions	-	-	-	-	991,000	162,981	270,030	118,457	-	1,542,468
Disposals	-	-	-	-	(783,144)	-	(11,400)	(12,576)	-	(807,120)
Write off	-	-	-	(4,084)	-	(27,781)	(49,029)	-	-	(80,894)
At 30 June 2002	31,796,564	2,364,542	10,539,283	1,144,212	3,753,878	3,862,745	4,403,783	3,270,434	588,925	61,724,366
Accumulated depreciation										
At 1 July 2001	-	-	508,629	1,137,265	2,796,850	2,787,787	2,698,838	1,528,162	-	11,457,531
Charge for the year	-	-	199,128	8,445	391,223	533,461	501,032	312,937	-	1,946,226
Disposals	-	-	-	-	(779,275)	-	(11,400)	(7,546)	-	(798,221)
Write off	-	-	-	(4,084)	-	(16,642)	(36,589)	-	-	(57,315)
Reclassification	-	-	-	-	-	(4,510)	4,510	-	-	-
At 30 June 2002	-	-	707,757	1,141,626	2,408,798	3,300,096	3,156,391	1,833,553	-	12,548,221
Net book value										
30 June 2002	31,796,564	2,364,542	9,831,526	2,586	1,345,080	562,649	1,247,392	1,436,881	588,925	49,176,145

11 Property, plant and equipment (Cont'd)

	<i>Group</i>		<i>Company</i>	
	<i>2003</i>	<i>2002</i>	<i>2003</i>	<i>2002</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Net book value of assets under finance leases:				
- motor vehicles	1,484,566	1,844,071	1,341,123	1,153,775
- machinery	1,630,084	2,751,569	-	-
Net book value of assets pledged for bank borrowings:				
- freehold land	5,021,725	5,017,703	2,364,542	2,364,542
- buildings	12,434,938	12,848,412	9,620,740	9,831,526
	17,456,663	17,866,115	11,985,282	12,196,068

During the financial year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM2,241,289 (2002: RM9,622,504) and RM921,332 (2002: RM1,542,468) respectively, of which RM1,403,000 (2002: RM6,228,122) for the Group and RM553,000 (2002: RM780,000) for the Company were acquired by means of finance leases and term loan agreements. Cash payments of RM838,289 (2002: RM3,394,382) and RM368,332 (2002: RM762,468) were made to purchase the assets for the Group and Company respectively.

The Company's freehold land and buildings with a net book value of RM1,562,792 (2002: RM Nil) have been pledged to a bank as security for credit facilities granted to a subsidiary.

The hotel property of the Group stated at valuation was last revalued in January 2000 by the following independent qualified valuer, using a combination of the comparison, depreciated replacement cost and investment methods to reflect fair value:

- Hj Sukiman bin Kasmin, member of the Institution of Surveyors, Malaysia, a registered valuer with Henry Butcher, Lim & Long (Kluang) Sdn. Bhd.

12 Investment properties

	<i>Group</i>		<i>Company</i>	
	<i>2003</i>	<i>2002</i>	<i>2003</i>	<i>2002</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
At valuation:				
- long term leasehold land and buildings	18,762,436	18,762,436	18,762,436	18,762,436
- freehold land and buildings	720,000	720,000	-	-
	19,482,436	19,482,436	18,762,436	18,762,436
Investment properties pledged as security for borrowings:	18,762,436	18,762,436	18,762,436	18,762,436

Investment properties were revalued once in every five years and were last revalued in June 2001 by the Directors based on a comparative method basis by Hj Sukiman bin Kasmin, member of the Institution of Surveyors, Malaysia, a registered valuer with Henry Butcher, Lim & Long (Kluang) Sdn. Bhd.

13 Land held for development

	<i>Group</i>		<i>Company</i>	
	<i>2003</i>	<i>2002</i>	<i>2003</i>	<i>2002</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Freehold land, at cost	56,912,677	12,599,576	1,304,569	3,662,397
Development expenditure	4,992,378	3,284,105	89,122	2,309,192
Capitalised interest	2,688,912	3,073,268	46,940	2,253,492
	64,593,967	18,956,949	1,440,631	8,225,081
Land held for development pledged as security for borrowings:	63,716,576	10,853,650	563,240	613,022

Interest capitalised during the financial year amounting to RM1,822,196 (2002: RM492,134) and RM Nil (2002: RM76,508) for the Group and Company respectively.

14 Subsidiaries

	<i>Company</i>	
	<i>2003</i>	<i>2002</i>
	<i>RM</i>	<i>RM</i>
Unquoted shares, at cost	12,300,010	12,000,010
Allowance for diminution in value	(2,000,000)	-
	10,300,010	12,000,010

The shares of all subsidiaries are held directly by the Company. Details of subsidiaries, are as follows:

<i>Name of Company</i>	<i>Group's effective interest</i>		<i>Principal activities</i>
	<i>2003</i>	<i>2002</i>	
	<i>%</i>	<i>%</i>	
Johbase Development Sdn. Bhd.	100	100	Property development and letting of properties
BCB Management Sdn. Bhd.	100	100	Provision of project management services
BCB Construction Sdn. Bhd.	100	100	Provision of project construction services
BCB Concrete Sdn. Bhd.	100	100	Manufacturing of concrete products
BCB Road Builder Sdn. Bhd.	100	100	Provision of road construction services
BCB Furniture Sdn. Bhd.	100	100	Manufacturing of furniture
BCB Development Sdn. Bhd.*	100	100	Property development
BCB Resources Sdn. Bhd.	100	100	Property development
BCB Land Sdn. Bhd.*	100	100	Property development
BCB Trading Sdn. Bhd.	100	100	Trading of building materials
BCB Greens Sdn. Bhd.	100	100	Provision of landscaping services
BCB Technologies Sdn. Bhd.*	100	100	Dormant

* These subsidiaries have not commenced operations.

14 Subsidiaries (Cont'd)

The subsidiaries are incorporated in Malaysia and audited by PricewaterhouseCoopers, Malaysia.

The auditors' report on the financial statements of a subsidiary, BCB Furniture Sdn. Bhd., draw attention to the following:

"Without qualifying our opinion, we draw attention to a note of the financial statements which states that continuation of a subsidiary as a going concern is dependent on financial support from its shareholders and creditors and/or on it attaining sufficient cash inflows to sustain its operations."

15 Land and development expenditure

	<i>Group</i>		<i>Company</i>	
	<i>2003</i> <i>RM</i>	<i>2002</i> <i>RM</i>	<i>2003</i> <i>RM</i>	<i>2002</i> <i>RM</i>
Freehold land, at cost	81,033,978	73,268,417	55,326,934	56,146,629
Development expenditure	261,535,566	215,549,317	191,031,118	169,969,972
Estimated attributable profit	36,479,074	26,197,198	30,159,025	21,931,801
	379,048,618	315,014,932	276,517,077	248,048,402
Progress billings received and receivable	(174,583,101)	(142,926,330)	(135,970,118)	(111,713,537)
Provision for foreseeable losses	(2,202,555)	(1,353,945)	(2,202,555)	(1,353,945)
	202,262,962	170,734,657	138,344,404	134,980,920
Land and development expenditure pledged as security for borrowings	191,805,796	168,204,511	127,887,238	132,450,773

Included in the development expenditure is interest capitalised during the financial year amounting to RM4,419,608 (2002: RM3,810,435) and RM2,418,124 (2002: RM2,249,223) for the Group and Company respectively.

16 Inventories

	<i>Group</i>		<i>Company</i>	
	<i>2003</i> <i>RM</i>	<i>2002</i> <i>RM</i>	<i>2003</i> <i>RM</i>	<i>2002</i> <i>RM</i>
At cost				
Completed development properties	58,847,019	63,580,199	34,048,080	38,373,259
Raw materials	891,638	756,939	-	-
Work in progress	272,418	403,349	-	-
Finished goods	537,030	287,816	-	-
Food and beverages	172,315	294,389	172,315	294,389
General supplies	58,566	97,779	58,566	31,450
Consumable stocks	188,549	-	-	-
	60,967,535	65,420,471	34,278,961	38,699,098
Inventories pledged as security for borrowings	23,202,668	22,909,504	19,160,542	18,867,378

The Company's inventory of completed development properties with book value of RM1,026,076 (2002: RM439,747) have been pledged to banks as securities for credit facilities granted to subsidiaries.

17 Receivables, deposits and prepayments

	<i>Group</i>		<i>Company</i>	
	<i>2003</i>	<i>2002</i>	<i>2003</i>	<i>2002</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Trade receivables	79,202,566	79,370,406	14,963,035	17,874,360
Allowance for doubtful debts	(197,124)	(140,753)	-	-
	79,005,442	79,229,653	14,963,035	17,874,360
Amounts due from customers on contracts (Note 29)	6,925,932	4,849,577	-	-
Amount due from subsidiaries	-	-	106,244,412	67,589,250
Other receivables	12,440,118	19,179,448	11,286,536	17,951,286
Deposits	2,003,536	7,388,834	1,195,545	1,200,665
Prepayments	319,966	553,403	179,610	262,787
	100,694,994	111,200,915	133,869,138	104,878,348

The currency exposure profile of trade receivable is as follows:

	<i>2003</i>	<i>2003</i>
	<i>RM</i>	<i>RM</i>
- Ringgit Malaysia	78,838,592	14,963,035
- US Dollar	166,850	-
	79,005,442	14,963,035

Credit terms of trade receivables range from payment in advance to 90 days.

Concentrations of credit risk with respect to trade receivables are limited due to the Group's large number of customers. The Group's historical experience in collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade receivables.

Included in other receivables of the Group and Company are advance payments made to a contractor amounting to RM11,070,741 (2002: RM17,398,283) and RM10,340,110 (2002: RM16,478,846) respectively.

Included in deposits in 2002 is an amount paid as deposit of RM6,000,000 on the acquisition of land made by a subsidiary, BCB Resources Sdn. Bhd.

The amounts due from subsidiaries comprise the following:

	<i>Company</i>	
	<i>2003</i>	<i>2002</i>
	<i>RM</i>	<i>RM</i>
Advances	5,684,779	10,465,416
Current account	100,435,519	57,123,834
	106,244,412	67,589,250

The weighted average effective interest rate of advances at balance sheet date is 7.03% (2002: 7.64%). The current account is interest free. Both accounts are unsecured and have no fixed terms of repayment.

18 Deposits, bank and cash balances

	<i>Group</i>		<i>Company</i>	
	<i>2003</i>	<i>2002</i>	<i>2003</i>	<i>2002</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Deposits with a licensed bank	15,288	15,288	-	-
Bank and cash balances	4,828,517	5,011,920	2,669,274	3,574,079
	4,843,805	5,027,208	2,669,274	3,574,079

Included in bank and cash balances of the Group and Company is an amount of RM1,730,176 (2002: RM1,046,401) and RM1,426,162 (2002: RM926,755) respectively held under Housing Development Accounts (maintained under Section 7A of the Housing Developers (Control and Licensing) Act 1966).

Bank balance are deposits held at call with banks and bear no interest.

The fixed deposits with licensed banks are pledged to a bank as security to obtain bank guarantee facility.

	<i>Group</i>
	<i>2003</i>
Weighted average effective interest rate at balance sheet date (%):	
- fixed deposits with licensed banks	3.5
- Housing Development Accounts	2.1
Average maturity (days)	
- fixed deposits with licensed banks	365

The deposits with licensed banks are denominated in Ringgit Malaysia.

19 Payables

	<i>Group</i>		<i>Company</i>	
	<i>2003</i>	<i>2002</i>	<i>2003</i>	<i>2002</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Trade payables	23,279,414	24,960,816	2,768,501	5,234,024
Amounts due to customers on contracts (Note 29)	16,780,204	15,308,087	-	-
Other payables	1,889,868	3,014,994	804,771	1,629,585
Trade accruals	1,852,008	1,677,901	801,404	796,420
Deposits received	1,732,792	984,557	1,139,671	983,257
	45,534,286	45,946,355	5,514,347	8,643,286

The currency exposure profile of trade payables is as follows:

	<i>2003</i>	<i>2003</i>
	<i>RM</i>	<i>RM</i>
- Ringgit Malaysia	23,167,395	2,768,501
- US Dollar	112,019	-
	23,279,414	2,768,501

The trade payables are denominated in Ringgit Malaysia.

Credit terms of trade payables and suppliers of property, plant and equipment granted to the Group and Company vary from no credit to 150 days.

20 Borrowings (interest bearing)

	<i>Group</i>		<i>Company</i>	
	<i>2003</i>	<i>2002</i>	<i>2003</i>	<i>2002</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Current				
Bridging loans	24,050,765	13,544,385	15,692,294	13,544,385
Terms loan - repayable within 12 months	24,272,015	17,481,276	10,552,706	9,248,000
Finance lease liabilities (Note 25)	1,141,044	1,556,225	348,800	238,527
Revolving credits	18,724,308	23,360,734	18,724,308	23,360,734
Bankers' acceptance	20,724,381	16,931,830	18,909,010	15,277,443
	88,912,513	72,874,450	64,227,118	61,669,089
Non current				
Term loan	57,030,478	28,061,923	16,638,944	14,140,451
Finance lease liabilities (Note 25)	760,108	1,430,706	703,985	558,334
	57,790,586	29,492,629	17,342,929	14,698,785
Term loans				
- not later than 1 year	24,272,015	17,627,991	10,552,706	9,248,000
- later than 1 year and not later than 2 years	21,407,287	16,112,873	8,891,252	9,096,000
- later than 2 years and not later than 5 years	23,473,615	7,089,854	5,195,090	4,112,000
- later than 5 years	12,149,576	4,712,481	2,552,602	932,451
	81,302,493	45,543,199	27,191,650	23,388,451

The short term borrowings are secured by way of legal charges over the investment properties, hotel properties and certain freehold land and buildings of the Company as well as certain development properties of the Group.

The bridging loans of the Group and the Company are secured by way of legal charges over certain development properties and inventories of the Group and the Company. The bridging loans are repayable by way of fixed monthly instalments or on redemption of titles of properties sold, whichever is earlier.

The term loans of the Company are secured by way of legal charges over certain investment property, inventories, development properties, and land and buildings of the Company and are repayable by way of fixed monthly instalments or on redemption of titles of properties sold, whichever is earlier.

The term loans of the Group are secured by way of legal charges over certain investment property, inventories, development properties, and land and buildings, as well as joint and several guarantees by the Directors. The term loans of the Group are repayable by way of fixed monthly instalments or on redemption of titles of properties sold, whichever is earlier.

	<i>Group</i>		<i>Company</i>	
	<i>2003</i>	<i>2002</i>	<i>2003</i>	<i>2002</i>
	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>
Weighted average effective interest rates at balance sheet date:				
- bridging loans	7.9	8.4	8.0	8.4
- term loans	7.4	8.3	7.6	8.1
- revolving credits	7.1	7.4	7.1	7.4
- bankers' acceptance	4.8	4.9	5.0	5.0

The borrowings are denominated in Ringgit Malaysia.

20 Borrowings (interest bearing) (Cont'd)

The carrying amount and fair value of fixed rate term loans are as follows:

	<i>Group 2003 RM</i>	<i>Company 2003 RM</i>
Carrying amount	38,941,917	6,032,000
Fair value	39,321,212	6,032,000

21 Bank overdrafts

The bank overdrafts are secured by way of legal charges over certain investment and development properties of the Group and Company.

	<i>Group</i>		<i>Company</i>	
	<i>2003</i>	<i>2002</i>	<i>2003</i>	<i>2002</i>
	%	%	%	%
Weighted average effective interest rate at balance sheet date	7.6	8.0	7.7	8.1

The bank overdrafts are denominated in Ringgit Malaysia.

22 Deferred tax liabilities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheet:

	<i>Group</i>		<i>Company</i>	
	<i>2003</i>	<i>2002</i>	<i>2003</i>	<i>2002</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Deferred tax liabilities	4,258,378	4,322,378	4,036,830	4,044,830
Deferred tax assets	(10,000)	(19,000)	-	-
	4,248,378	4,303,378	4,036,830	4,044,830

The movements during the financial year relating to deferred tax are as follows:

	<i>Group</i>		<i>Company</i>	
	<i>2003</i>	<i>2002</i>	<i>2003</i>	<i>2002</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
At start of financial year	4,303,378	4,576,778	4,044,830	4,344,830
Charged/(credited to) income statement (Note 9)	(55,000)	(273,400)	(8,000)	(300,000)
At end of financial year	4,248,378	4,303,378	4,036,830	4,044,830

22 Deferred tax liabilities (Cont'd)

The movement in deferred tax assets and liabilities during the financial year (prior to offsetting of balances) comprise the following:

Group

Deferred tax assets

	<i>Accelerated tax depreciation</i>	<i>Revaluation reserve</i>	<i>Total</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>
At 1 July 2001	1,187,703	38,939	1,226,642
Credited/(charged) to income statement	(54,670)	359,166	304,496
At 30 June 2002	1,133,033	398,105	1,531,138
Credited/(charged) to income statement	(168,421)	228,610	60,189
At 30 June 2003	964,612	626,715	1,591,327

Deferred tax liabilities

	<i>Accelerated tax depreciation</i>	<i>Revaluation reserve</i>	<i>Total</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>
At 1 July 2001	2,841,042	2,962,378	5,803,420
Credited/(charged) to income statement	31,096	-	31,096
At 30 June 2002	2,872,138	2,962,378	5,834,516
Credited/(charged) to income statement	5,189	-	5,189
At 30 June 2003	2,877,327	2,962,378	5,839,705

Company

Deferred tax assets

	<i>Accelerated tax depreciation</i>	<i>Others</i>	<i>Total</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>
At 1 July 2001	1,187,703	21,939	1,209,642
Credited/(charged) to income statement	(54,670)	357,166	302,496
At 30 June 2002	1,133,033	379,105	1,512,138
Credited/(charged) to income statement	(168,421)	237,610	69,189
At 30 June 2003	964,612	616,715	1,581,327

Deferred tax liabilities

	<i>Accelerated tax depreciation</i>	<i>Revaluation reserve</i>	<i>Total</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>
At 1 July 2001	2,609,642	2,944,830	5,554,472
(Credited)/charged to income statement	2,496	-	2,496
At 30 June 2002	2,612,138	2,944,830	5,556,968
(Credited)/charged to income statement	61,189	-	61,189
At 30 June 2003	2,673,327	2,944,830	5,618,157

23 Share capital

	<i>Group and Company</i>	
	<i>2003</i>	<i>2002</i>
	<i>RM</i>	<i>RM</i>
Authorised:		
Ordinary shares of RM1.00 each		
At start of financial year	500,000,000	500,000,000
At end of financial year	500,000,000	500,000,000
Issued and fully paid:		
Ordinary shares of RM1.00 each		
At start of financial year	187,500,000	187,500,000
Issued during the financial year	18,750,000	-
At end of financial year	206,250,000	187,500,000

On 9 August 2002, the Company allotted and issued 18,750,000 new ordinary shares of RM1.00 each at an issued price of RM1.00 each through a private placement exercise. The entire proceeds were utilised to part finance the acquisition of freehold land in Batu Pahat, Johor.

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

During and at the end of the financial year, there were no options exercised and no shares issued pursuant to the ESOS.

At the end of the financial year, options granted to subscribe for ordinary shares of RM1 each, which have yet to be exercised are as follows:

<i>Exercise price</i>	<i>Number of options granted and unexercised</i>
RM1.44	800,000
RM1.00	4,821,000
	5,621,000

24 Revaluation reserves

	<i>Group</i>		<i>Company</i>	
	<i>2003</i>	<i>2002</i>	<i>2003</i>	<i>2002</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Revaluation reserve				
– hotel property				
At start of financial year	6,307,291	6,307,291	6,307,291	6,307,291
At end of financial year	6,307,291	6,307,291	6,307,291	6,307,291
Revaluation reserve				
– investment properties				
At start of financial year	891,386	891,386	557,976	557,976
At end of financial year	891,386	891,386	557,976	557,976
Revaluation reserves	7,198,677	7,198,677	6,865,267	6,865,267

25 Finance lease liabilities

	<i>Group</i>		<i>Company</i>	
	<i>2003</i>	<i>2002</i>	<i>2003</i>	<i>2002</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Minimum lease payments:				
- not later than 1 year	1,310,170	1,808,640	400,728	274,509
- later than 1 year and not later than 2 years	459,928	1,163,526	397,398	226,212
- later than 2 years and not later than 5 years	413,022	485,799	413,022	421,443
Future finance charges	2,183,120 (281,968)	3,457,965 (471,034)	1,211,148 (158,363)	922,164 (125,303)
Present value of finance lease liabilities	1,901,152	2,986,931	1,052,785	796,861
Current (Note 20)	1,141,044	1,556,225	348,800	238,527
Non current (Note 20)	760,108	1,430,706	703,985	558,334
	1,901,152	2,986,931	1,052,785	796,861
Present value of finance lease liabilities				
- not later than 1 year	1,141,044	1,556,225	348,800	238,527
- later than 1 year and not later than 2 years	401,840	1,011,546	345,717	195,000
- later than 2 years and not later than 5 years	358,268	419,160	358,268	363,334
	1,901,152	2,986,931	1,052,785	796,861

	<i>Group</i>		<i>Company</i>	
	<i>2003</i>	<i>2002</i>	<i>2003</i>	<i>2002</i>
	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>
Weighted average effective interest rate of finance lease liabilities at the balance sheet date	8.6	9.5	7.6	8.0

	<i>Group</i>	<i>Company</i>
	<i>2003</i>	<i>2003</i>
	<i>RM</i>	<i>RM</i>
Fair value of finance lease liabilities at the balance sheet date	1,673,774	915,080

Finance lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

26 Acquisition of subsidiaries

(a) BCB Greens Sdn. Bhd.

During the financial year ended 30 June 2002, the Company paid RM2.00 in cash to subscribe for 100% equity interest in BCB Greens Sdn. Bhd., a newly incorporated company.

(b) BCB Technologies Sdn. Bhd.

During the financial year ended 30 June 2002, the Company paid RM2.00 in cash to subscribe for 100% equity interest in BCB Technologies Sdn. Bhd., a newly incorporated company.

26 Acquisition of subsidiaries (Cont'd)

The effect of these acquisitions on the financial results of the Group during the financial year ended 30 June 2002 is shown below:

	2002
	RM
Revenue	293,473
Operating costs	(349,606)
Loss from ordinary activities before and after tax	(56,133)
Less: Goodwill written off	(3,572)
Decrease in Group's net profit	(59,705)

The effect of these acquisitions on the financial position of the Group during the financial year ended 30 June 2002 is shown below:

	2002
	RM
Property, plant and equipment	6,141
Inventories	26,509
Trade and other receivables	74,704
Deposits, bank cash balances	10,175
Payables	(177,230)
	(59,701)

Details of net assets acquired, goodwill and cash flow arising from the acquisition are as follows:

	At date of acquisition
	RM
Deposits, bank and cash balances	4
Payables	(3,572)
Fair value of net assets acquired	(3,568)
Goodwill (Note 28)	3,572
Total purchase consideration	4
Less: Cash and cash equivalent in subsidiary acquired	(4)
Cash outflow on acquisition	-

27 Cash and cash equivalents

	Group		Company	
	2003	2002	2003	2002
	RM	RM	RM	RM
Bank and cash balances	4,828,517	5,011,920	2,669,274	3,574,079
Bank overdrafts	(30,186,301)	(34,964,852)	(26,674,606)	(28,117,941)
	(25,357,784)	(29,952,932)	(24,005,332)	(24,543,862)

28 Intangible assets

	<i>Group</i>	
	<i>2003</i>	<i>2002</i>
	<i>RM</i>	<i>RM</i>
Net book value at start of financial year	-	-
Acquisition of subsidiary (Note 26)	-	3,572
Written off	-	(3,572)
Net book value at end of financial year	-	-

29 Construction contracts

	<i>Group</i>	
	<i>2003</i>	<i>2002</i>
	<i>RM</i>	<i>RM</i>
Aggregate costs incurred to date	217,000,495	150,944,590
Add: Estimated attributable profits	20,199,498	12,922,873
Less: Recognised losses	(1,402,571)	(824,887)
	235,797,422	163,042,576
Less: Progress billings	(245,651,694)	(173,501,086)
	(9,854,272)	(10,458,510)
Represented by:		
Amounts due from customers on contracts (Note 17)	6,925,932	4,849,577
Amounts due to customers on contracts (Note 19)	(16,780,204)	(15,308,087)
	(9,854,272)	(10,458,510)
Retention sum on contracts	13,503,083	10,176,185

30 Contingent liabilities

	<i>Group</i>		<i>Company</i>	
	<i>2003</i>	<i>2002</i>	<i>2003</i>	<i>2002</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Unsecured				
Corporate guarantees for borrowings granted to third party	38,735,545	45,620,061	38,735,545	45,620,061
Corporate guarantees for borrowings/trade credits granted to subsidiaries	-	-	62,741,319	25,836,542
	38,735,545	45,620,061	101,476,864	71,456,603
Secured				
Corporate guarantees for borrowing facilities granted by financial institutions to subsidiaries	-	-	2,118,088	2,013,700
	38,735,545	45,620,061	103,594,952	73,470,303

Guarantees for borrowings granted to third parties are in respect of the corporate guarantee on credit facilities granted to a land owner/developer for the development of a project undertaken by the subsidiaries. In the opinion of the Directors, these corporate guarantees have not become enforceable.

31 Significant related party disclosures

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. The related party transactions described below were carried out on terms and conditions obtainable in transactions with unrelated parties unless otherwise stated.

(a) Intercompany transactions

	<i>Company</i>	
	<i>2003</i>	<i>2002</i>
	<i>RM</i>	<i>RM</i>
Interest income receivable from subsidiaries		
- BCB Construction Sdn. Bhd.	1,322,805	372,645
- BCB Management Sdn. Bhd.	-	137
- Johbase Development Sdn. Bhd.	273,055	312,604
Progress billings from subsidiaries		
- BCB Concrete Sdn. Bhd.	5,207	8,198
- BCB Construction Sdn. Bhd.	29,598,303	42,277,305
- BCB Road Builder Sdn. Bhd.	1,596,022	2,428,081
Purchase of goods from subsidiaries:		
- BCB Trading Sdn. Bhd.	884,032	1,463,721
- BCB Furniture Sdn. Bhd.	31,972	-
- BCB Greens Sdn. Bhd.	201,472	220,295
Sales of development properties to subsidiaries:		
- BCB Concrete Sdn. Bhd.	-	1,788,120
- BCB Construction Sdn. Bhd.	-	1,425,080
- BCB Road Builder Sdn. Bhd.	-	1,772,422
Management fee receivable from subsidiaries:		
- BCB Concrete Sdn. Bhd.	4,200	6,000
- BCB Construction Sdn. Bhd.	456,000	72,000
- BCB Greens Sdn. Bhd.	28,800	-
- BCB Resources Sdn. Bhd.	18,000	-
- BCB Trading Sdn. Bhd.	45,000	-
- BCB Road Builder Sdn. Bhd.	21,000	6,000
- Johbase Development Sdn. Bhd.	174,000	66,000
Hiring charges payable to subsidiaries:		
- BCB Concrete Sdn. Bhd.	30	-
- BCB Road Builder Sdn. Bhd.	-	20,746
Payment on behalf by:		
- Johbase Development Sdn. Bhd.	576,294	700,175
- BCB Management Sdn. Bhd.	1,560	10
- BCB Construction Sdn. Bhd.	466,237	734,449
- BCB Road Builder Sdn. Bhd.	27,776	-
- BCB Furniture Sdn. Bhd.	247,000	-
- BCB Resources Sdn. Bhd.	188,449	-
	1,507,316	1,434,634

31 Significant related party disclosures (Cont'd)

(a) Intercompany transactions (Cont'd)

	<i>Company</i>	
	<i>2003</i>	<i>2002</i>
	<i>RM</i>	<i>RM</i>
Payment on behalf of:		
- Johbase Development Sdn. Bhd.	8,310,143	16,798,640
- BCB Management Sdn. Bhd.	603,414	540,495
- BCB Construction Sdn. Bhd.	23,007,676	30,647,419
- BCB Concrete Sdn. Bhd.	4,485,803	4,338,011
- BCB Road Builder Sdn. Bhd.	1,176,787	1,979,531
- BCB Furniture Sdn. Bhd.	13,658	838,610
- BCB Development Sdn. Bhd.	2,695	19,198
- BCB Resources Sdn. Bhd.	26,823,789	4,193,191
- BCB Land Sdn. Bhd.	1,820,889	1,074,576
- BCB Trading Sdn. Bhd.	4,719,976	2,211,784
- BCB Greens Sdn. Bhd.	286,199	64,964
- BCB Technologies Sdn. Bhd.	1,798	1,786
	71,252,827	62,708,205

(b) Share options granted to Directors

The options over ordinary shares of the Company granted pursuant to the Company's ESOS to certain Directors of the Company which remained unexercised were as follows:

	<i>Number of unexercised options as at 30.06.2003</i>
Dato' Tan Seng Leong	500,000
Tan Seng Hong	500,000
Tan Lay Hiang	500,000
Tan Lay Kim	500,000

32 Capital commitments

Capital expenditure not provided for in the financial statements are as follows:

	<i>Group</i>	
	<i>2003</i>	<i>2002</i>
	<i>RM</i>	<i>RM</i>
Authorised and contracted for	-	54,353,000
Analysed as follows:		
Land and development properties	-	54,000,000
Property, plant and equipment	-	353,000
	-	54,353,000

33 Segmental reporting

The Group is organised into the following six main business segments:

- Project investments and development
- Construction and related activities

Others comprise project management services, hotel operations, manufacturing of furniture and trading of building material.

Intersegment sales comprise mainly:

- provision of project construction and road services to project investment and development segment.
- sales of building materials and furniture to project investment and development, and construction segments.

(a) Primary reporting format – business segments

	<i>Project investment and development</i>	<i>Construction and related activities</i>	<i>Others</i>	<i>Elimination</i>	<i>Total</i>
Group 2003					
Revenue					
External sales	91,537,648	12,892,756	13,861,883	-	118,292,287
Inter-segment sales	896,408	69,021,154	9,912,314	(79,829,876)	-
Total revenue	92,434,056	81,913,910	23,774,197	(79,829,876)	118,292,287
Results					
Segment results (external)					14,157,324
Unallocated expenses					(2,041,803)
Profit from operations					12,115,521
Finance cost					(6,749,712)
Profit from ordinary activities before tax					5,365,809
Tax					(2,984,195)
Net profit for the financial year					2,381,614
Other information					
Segment assets					512,707,846
Unallocated corporate assets					150,327
Consolidated total assets					512,858,173
Segment liabilities					75,165,672
Unallocated corporate liabilities					152,477,422
Consolidated total liabilities					227,643,094
Capital expenditure					2,241,289
Depreciation					4,132,643
Amortisation					-
Non cash items other than depreciation and amortisation					2,072,054

33 Segmental reporting (Cont'd)

(a) Primary reporting format – business segments (Cont'd)

	<i>Project investment and development</i>	<i>Construction and related activities</i>	<i>Others</i>	<i>Elimination</i>	<i>Total</i>
Group 2002					
Revenue					
External sales	123,557,048	35,025,796	16,115,786	-	174,698,630
Inter-segment sales	3,810,023	55,355,116	11,162,177	(70,327,316)	-
Total revenue	127,367,071	90,380,912	27,277,963	(70,327,316)	174,698,630
Results					
Segment results (external)					17,317,743
Unallocated expenses					(3,597,062)
Profit from operations					13,720,681
Finance cost					(6,137,355)
Profit from ordinary activities before tax					7,583,326
Tax					(4,046,635)
Net profit for the financial year					3,536,691
Other information					
Segment assets					453,403,755
Unallocated corporate assets					89,951
Consolidated total assets					453,493,706
Segment liabilities					80,629,157
Unallocated corporate liabilities					108,781,084
Consolidated total liabilities					189,410,241
Capital expenditure					9,622,504
Depreciation					4,059,244
Amortisation					-
Non cash items other than depreciation and amortisation					7,574,655

(b) An analysis by geographical segments has not been presented as the Group operates only in Malaysia.

34 Prior year adjustments

During the financial year, the Group changed its accounting policy with respect to recognition of deferred tax liabilities in compliance with the new MASB Standard 25 "Income Taxes". The new accounting policy has the effect of decreasing retained earnings of the Group and Company for the financial year ended 30 June 2002 by RM950,000.

34 Prior year adjustments (Cont'd)

The other effects of the change on the Group's and Company's financial statements are as follows:

	<i>As previously reported</i>	<i>Effect of change in policy</i>	<i>As restated</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>
Group			
At 1 July 2001			
- retained earnings	67,098,097	(1,250,000)	65,848,097
- revaluation reserve	10,161,055	(2,962,378)	7,198,677
- deferred tax liabilities	364,400	4,212,378	4,576,778
Financial year ended 30 June 2002:			
- net profit for the financial year	3,236,691	300,000	3,536,691
At 30 June 2002:			
- retained earnings	70,334,788	(950,000)	69,384,788
- revaluation reserve	10,161,055	(2,962,378)	7,198,677
- deferred tax liabilities	391,000	3,912,378	4,303,378
Company			
At 1 July 2001			
- retained earnings	55,191,236	(1,250,000)	53,941,236
- revaluation reserve	9,810,097	(2,944,830)	6,865,267
- deferred tax liabilities	150,000	4,194,830	4,344,830
Financial year ended 30 June 2002:			
- net profit for the financial year	3,459,016	300,000	3,759,016
At 30 June 2002:			
- retained earnings	58,650,252	(950,000)	57,700,252
- revaluation reserve	9,810,097	(2,944,830)	6,865,267
- deferred tax liabilities	150,000	3,894,830	4,044,830

35 Fair value

The carrying amount of financial assets and liabilities with maturity of less than one year are assumed to approximate their fair value.

36 Significant events during the financial year

On 6th February 2002, BCB Resources Sdn Bhd ("BCB Resources"), a wholly owned subsidiary of the Company, entered into a sale and purchase agreement with Indah Corporation Berhad (ICB); a wholly owned subsidiary of Berjaya Land Berhad for the acquisition of freehold land, bungalow lots, homestead land (collectively called "Said Lands") and club memberships located in the Mukim of Simpang Kanan, district of Batu Pahat, Johor, for a total cash consideration of RM60,000,000. To part finance the acquisition, the Company had on 9th August 2002 issued 18,750,000 new ordinary shares at par value of RM1.00 each in the Company through a private placement exercise.

36 Significant events during the financial year (Cont'd)

The acquisition was completed on 23rd August 2002.

On 21st August 2002, the Company subscribed for an additional 300,000 ordinary shares of RM1.00 each of BCB Land Sdn Bhd for a total cash consideration of RM300,000. BCB Land Sdn Bhd is a wholly owned subsidiary of the Company.

37 Significant post balance sheet events

On 12 August 2003, the Company subscribed for an additional 3,000,000 ordinary shares or RM1.00 each of BCB Furniture Sdn Bhd for a total each consideration of RM3,000,000. BCB Furniture Sdn Bhd is a wholly owned subsidiary of the Company.

On 23 September 2003, the Company entered into a sale and purchase agreement for the acquisition of freehold land in the Mukim of Simpang Kanan, Daerah of Batu Pahat, Johor, for a total cash consideration of RM5,500,000. The acquisition is to be completed by September 2004.

Shareholdings Statistics as at 28 October 2003

Authorised share capital	:	RM500,000,000
Issued and paid-up capital	:	RM206,250,000
Type of shares	:	Ordinary shares of RM1.00 each
Voting rights	:	One vote per ordinary share

Analysis of Shareholdings By Range Groups

	<i>No of Shares</i>	<i>% Over Total Shares</i>	<i>No of Holders</i>	<i>% Over Total Shareholders</i>
Less than 1,000	695,819	0.34	740	10.86
1,001 to 10,000	20,050,200	9.72	5,065	74.35
10,001 to 100,000	23,944,700	11.61	902	13.24
100,001 to less than 5% of issued shares	105,899,781	51.35	101	1.48
5% and above of issued shares	55,659,500	26.98	4	0.07
Company Total	206,250,000	100.00	6,812	100.00

List of Thirty Largest Shareholders as at 28 October 2003 (as per Record of Depositors)

<i>Name</i>	<i>Share Amount</i>	<i>%</i>
1. HLG Nominee (Asing) Sdn Bhd Commerzbank (SEA) Ltd for Puncak Angkasa Sdn Bhd	19,054,500	9.24
2. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged securities account for Dato' Tan Seng Leong	14,310,000	6.94
3. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged securities account for Dato' Tan Seng Leong	11,328,000	5.49
4. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged securities account for Dato' Tan Seng Leong	10,967,000	5.32
5. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged securities account for Dato' Tan Seng Leong	9,855,000	4.78
6. PAB Nominee (Tempatan) Sdn Bhd Pledged securities account for Puncak Angkasa Sdn Bhd	6,804,200	3.30
7. SFB Nominees (Tempatan) Sdn Bhd Pledged securities account for Abdul Manap Bin Hussain	4,095,000	1.99
8. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged securities account for Abdul Manap Bin Hussain	3,945,000	1.91
9. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged securities account for Abdul Manap Bin Hussain	3,814,500	1.85
10. Mayban Nominees (Tempatan) Sdn Bhd Pledged securities account for Dato' Tan Seng Leong	3,750,000	1.82
11. EB Nominees (Tempatan) Sendirian Berhad Pledged securities account for Lai Chee Hoong	3,566,000	1.73
12. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged securities account for Tan Lay Kim	3,180,000	1.54
13. EB Nominees (Tempatan) Sendirian Berhad Pledged securities account for Dato' Tan Seng Leong	3,078,000	1.49
14. SFB Nominees (Tempatan) Sdn Bhd Pledged securities account for Abdul Manap Bin Hussain	3,060,000	1.48

List of Thirty Largest Shareholders as at 28 October 2003 (Cont'd)

<i>Name</i>	<i>Share Amount</i>	<i>%</i>
15. Armedius Sdn Bhd	2,712,000	1.31
16. Mayfin Nominees (Tempatan) Sdn Bhd Pledged securities account for Dato' Tan Seng Leong	2,410,500	1.17
17. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged securities account for Tan Seng Hoo	2,285,000	1.11
18. HLG Nominee (Asing) Sdn Bhd Commerzbank (Sea) Ltd for Brookvale Sdn Bhd	2,250,000	1.09
19. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged securities account for Wong Sek Hin	2,250,000	1.09
20. Matrix International Berhad	2,200,000	1.07
21. Mayban Nominees (Tempatan) Sdn Bhd Pledged securities account for Hon Lai Yin	1,971,000	0.96
22. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged securities account for Tan Lay Kim	1,920,000	0.93
23. RHB Nominees (Tempatan) Sdn Bhd RHB Asset Management Sdn Bhd for Dato' Tan Seng Leong	1,764,300	0.86
24. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged securities account for Tan Seng Hoo	1,665,000	0.81
25. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged securities account for Tan Seng Keng	1,665,000	0.81
26. Mayban Nominees (Tempatan) Sdn Bhd Pledged securities account for Dato' Tan Seng Leong	1,645,000	0.80
27. HDM Nominees (Tempatan) Sdn Bhd Pledged securities account for Dato' Tan Seng Leong	1,539,200	0.75
28. SFB Nominees (Tempatan) Sendirian Berhad Pledged securities account for Tan Lay Kim	1,500,000	0.73
29. Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged securities account for Lasercoin (M) Sdn Bhd	1,472,400	0.71
30. PM Securities Sdn. Bhd.	1,403,981	0.68
Total Share	131,460,581	63.74

Substantial Shareholders as at 28 October 2003 (as per Register of Substantial Shareholders)

<i>Name of Substantial Shareholders</i>	<i>No. of Shares Held</i>		<i>% of Issued Share Capital</i>	
	<i>Direct</i>	<i>Indirect</i>	<i>Direct</i>	<i>Indirect</i>
1. Dato' Tan Seng Leong	65,707,300	*123,000	31.86	0.06
2. Puncak Angkasa Sdn Bhd	25,808,700	-	12.51	-
3. Abdul Manap Bin Hussain	15,739,500	-	7.63	-
4. Abdul Halim Bin Hj Hassan	-	#25,808,700	-	12.51

Notes:

* Deemed interest by virtue of his spouse, Datin Lim Sui Yong's shareholding in the Company.

Deemed interest by virtue of his directorship and substantial shareholding in Puncak Angkasa Sdn Bhd.

Directors' Shareholdings as at 28 October 2003 (as per Register of Directors' Shareholdings)

<i>Shareholdings in the name of the Director</i>	<i>Number of ordinary shares of RM1.00 each</i>			
	<i>Direct</i>	<i>%</i>	<i>Indirect</i>	<i>%</i>
1. Dato' Tan Seng Leong	65,707,300	31.86	*123,000	0.06
2. Tan Lay Kim	6,820,700	3.30	-	-
3. Tan Seng Hong	1,954,000	0.95	#1,971,000	0.96
4. Tan Lay Hiang	40,000	0.02	-	-

	<i>Number of ordinary shares of RM1.00 each under ESOS Option</i>	
	<i>Direct</i>	<i>Indirect</i>
1. Dato' Tan Seng Leong	500,000	* 55,000
2. Tan Lay Hiang	500,000	-
3. Tan Lay Kim	500,000	-
4. Tan Seng Hong	500,000	#40,000

Notes:

* Deemed interest by virtue of his spouse, Datin Lim Sui Yong's shareholding in the Company.

Deemed interest by virtue of his spouse, Hon Lai Yin's shareholding in the Company.

List of Landed Properties

The details of the BCB Group's properties as at 30 June 2003 are as follows:

<i>Location</i>	<i>Descriptions</i>	<i>Tenure</i>	<i>Age of building</i>	<i>Size (acre)</i>	<i>Net Book Value/Cost as at 30 June 2003 RM'000</i>	<i>Date of acquisition/ revaluation*</i>
Kluang, Johor						
PTB 8370 No 20 Jalan Bakawali 86000 Kluang, Johor	16 storey hotel	Leasehold (expiring 10.11.2093)	8 years	0.35	31,797	15.01.2000 *
PTB 8370 No 20 Jalan Bakawali 86000 Kluang, Johor	A basement and 4 storey shopping complex	Leasehold (expiring 10.11.2093)	8 years	0.23	18,762	15.01.2000 *
PTD 32927 - 32930 70, 72,74, 76 Jalan Intan 3 Taman Intan 86000 Kluang, Johor	4 units double storey shop house	Freehold	10 years	0.15	720	15.01.2000 *
PTD 49840 No. 1 Jalan 6 Taman Sri Kluang 86000 Kluang, Johor	Single storey hypermarket	Freehold	5 years	1.44	4,242	24.06.1998
PTD 49657 - 49667 No. 54-56 Jalan 2 PTD 49770 - 49780 No. 49-59, Jalan 2 Taman Sri Kluang 86000 Kluang, Johor	22 units shop/ Badminton hall	Freehold	5 years	0.84	3,073	27.06.1998
PTD 50047 - 50049 No. 29-33, Jalan 20 Taman Sri Kluang 86000 Kluang, Johor	3 units industry factory	Freehold	3.5 years	3.29	4,671	12.01.2000
Lot 6806 & 6808 Mukim of Kluang District of Kluang, Johor	Being developed as Taman Sri Kluang	Freehold	N/A	51.35	14,633	12.01.1996
Lot 276 Mukim of Kluang District of Kluang, Johor	Being developed as Taman Emas II	Freehold	N/A	0.40	78	22.06.1990
Lot 7186, 7187 & 2639 Mukim of Kluang District of Kluang, Johor	Being developed as Taman Emas III	Freehold	N/A	3.81	703	21.04.1990
Lot 1574 Mukim of Kluang District of Kluang, Johor	Proposed residential & commercial development	Freehold	N/A	17.97	463	25.01.1991
Lot 4562 Mukim of Kluang District of Kluang, Johor	Proposed residential development	Freehold	N/A	2.99	622	25.05.1996
Lot 321 & Lot 440 Mukim of Kluang District of Kluang, Johor	Proposed residential development	Freehold	N/A	10.83	1,100	29.12.1999

<i>Location</i>	<i>Descriptions</i>	<i>Tenure</i>	<i>Age of building</i>	<i>Size (acre)</i>	<i>Net Book Value/Cost as at 30 June 2003 RM'000</i>	<i>Date of acquisition/ revaluation*</i>
Batu Pahat, Johor						
Lot 4091 Mukim of Simpang Kanan District of Batu Pahat, Johor	Being developed as Taman Bukit Perdana II	Freehold	N/A	14.34	3,312	07.12.1994
Lot 559, 2954-2959, 2656 & 2660 Mukim of Simpang Kanan District of Batu Pahat, Johor	Being developed as Taman Bukit Perdana III	Freehold	N/A	37.31	7,819	07.12.1994
Lot 5297, 5298 & 5299 Mukim Tanjong Sembrong District of Batu Pahat, Johor	Being developed as Taman BCB	Freehold	N/A	10.38	1,922	06.07.1999
Lot 2664-2666 Mukim of Simpang Kanan District of Batu Pahat, Johor	Proposed residential development	Freehold	N/A	21.04	1,937	27.06.1994
Lot 3131 Mukim of Simpang Kanan District of Batu Pahat, Johor	Proposed residential development	Freehold	N/A	4.05	220	06.09.1994
Lot 823 & 6606 Mukim of Sri Gading District of Batu Pahat, Johor	Being developed as Taman Bunga Cempaka Biru	Freehold	N/A	9.29	2,345	12.08.1994
HS(D) 23056-23076, 23081-23087 & 23181 Mukim of Simpang Kanan District of Batu Pahat, Johor	Proposed residential & commercial development	Freehold	N/A	72.11	6,282	29.03.2000
Lot 5267 & 7918 Mukim of Simpang Kanan District of Batu Pahat, Johor	Proposed residential & commercial development	Freehold	N/A	7.07	1,555	20.03.2001
HS (D) 23287, 23308-23337 23526, 23551-23565 23371-23388, 23464-23474 23485-23525, 23566-23580 36168, 36169, 36165,36166 Mukim of Simpang Kanan District of Batu Pahat Johor	Being developed as Evergreen Heights	Freehold	N/A	358.64	57,847	06.02.2002
Pontian, Johor						
Lot 4681 Mukim of Pontian District of Pontian Johor	Being developed as Taman Megah	Freehold	N/A	61.54	6,753	17.11.1994
Seremban, Negeri Sembilan						
Lot 5527 Mukim of Rantau District of Seremban Negeri Sembilan	Being developed as Taman Seremban Jaya	Freehold	N/A	30.45	3,323	15.07.1994

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Prime City Hotel, Mars 1, 6th Floor, 20, Jalan Bakawali, 86000 Kluang, Johor Darul Takzim on Saturday, 20 December 2003 at 11.30 a.m. for the following purposes:-

AGENDA

1. To receive and adopt the Statutory Financial Statements for the financial year ended 30 June 2003 together with the Report of the Directors and Auditors thereon. **Resolution 1**
2. To re-elect the following Directors who retire in accordance with the Company's Articles of Association and being eligible, offer themselves for re-election:-
(a) Ms Tan Lay Kim (Article 105); and **Resolution 2**
(b) Mr Tan Seng Hong (Article 105) **Resolution 3**
3. To approve the payment of the Directors' fees amounting to RM156,000 in respect of the financial year ended 30 June 2003. **Resolution 4**
4. To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 5**
5. **Special Business** **Resolution 6**
To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:
Approval for Issuance of new ordinary shares pursuant to Section 132D of Companies Act, 1965
"THAT, subject to the Companies Act 1965, the Articles of Association of the Company and the approvals from Kuala Lumpur Stock Exchange and other relevant government/regulatory authorities, where such approval is necessary, the Directors be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965 to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Board of Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10% of the issued share capital of the Company for the time being AND THAT the Board of Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on the Kuala Lumpur Stock Exchange."
6. To transact any other business which due notice shall have been given.

BY ORDER OF THE BOARD

YEAP KOK LEONG
Company Secretary

Dated this 28 November 2003

Notes:

1. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorized.
2. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
3. A proxy may but need not be a member of the Company and such a member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. Where a member appoints more than one (1) proxy the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
4. The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power of authority, shall be deposited at the Company's Registered Office at 7th Floor, Plaza BCB (Hotel Tower Block), 20, Jalan Bakawali, 86000 Kluang, Johor not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
5. Explanatory Notes on Special Business
Section 132D of the Companies Act, 1965
Resolution pursuant to Section 132D of the Companies Act 1965. The Ordinary Resolution proposed under item 5, if passed will give the Directors of the Company from the date of the above meeting, authority to allot and issue ordinary shares from the unissued capital of the Company for such purposes as the Directors consider would be in the interest of the Company. The authority will, unless revoked or varied by the Company in General Meeting, expire at the next Annual General Meeting.

*Statement Accompanying Notice of Annual General Meeting for the year 2003

Pursuant to Paragraph 8.28(2) of the Kuala Lumpur Stock Exchange Listing Requirements appended hereunder are:

Directors standing for re-election

The following Directors are standing for re-election at the Annual General Meeting for the year 2003 of the company which will be held at Prime City Hotel, Mars 1, 6th Floor, 20, Jalan Bakawali, 86000 Kluang, Johor Darul Takzim on Saturday, 20 December 2003 at 11.30 a.m.

Name of Director	Details of attendance for Board Meeting	Details of Individual Director
Ms Tan Lay Kim	Refer to Page 16 of Annual Report	Refer to Page 4 of Annual Report
Mr Tan Seng Hong	Refer to Page 16 of Annual Report	Refer to Page 5 of Annual Report

Note:

Y. Bhg. Dato' Tan Seng Leong, the Group Managing Director of the Company is not subject to retirement by rotation due to the service agreement between the Company and him was entered into prior to 1st June 2001.

This page has been left intentionally blank.

Form of Proxy

BCB BERHAD (172003-W)

Shareholding represented by Proxy

I/We _____

of _____

being a member of BCB Berhad ("the Company"), hereby appoint _____

of _____

or failing him/her _____

or failing him/her the CHAIRMAN OF THE MEETING as my/our proxy, to vote for me/us on my/our behalf at the ANNUAL GENERAL MEETING of the Company to be held at the **Prime City Hotel, Mars 1, 6th Floor, 20, Jalan Bakawali, 86000 Kluang, Johor Darul Takzim** on **Saturday, 20 December 2003 at 11.30 a.m.** and at any adjournment thereof.

With reference to the agenda set forth in the Notice of Meeting, please indicate with an "X" in the space provided below how you wish your votes to be cast on the ordinary resolution specified. If no specific direction as to the voting is given, the Proxy will vote or abstain at his/her discretion.

RESOLUTION	FOR	AGAINST
No. 1		
No. 2		
No. 3		
No. 4		
No. 5		
No. 6		

Dated this _____ day of _____

Signature/Common Seal of Appointor

Number of shares held

Notes:

1. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorized.
2. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
3. A proxy may but need not be a member of the Company and such a member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. Where a member appoints more than one (1) proxy the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
4. The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power of authority, shall be deposited at the Company's Registered Office at 7th Floor, Plaza BCB (Hotel Tower Block), 20, Jalan Bakawali, 86000 Kluang, Johor not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.

