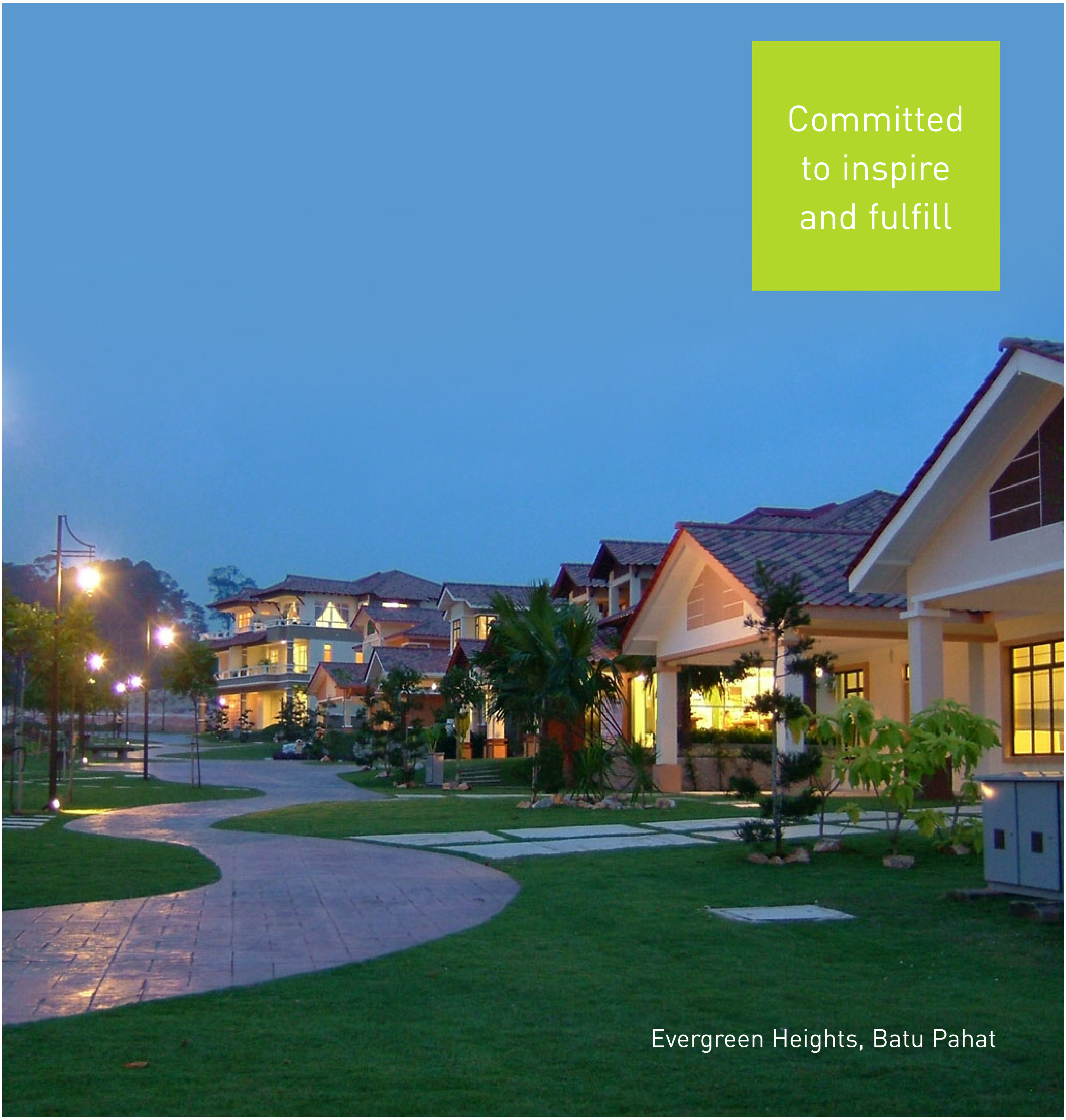
BCB
龍城集團

BCB BERHAD

(172003-W)

Annual Report 2005



Evergreen Heights, Batu Pahat

our vision

to be the choice developer; enhancing the quality of life of our valued customers, making available a diversified range of products and services.

COMMITTED TO INSPIRE

we shall strive for

- Total customer satisfaction through the provision of quality, desirable and affordable products, consistent delivery and a dedication to continuous improvement.
- Sustained growth and earnings capacity.
- Greater environmental concern and a more caring, nurturing eco-friendly development.
- And an efficient and effective work culture emphasising personal development, teamwork and performance-based rewards.

AND FULFILL

contents

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

Syed Abdullah Bin A Hamid
Independent Non-Executive Director

Saujana show village - Kluang

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 SECRETARIES

Yeap Kok Leong, ACIS
(MAICSA: 0862549)

Tan Bee Hwee, ACIS
(MAICSA: 7021024)

AUDITORS

PricewaterhouseCoopers
Chartered Accountants
Level 16, Menara Ansar
No 65, Jalan Trus
80730 Johor Bahru
Johor Darul Takzim
Tel : 07-222 4448
Fax : 07-224 8088

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 (Malaysia) Berhad
AmMerchant Bank Berhad
Bank Islam Malaysia Berhad
Public Bank Berhad

STOCK EXCHANGE LISTING

Main Board of the
Bursa Malaysia Securities Berhad
Stock Number: BCB 6602

Evergreen Heights show village - Batu Pahat

BCB BERHAD

INVESTMENT HOLDING, PROPERTY DEVELOPMENT AND HOTEL OPERATIONS

property

- 100%
  Johbase Development Sdn Bhd
  Property Development
  and Letting of Properties
- 100%
  BCB Resources Sdn Bhd
  Property Development
- 100%
  BCB Land Sdn Bhd
  Property Development
- 100%
  BCB Development Sdn Bhd
  Property Development

construction

- 100%
  BCB Construction Sdn Bhd
  Construction
- 100%
  BCB Greens Sdn Bhd
  Horticulture and Landscaping
- 100%
  BCB Concrete Sdn Bhd
  Ready Mix Concrete Operation
- 100%
  BCB Technologies Sdn Bhd
  Dormant
- 100%
  BCB Road Builder Sdn Bhd
  Road and Pavement Construction

project management

- 100%
  BCB Management Sdn Bhd
  Project Management Services

trading

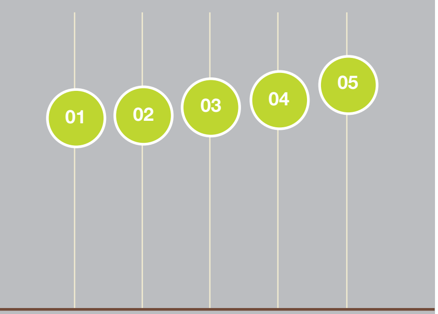
- 100%
  BCB Trading Sdn Bhd
  Trading and Building Materials

manufacturing

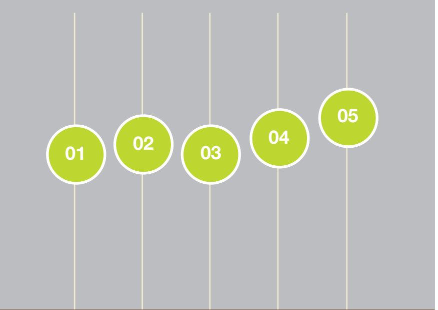
- 100%
  BCB Furniture Sdn Bhd
  Furniture Manufacturer

5 years' financial highlights

Shareholders' Equity
(RM million)



Net Tangible Assets Per Share
(RM)



Total Assets
(RM million)

Consolidated Balance Sheets as at 30 June

	2001*	2002*	2003*	2004	2005
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Share Capital	187,500	187,500	206,250	206,250	206,250
Treasury Shares	-	-	-	(153)	(1,264)
Non-Distributable Reserve	7,199	7,199	7,199	7,199	7,199
Retained Earnings	65,848	69,385	71,767	81,232	91,386
Shareholders' Equity	260,547	264,084	285,216	294,528	303,571
Represented by:					
Property, Plant and Equipment	58,246	65,596	59,878	56,323	55,402
Investment Properties	19,482	19,482	19,482	19,482	19,483
Land Held for Development	19,682	18,957	64,594	67,192	68,004
Deferred Tax Assets	-	-	-	13	8
Current Assets	336,573	352,458	368,904	379,405	353,383
Current Liabilities	(133,164)	(155,614)	(165,604)	(177,471)	(138,285)
	203,409	196,844	203,300	201,934	215,098
Less: Non Current Liabilities	(40,272)	(33,795)	(62,038)	(50,416)	(54,424)
	260,547	264,084	285,216	294,528	303,571
Number of Ordinary Shares of RM1.00 in Issue ('000)	187,500	187,500	206,250	206,250	206,250
Net Tangible Assets Per Share (RM)	1.39	1.41	1.38	1.43	1.47
Total Assets	433,983	453,494	512,858	522,415	496,279

* Restated to reflect the changes in accounting policy due to adoption of MASB 25

Consolidated Income Statements for the Years Ended 30 June

	2001*	2002*	2003*	2004	2005
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	114,483	174,699	118,292	202,318	148,361
Profit Before Charging Depreciation and Interest Expenses	12,264	17,779	16,249	27,290	23,385
Depreciation	(3,572)	(4,059)	(4,133)	(3,768)	(2,980)
Interest Expenses	(5,647)	(6,137)	(6,750)	(6,337)	(6,254)
Profit Before Taxation	3,045	7,583	5,366	17,185	14,151
Taxation	(2,790)	(4,046)	(2,984)	(7,719)	(3,997)
Profit After Taxation	255	3,537	2,382	9,466	10,154
Adjusted Weighted Average Number of Shares in Issue	187,500	187,500	204,247	206,180	205,099
Gross EPS (sen)	1.62	4.04	2.63	8.33	6.90
Basic EPS (sen)	0.14	1.89	1.17	4.59	4.95
Dividend Rate	-	-	-	-	-

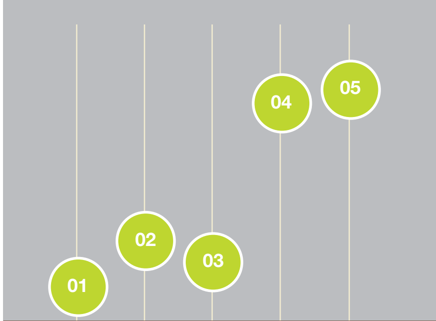
* Restated to reflect the changes in accounting policy due to adoption of MASB 25

Revenue
(RM million)

Profit After Taxation
(RM million)

Profit Before Taxation
(RM million)

Basic EPS
(Sen)

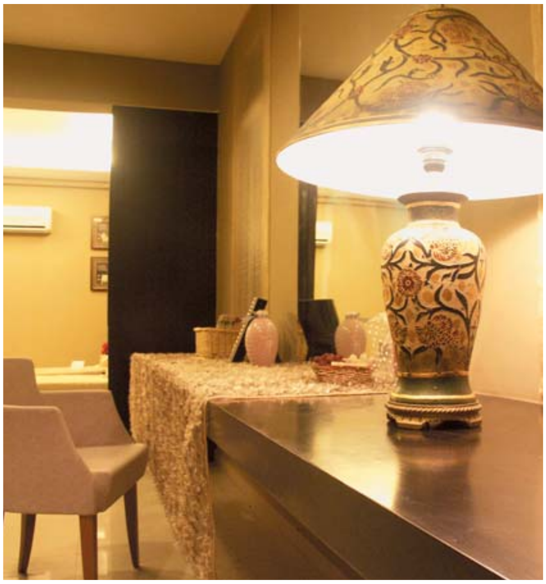


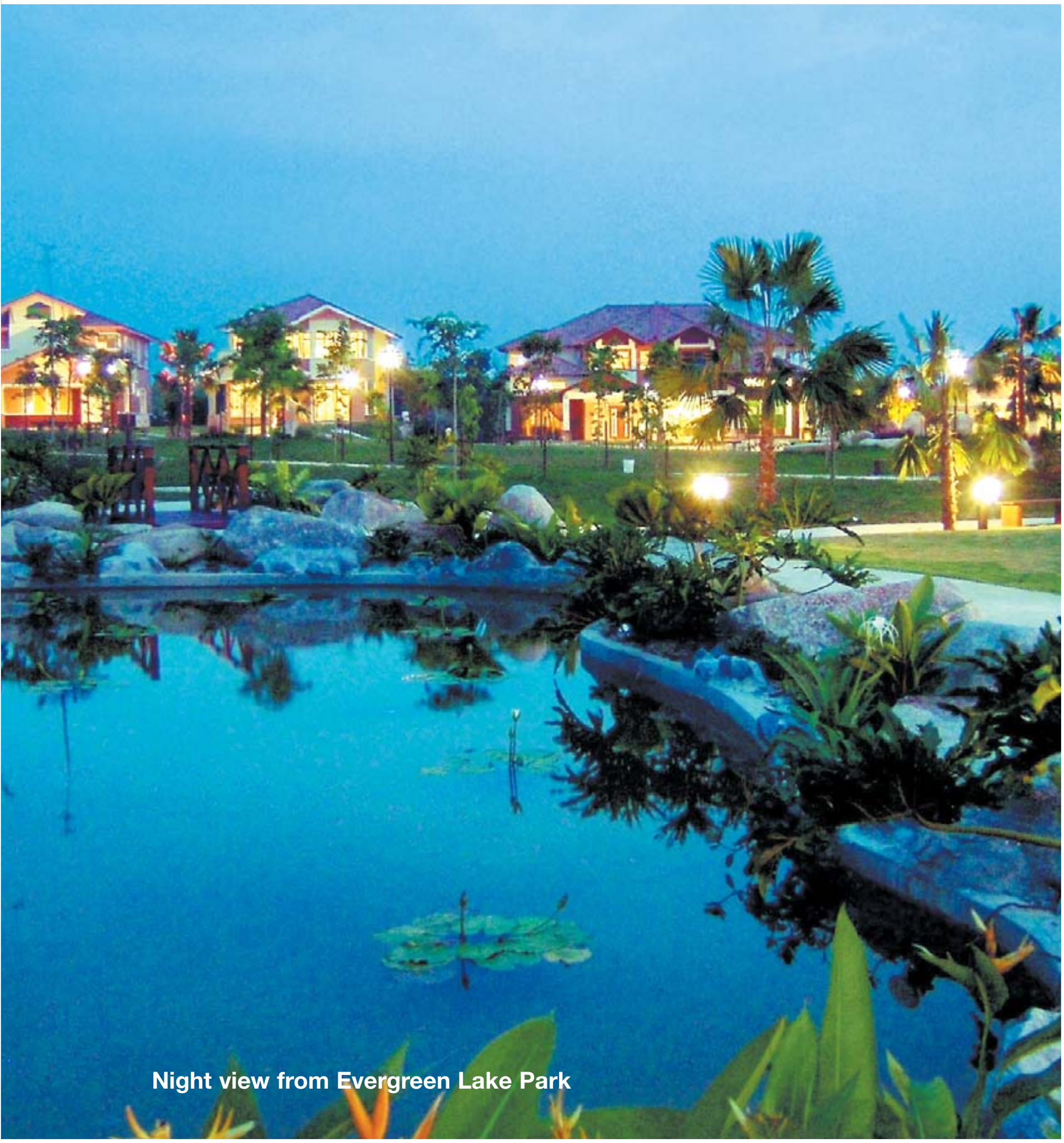
Perspective view of proposed gated community Precinct 1, Evergreen Heights - Batu Pahat

On behalf of the Board of Directors, it gives me great pleasure to present to you the Annual Report and Financial Statements of the Company and of the Group for the financial year ended 30 June 2005.

Overview

Overall housing demand remained robust during the financial year. With continued good sentiments supported by low interest rates and strong economic growth, the second half of year 2004 saw a spate of new launches from established and new developers deluging home buyers with ample choices. Against this very competitive market, the Group focused its efforts on product differentiation to create a stronger brand image to enable our products to stand out amongst the competitors. Overall property sold was lower by 32% to RM87.1million as compared to the previous financial year. Nevertheless, rising affluence from improving economy created demand for higher-end homes which helped to increase the overall profit margins. The Group's flagship development projects in Batu Pahat (BP) and Kluang towns remained the largest contributor to the Group. The demand for residential and commercial properties in both towns will continue to be strong as the township expands with increase in population and commercial activities. This mid-western corridor of Johor State continues to outperform other districts with a projected 6.0 to 6.5 % growth in year 2005/2006.





Night view from Evergreen Lake Park

Financial Review

Group revenue for FY2005 moderated to RM148.4 million in line with lower sales performance. Pre-tax profit margin increased by 1.0% as compared to FY2004 backed by increased profit margins from higher-end properties. The Group posted a 7.3% increase in its net earnings to RM10.2 million mainly due lower tax charge to income statement as compared to FY2004 resulting from the underprovision of taxation in prior years.

Dividend

In order to conserve the cash resources of the Group, the Board does not recommend any dividend for the financial year ended 30 June 2005.

Review of Operation

Property Development and Project Management Division

The core division of the Group continues to contribute its performance with 76% of the Group's recorded revenue. Strong property market over the last few years has also generated much development interest leading to considerable increase in supply. The Group focused its efforts on product differentiation and branding through the introduction of lifestyle homes and design concepts to our discerning buyers at our flagship development projects in Batu Pahat (BP) and Kluang, Johor. Two show villages featuring a total 16 units of fully furnished new show units were launched in September and October 2005. The show villages also featured eco-parks and landscaped surroundings offering the comfort of suburban living within an eco-friendly sanctuary.

The Group's flagship projects in BP and Kluang Town accounted for 70% of the revenue generated from the property division. Evergreen Heights in BP launched in year 2002 is fast becoming the premier address for BP town. This 370 acre township is located within a 10 minute drive from the town centre. Evergreen Heights is the first in BP to offer residential gated community to its buyers. Touch card access at guardhouse and perimeter fencing are featured for the higher-end products of the development precincts. Amongst the new designs offered for the new precincts are three–storey detached series with unrivaled space and pragmatic internal layout catering for active and growing family. Evergreen Heights's landed high-end homes are currently priced between RM330,000 and RM550,000, depending on the designs.

The Group's other project in BP; namely Taman Bukit Perdana II (TBP) continued to attract the buyer's keen interest for its remaining commercial units. Take-up rate for the new units has been high as TBP is a matured housing area with ready population of 9,000 to 10,000 residents. With the launch of the show village at Evergreen Heights in September 2005 and aggressive marketing strategies, sales from new precincts of BP projects amounted to RM29 million.

Revenue from project management services also continued to improve by 20% to RM1.86 million from RM1.55 million as compared to last financial year. With the sales strategy of product differentiation and branding approach adopted aggressively throughout the Group; Taman Saujana, a 250 acre mixed development project in Kluang; where the Group acts as the project manager; was rebranded as a project offering suburban living within an eco-friendly sanctuary. A show village featuring 8 units of fully furnished new show units complete with landscaped surroundings was opened to the viewing public on 29th October 2005.

Similarly, Taman Saujana became the first project in Kluang town to offer residential gated community to its discerning buyers. Touch card access at guardhouse and perimeter fencing are featured for the higher-end products of the new development precincts. Saujana's Bistari and Gemilang precincts are offering semi-detached and bungalow priced from RM278,000 to RM460,000 and above. Link houses with 2,200 sqft built-up area are priced from RM173,800 onwards.

The Group also supports the Government's efforts in nation and community building and is committed to developing fully integrated township providing affordable homes to the community. With the vision in mind, the Group will continue to launch low and medium-cost terrace houses and flats in Kluang, Batu Pahat and Johor Bahru.

Construction Division

The Group's Construction division contributed revenue of RM16.9 million for the financial year 2005 as compared to RM35.4 million in year 2004. Serving as the main contractor to the Group's various development projects, its main objective is to assist the Group in the timely delivery of quality product at an affordable price. As the Group embarked on its image and product differentiation and rebranding exercise, the construction activities have been scaled down to accommodate the process and realign the direction accordingly. This slowdown is temporary as the construction activities have since reverted to full swing.

The rising oil prices, coupled with labour issues and increasing cost of building materials shall remain a continued concern for the division. To a larger extend, the division has been actively sourcing its materials to maximize on the economies of scale. Emphasis shall be made to improve on efficiency and cost effectiveness at all juncture.

Manufacturing division

The division posted a loss of for the year of RM0.6 million as compared to a loss of RM0.2 million in year 2004. The division is operating in challenging environment with keen competitors from other parts of the region namely China, Vietnam and Thailand. Steps taken to increase customer base with marketing forays to the EU have been successful. The division managed to secure orders from three UK customers before uncertainties set in again with the London bombing in July 2005.

The division recognizes that competing on pricing alone will not ensure sustainability, as supply will exceed the demand for "commoditised" product. Superior quality, innovative designs, prompt delivery and a strong branding plays their part in niche markets and will continue to be in demand as long as the underlying factors remain. These traits are the core business proposition for the division. Nevertheless the outlook for the division for next financial year remains difficult.

Hotel division

The Group's Prime City Hotel, a 126 room hotel in the heart of Kluang maintains its market position as the premier avenue for the town's main commercial and social gathering and activities.

The division recorded a higher PBT of RM2.1 million as compared to RM1.5 million in year 2004 as a result of various cost-cutting and streamlining activities of the hotel's various outlets.

Growth prospects for 2006

With positive outlook of the Malaysian economy , the property sector should continue to be favorable supported by low interest rates and liquidity. The Group sees continued demand for residential properties spurred by strong domestic consumption.

The Group is constantly reviewing and updating the planning and design of its range of products in anticipation of changing demands and needs of the various target groups, in order to keep ahead of the market.

The Group will continue to focus its effort to build its core business of property development. With more property launches by developers, we expect the housing market to moderate and projects that are well located and well planned will continue to perform well. Nevertheless, with strong recognizable brand name, solid fundamentals and a proven track record for delivery, we expect the Group to maintain its profitability for the financial year 2006.

Acknowledgement

On behalf of the Board of Directors, I would like to express our gratitude and appreciation to all our employees for their dedicated service and contribution to the success of the Group. To our shareholders, valued customers, business associates and Governmental authorities, I would like to convey our sincere thanks for their continued support and confidence in the Group.

Last but not least, my special thanks to my fellow Board members for their counsel, invaluable contributions and understanding in the past year and I look forward to their support in the future.

Dato' Ismail bin Yusof
Independent Non-Executive Chairman

Night view of ruby/sapphire, the twin gems of Evergreen Heights - Batu Pahat

1 | Dato' Ismail bin Yusof *@

Dato' Ismail Bin Yusof, aged 61, 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 *

Dato' Tan Seng Leong, aged 49, 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 is an entrepreneur with considerable 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 not in direct competition with the business of the Company due to the different market segment and/or locality of developments.

Except for Dato' Tan's deemed interest as disclosed under Additional Compliance Information on page 19 of the Annual Report, there are no other business arrangements with the Company in which he has personal interests.

3 | Ash'ari Bin Ayub *@

Encik Ash'ari Bin Ayub, aged 63, a Malaysian, was appointed to the Board on 16 May 2001. He is a member of the Malaysian Institute of Accountants (MIA) and the Malaysian Institute of Certified Public Accountants (MICPA). 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.

4 | Sofian Bin Arshad *@

Encik Sofian Bin Arshad, aged 41, 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 Kim

Ms Tan Lay Kim, aged 43, 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.

6 | Tan Lay Hiang

Ms Tan Lay Hiang, aged 37, 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.

7 | Tan Seng Hong

Mr Tan Seng Hong, aged 30, 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. He holds directorships in all of BCB's wholly-owned subsidiaries.

8 | Syed Abdullah Bin A Hamid

Encik Syed Abdullah Bin A Hamid, aged 48, a Malaysian, was appointed to the Board on 15 September 2005. A businessman, he also holds positions in various social organisations and local communities in the town of Kluang, Johor. He is the Head of Communications UMNO Kluang and a member of the Communication Council of UMNO Johor and sits as the Head of Members in the local municipal council of Kluang. He also holds directorship in BCB's subsidiary.

Encik Syed 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 not in direct competition with the business of the Company due to the different market segment and/or locality of developments.

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.

* Member of Audit Committee
@ Member of Nomination and Remuneration Committee

Members
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)

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

(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.

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) MEETING 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 procedures, 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 auditors 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;

vi) 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; and

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 an opportunity to submit his reasons for resigning.

v) To promptly report such matter to the Bursa Malaysia 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 five (5) meetings during the financial year ended 30 June 2005. Details of the attendance of the meetings by the Committee Members are as follows:

Members	No. of Meetings Attended	%
Dato' Ismail Bin Yusof	4/5	80.00
Dato' Tan Seng Leong	4/5	80.00
Sofian Bin Arshad	5/5	100.00
Ash'ari Bin Ayub	5/5	100.00

7) ACTIVITIES UNDERTAKEN BY THE AUDIT COMMITTEE

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

i) reviewing and approving the risk management policy and framework appraised by the appointed company of internal auditors;

ii) reviewing the internal auditors' audit plan and programme for the year;

iii) 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;

iv) reviewing the external auditors' scope of work and audit plan for the financial year ended 30 June 2005;

v) reviewing the external auditors' reports, management letter and management's response;

vi) reviewing the audited financial statements for the financial year ended 30 June 2005 and unaudited quarterly financial results prior to the approval by the Board of Directors for subsequent announcements;

vii) review any related party transaction; and

viii) reviewing the Company's compliance with the revamped Listing Requirements of the Bursa Malaysia Securities Berhad.

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) internal audit assignments were completed during the financial year on three (3) business units of the Group; namely the Construction; Property Development and Human Resources. In addition, a follow up review report on Property Development - Finance and Construction - Trading & Project Management divisions has been conducted. Internal 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.

The Board of Directors is committed to the principles and best practices outlined in the Malaysian Code on Corporate Governance. Set out below is a description on the manner in which the Group has applied the principles and complied with the recommended 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 and 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 eight (8) members, of whom four (4) 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 page 12 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, the Independent Non-Executive Chairman as the Senior Independent Non-Executive Director of the Board to whom concerns on issues affecting the Group 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 upon 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 is the attendance of each Director for the financial year ended 30 June 2005:

Name of Director	Designation	No. of Meetings attended	%
Dato' Ismail Bin Yusof	Chairman, Independent Non-Executive Director	4/5	80.00
Dato' Tan Seng Leong	Group Managing Director	4/5	80.00
Tan Lay Kim	Executive Director	4/5	80.00
Tan Lay Hiang.	Executive Director	4/5	80.00
Tan Seng Hong	Executive Director	4/5	80.00
Sofian Bin Arshad	Independent Non-Executive Director	5/5	100.00
Ash'ari Bin Ayub	Independent Non-Executive Director	5/5	100.00

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 advice and services of the Company Secretary, and if need be, they may obtain independent advice from external resources at the cost of the Company.

Appointments to the Board

The Nomination and Remuneration Committee is responsible for making recommendations for any appointment 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

The Directors have attended the Mandatory Accreditation Programme ("MAP") conducted by the Bursa Malaysia Training Sdn. Bhd.. Newly appointed Director will comply the required MAP attendance within 4 months from date of appointment. In addition, the Directors will continue to undergo other relevant training programmes to keep abreast with new regulatory development and requirements in compliance with Bursa Malaysia Listing Requirements on the Continuing Education Programme. Each Director shall also attend such training as may be determined by the Board from 1 January 2005 onwards.

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, Dato' Tan Seng Leong and Tan Lay Hiang shall retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer 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 at least once a year and when required shall meet to make its recommendations 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 and 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 for the Board as a whole with the Director concerned abstaining from deliberations and voting in respect of the his/her own remuneration.

The Committee recommends the Directors' fees (Executive and Non-Executive Directors) to the Board for endorsement and subsequent approval, by the shareholders at the Company's 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 Leong	-	1,320	110	53	264	1,747
Tan Lay Kim	-	142	11	10	28	191
Tan Lay Hiang	-	142	11	10	28	191
Tan Seng Hong	-	142	11	12	28	193
Sofian Bin Arshad	36	-	-	-	-	36
Ash'ari Bin Ayub	36	-	-	-	-	36
	132	1,746	143	85	348	2,454

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, that 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 proper 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:

Share buy-back

On December 2003, the Company obtained its shareholders' approval to buy-back its own shares. The Company bought back a total of 3,415,300 shares on the open market at an average purchase price of RM0.53 per share and held as treasury shares. The share buy-back exercise may stabilize the supply and demand of the Company's and thereby supporting the fundamental value of the Company's shares.

Options, warrants or convertible securities

The Company implemented an ESOS in year 2000 for a period of 5 years. The ESOS is governed by the by-laws which were approved by the shareholders on 4 February 2000 lapsed on 14 March 2005. The Company has not established any new scheme since then.

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 (f) of the Notes to the financial statements – 30 June 2005.

INTRODUCTION

This Statement is made pursuant to the Bursa Malaysia Securities Berhad Listing Requirements 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.

The Board of Directors ("Board") is pleased to provide the Statement on Internal Control which outlines the status review of the Group's state of internal control throughout the year under review and up to the date of this report.

BOARD RESPONSIBILITY

The Board affirms its overall responsibility for the adequacy and integrity of the Group's systems of internal controls that includes financial and operational aspects, compliance with relevant laws and regulation and its alignment with our business objectives at all times.

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, loss or irregularities.

NATURE OF OUR INTERNAL CONTROLS

The Group has in place an on-going process for identifying, evaluating, monitoring 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 and reviewed on an annual basis.

INTERNAL AUDIT FUNCTION

The internal audit function of the Group has been outsourced to a reputed professional consultancy company, 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 reviews the internal controls in the various operating business units of the Group and reports to the Audit Committee on a quarterly basis. BDOGA reviews and highlights weaknesses in control procedures and makes recommendations for improvements. Additionally, it monitors the Management's implementation and improvement actions on their recommendations made.

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 accountability 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 controls 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 cash flow positions;
- Scheduled operations and management meetings; and
- Centralised 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 that would require disclosure in the Group's annual report were noted.

Management continues to take appropriate measures to strengthen the control environment and certain weaknesses of the controls identified and highlighted by BDOGA are currently being improved.

financial statements

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 2005.

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

Financial results

	Group	Company
	RM	RM
Profit after tax	10,154,045	6,039,639

Dividends

No dividends have been paid or declared by the Company since 30 June 2004.

The Directors do not recommend the payment of any dividend for the financial year ended 30 June 2005.

Reserves and provisions

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

Treasury shares

During the financial year, the Company repurchased 2,031,500 (2004: 248,800) of its issued share capital from the open market on the Bursa Malaysia Securities Berhad for RM1,110,979 (2004: RM153,219). The average price paid for the shares repurchased was RM0.55 (2004: RM0.62) per share.

Details of the treasury shares are set out in Note 26 to the financial statements.

Employees' Share Option Scheme ("ESOS")

The Company implemented an ESOS in financial year 2000 for a period of 5 years. The ESOS is governed by the by-laws which were approved by the shareholders on 4 February 2000 and lapsed on 14 March 2005. The Company has not established any new scheme since then.

Details of the ESOS are set out in Note 26 to the financial statements.

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 the Company's Articles of Association, Dato' Tan Seng Leong and Tan Lay Hiang 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 arrangement 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.

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 and debentures

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 are as follows:

	Number of ordinary shares of RM1.00 each in the Company			
Shareholdings in the name of the Director	**At 1.7.2004**	**Bought**	**Sold**	**At 30.6.2005**
Dato' Tan Seng Leong	65,325,500	0	(200,000)	65,125,500
Tan Lay Kim	6,875,700	0	(1,500,000)	5,375,700
Tan Lay Hiang	491,000	0	0	491,000
Tan Seng Hong	2,297,800	1,000,000	0	3,297,800

	Number of ordinary shares of RM1.00 each in the Company			
Shareholdings in which the Director is deemed to have an interest	**At 1.7.2004**	**Bought**	**Sold**	**At 30.6.2005**
Dato' Tan Seng Leong	131,000 [1]	0	0	131,000
Tan Seng Hong	1,971,000 [1]	0	0	1,971,000

Directors' interests in shares and debentures (continued)

	Number of options over ordinary shares of RM1.00 each in the Company			
	At 1.7.2004	Granted	Lapsed	At 30.6.2005
Dato' Tan Seng Leong	500,000	0	(500,000)	0
Tan Lay Kim	500,000	0	(500,000)	0
Tan Seng Hong	500,000	0	(500,000)	0
Tan Lay Hiang	500,000	0	(500,000)	0

Note:

1. By virtue of the shareholdings of their spouse.

By virtue of their deemed interests in the shares of the Company, Dato' Tan Seng Leong, Tan Lay Kim, Tan Seng Hong and Tan Lay Hiang are also deemed interested in the shares of the subsidiaries.

Other than disclosed above, according to the register of directors' shareholdings, the Directors in office at the end of the financial year did not hold any interest in shares and options over shares in the Company or shares, options over shares and debentures of 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:

(a) 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

(b) 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:

(a) 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

(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.

Statutory information on the financial statements (continued)

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 with in 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 20 October 2005.

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 65 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 2005 and of the results and cash flows of the Group and Company for the financial year ended on that date in accordance with the provisions of the Companies Act 1965 and the MASB approved accounting standards in Malaysia.

Signed on behalf of the Board of Directors in accordance with their resolution dated 20 October 2005.

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 65 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 : 20 October 2005.

Before me : SUCHA SINGH
NO: J023
COMMISSIONER FOR OATHS

We have audited the financial statements set out on pages 28 to 65. These financial statements are the responsibility of the Company's Directors. It is our responsibility to form an independent opinion, based on our audit, on these financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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 statement 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 the MASB 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 2005 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

Yee Wai Yin
(No. 2081/08/06(J))
Partner of the firm

Johor Bahru
20 October 2005.

		Group		Company	
		2005	2004	2005	2004
	Note	RM	RM	RM	RM
Revenue	4	148,361,219	202,317,960	78,125,200	93,156,812
Cost of sales	5	(107,816,796)	(156,366,470)	(54,698,676)	(72,075,169)
Gross profit		40,544,423	45,951,490	23,426,524	21,081,643
Other operating income		1,053,523	1,008,635	3,501,840	3,435,382
Administrative expenses		(9,884,981)	(10,896,709)	(2,910,462)	(3,400,135)
Marketing expenses		(4,858,835)	(4,861,037)	(4,036,998)	(4,177,647)
Other operating expenses		(6,448,073)	(7,680,578)	(5,982,701)	(6,026,643)
Profit from operations	6	20,406,057	23,521,801	13,998,203	10,912,600
Finance cost	10	(6,254,999)	(6,336,889)	(5,280,489)	(5,361,564)
Profit from ordinary activities before tax		14,151,058	17,184,912	8,717,714	5,551,036
Tax expense	11	(3,997,013)	(7,719,299)	(2,678,075)	(4,674,676)
Net profit for the financial year		10,154,045	9,465,613	6,039,639	876,360
Basic earnings per share (sen)	12	4.95	4.59		

The notes on pages 33 to 65 form an integral part of these financial statements.

		Group		Company	
		2005	2004	2005	2004
	Note	RM	RM	RM	RM
Non current assets					
Property, plant and equipment	13	55,401,551	56,322,675	45,971,289	46,791,933
Investment properties	14	19,482,436	19,482,436	18,762,436	18,762,436
Land held for property development	15	68,003,844	67,192,365	803,675	803,675
Subsidiaries	16	0	0	12,800,008	13,300,010
Deferred tax assets	17	8,000	12,889	0	0
		142,895,831	143,010,365	78,337,408	79,658,054
Current assets					
Property development cost	18	196,880,182	206,913,913	129,739,206	144,952,841
Inventories	19	51,215,379	56,676,240	23,390,814	26,877,507
Tax recoverable		705,535	143,832	0	0
Receivables, deposits and prepayments	20	97,211,292	110,728,919	23,554,342	28,912,364
Amount due from subsidiaries	21	0	0	124,126,563	95,443,940
Deposits, bank and cash balances	22	7,371,002	4,941,975	3,233,463	3,340,172
		353,383,390	379,404,879	304,044,388	299,526,824
Less: Current liabilities					
Payables	23	47,454,517	64,057,345	8,532,146	9,921,539
Amounts due to subsidiaries	21	0	0	6,527,245	0
Borrowings (interest bearing)	24	55,403,188	83,877,387	32,902,167	55,139,502
Bank overdrafts	25	34,126,473	25,400,823	32,175,090	23,254,536
Current tax liabilities		1,300,980	4,136,317	1,063,937	2,635,504
		138,285,158	177,471,872	81,200,585	90,951,081
Net current assets		215,098,232	201,933,007	222,843,803	208,575,743
Less: Non current liabilities					
Borrowings (interest bearing)	24	48,765,822	45,813,351	20,107,670	13,180,916
Deferred tax liabilities	17	5,657,702	4,602,548	5,513,000	4,421,000
		54,423,524	50,415,899	25,620,670	17,601,916
		303,570,539	294,527,473	275,560,541	270,631,881
Capital and reserves					
Share capital	26	206,250,000	206,250,000	206,250,000	206,250,000
Treasury shares		(1,264,198)	(153,219)	(1,264,198)	(153,219)
Revaluation reserves	27	7,198,677	7,198,677	6,865,267	6,865,267
Retained earnings		91,386,060	81,232,015	63,709,472	57,669,833
Shareholders' equity		303,570,539	294,527,473	275,560,541	270,631,881

The notes on pages 33 to 65 form an integral part of these financial statements.

consolidated statement of changes in equity for the financial year ended 30 June 2005

	Note	Issued and fully paid ordinary shares of RM1.00 each Number of shares	Nominal value RM	Treasury shares RM	Revaluation reserves RM	Retained earnings RM	Total RM
At 1 July 2003		206,250,000	206,250,000	0	7,198,677	71,766,402	285,215,079
Net profit for the financial year		0	0	0	0	9,465,613	9,465,613
Buy back of shares	26	0	0	(153,219)	0	0	(153,219)
At 30 June 2004		206,250,000	206,250,000	(153,219)	7,198,677	81,232,015	294,527,473
At 1 July 2004		**206,250,000**	**206,250,000**	**(153,219)**	**7,198,677**	**81,232,015**	**294,527,473**
Net profit for the financial year		**0**	**0**	**0**	**0**	**10,154,045**	**10,154,045**
Buy back of shares	26	**0**	**0**	**(1,110,979)**	**0**	**0**	**(1,110,979)**
At 30 June 2005		**206,250,000**	**206,250,000**	**(1,264,198)**	**7,198,677**	**91,386,060**	**303,570,539**

The notes on pages 33 to 65 form an integral part of these financial statements.

		Issued and fully paid ordinary shares of RM1.00 each		Non-distributable		Distributable	
	Note	Number of shares	Nominal value RM	Treasury shares RM	Revaluation reserves RM	Retained earnings RM	Total RM
At 1 July 2003		206,250,000	206,250,000	0	6,865,267	56,793,473	269,908,740
Net profit for the financial year		0	0	0	0	876,360	876,360
Buy back of shares	26	0	0	(153,219)	0	0	(153,219)
At 30 June 2004		206,250,000	206,250,000	(153,219)	6,865,267	57,669,833	270,631,881
At 1 July 2004		**206,250,000**	**206,250,000**	**(153,219)**	**6,865,267**	**57,669,833**	**270,631,881**
Net profit for the financial year		**0**	**0**	**0**	**0**	**6,039,639**	**6,039,639**
Buy back of shares	26	**0**	**0**	**(1,110,979)**	**0**	**0**	**(1,110,979)**
At 30 June 2005		**206,250,000**	**206,250,000**	**(1,264,198)**	**6,865,267**	**63,709,472**	**275,560,541**

The notes on pages 33 to 65 form an integral part of these financial statements.

		Group		Company	
		2005	2004	2005	2004
	Note	RM	RM	RM	RM
Operating activities					
Net profit for the financial year		10,154,045	9,465,613	6,039,639	876,360
Adjustments to reconcile net profit for the financial year to cash from operations:					
Property, plant and equipment:					
- depreciation		2,980,116	3,767,596	1,266,299	1,478,718
- written off		19,011	18,532	11,047	15,638
- gain on disposals		(252,921)	(393,578)	(43,467)	(139,337)
Interest income		(38,219)	(59,717)	(1,144,236)	(1,098,487)
Interest expenses		6,254,999	6,336,889	5,280,489	5,361,564
Impairment of investment in subsidiary		0	0	700,000	0
Tax expense		3,997,013	7,719,299	2,678,075	4,674,676
		23,114,044	26,854,634	14,787,846	11,169,132
Changes in working capital:					
- property development cost		10,467,163	2,156,163	15,213,635	(2,795,861)
- inventories		5,881,510	4,291,295	3,486,693	7,401,454
- receivables, deposits and prepayments		13,517,624	(10,034,087)	5,358,022	(3,786,923)
- payables		(16,602,828)	18,523,222	(1,389,393)	5,387,192
- amounts with subsidiaries		0	0	(22,355,376)	7,800,472
Cash from operations		36,377,513	41,791,227	15,101,427	25,175,466
Interest received		38,219	59,717	1,144,236	1,098,487
Interest paid		(6,254,999)	(12,094,894)	(5,280,489)	(7,017,899)
Tax paid		(6,334,010)	(4,230,006)	(3,157,642)	(1,946,672)
Net cash flow from operating activities		23,826,723	25,526,044	7,807,532	17,309,382
Investing activities					
Property, plant and equipment					
- additions	13	(2,430,363)	(1,179,400)	(143,151)	(200,838)
- proceeds from disposals		1,121,797	1,403,090	44,000	385,270
Land held for property development		(1,665,560)	(3,647,508)	0	0
Net cash flow (used in) / from investing activities		(2,974,126)	(3,423,818)	(99,151)	184,432
Financing activities					
Deposit previously pledged to a bank		15,288	0	0	0
Purchase of treasury shares	26	(1,110,979)	(153,219)	(1,110,979)	(153,219)
Proceeds from bank borrowings		75,563,412	81,007,855	73,101,567	66,428,574
Repayments of bank borrowings		(101,095,349)	(96,922,623)	(88,308,664)	(79,329,400)
Finance lease principal payments		(506,304)	(1,150,591)	(417,568)	(348,801)
Net cash flow used in financing activities		(27,133,932)	(17,218,578)	(16,735,644)	(13,402,846)
Net (decrease)/increase in cash and cash equivalents		(6,281,335)	4,883,648	(9,027,263)	4,090,968
Cash and cash equivalents					
- at start of financial year		(20,474,136)	(25,357,784)	(19,914,364)	(24,005,332)
- at end of financial year	29	(26,755,471)	(20,474,136)	(28,941,627)	(19,914,364)

The principal non-cash transactions are the acquisition of property, plant and equipment by means of finance leases (Note 13) and the increase in investment in subsidiary by the Company of RM199,998 (2004: RM3,000,000) during the financial year by way of capitalising the amount due from the subsidiary.

The notes on pages 33 to 65 form an integral part of these financial statements.

1 General information

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.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Board of the Bursa Malaysia Securities Berhad.

The principal place of business and the address of the registered office of the Company are located at 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

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

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 into long term funding rates for long term investments.

(b) Liquidity and cash flow risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Cash flow risk is the risk that future cash flow associated with a financial instrument will fluctuate.

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

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

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

Foreign currency exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

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.

The movement in the exchange rate of US Dollar is closely monitored with a view of competitive rate is secured to minimise the foreign exchange risk in relation to transactions entered. The Group does not hedge nor speculate in foreign currency derivatives.

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.

(a) Basis of preparation

The financial statements of the Group and Company have been prepared under the historical cost convention except as disclosed in this summary of significant accounting policies.

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

- MASB Standard 32 " Property Development Activities"

The impact on the financial statements as a result of the adoption of the above standard is disclosed in Note 36 to the financial statements.

The preparation of financial statements in conformity with the provisions of the Companies Act 1965 and the MASB approved accounting standards in Malaysia requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Although these estimates are based on the Directors' best knowledge of current events and actions, actual results may differ from those estimates.

(b) Subsidiaries

Subsidiaries are those corporations 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 using acquisition method of accounting.

Under the acquisition method of accounting, 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. The cost of an acquisition is the amount of cash paid and the fair value at the date of acquisition of other purchase consideration given by the acquirer, together with directly attributable expenses of the acquisition. 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 difference between the cost of acquisition over the Group's share of the fair value of the identifiable net assets of the subsidiary acquired at the date of acquisition is reflected as goodwill or negative goodwill. See accounting policy Note (g) on goodwill.

Intragroup 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.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets together with any unamortised balance of goodwill on acquisition and exchange differences which were not previously recognised in the consolidated income statement.

(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. See accounting policy Note (e) on impairment of assets.

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

3 **Summary of significant accounting policies** (continued)

(d) **Property, plant and equipment** (continued)

Freehold land is not depreciated 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, or their revalued amounts, to their residual values over their estimated useful lives, summarised as follows:

	Years
Buildings	50
Plant and machinery	5
Motor vehicles	5
Renovation	6.67 - 50
Furniture, fittings, office and site equipment	5 - 10
Electrical and kitchen equipment	10

Crockery, glassware, cutleries, 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 comprises land, hotel and their integral plant and machinery.

Freehold hotel property is initially stated at cost and is subsequently stated at fair value based on valuation by independent valuers.

It is the Group's policy to revalue its hotel property once in every five years. Adjustments will be made to the carrying value if the revaluation surplus/deficit is significant.

Surpluses arising on revaluation are credited to revaluation reserve except that a surplus, to the extent that such surplus is related to and not greater than a deficit arising on revaluation previously recorded as an expense, is credited to the income statement. Deficit arising from revaluation is charged against the revaluation reserve to the extent of the surplus previously held in the revaluation reserve for the same asset. In all other cases, a decrease in carrying amount is charged to income statement.

It is the Group's policy to maintain its freehold hotel property in the highest standard and condition in order to maintain its image and market share. Consequently, the Directors are of the opinion that freehold hotel property maintains residual values at least equal to their respective book values such that depreciation would be insignificant. The related maintenance expenditure is charged to the income statement when incurred.

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.

Repairs and maintenance are charged to the income statement during the period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

(e) **Impairment of assets**

Property, plant and equipment and other non current assets, including intangible assets, are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. Recoverable amount is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows.

The impairment loss is charged to the income statement unless it reverses a previous revaluation in which case it is charged to the revaluation reserves. Any subsequent increase in recoverable amount is recognised in the income statement unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation reserves.

3 **Summary of significant accounting policies** (continued)

(f) **Investment properties**

Investment properties, comprising principally 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. Adjustments will be made to the carrying value if the revaluation surplus/deficit is significant.

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.

(g) **Goodwill**

Goodwill represents the excess of the cost of acquisition of subsidiaries over the Group's share of the fair value of their identifiable net assets at the date of acquisition.

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.

(h) **Land held for property development**

Land held for property development consist of land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non current asset and is stated at cost less accumulated impairment losses.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Where an indication of impairment exists, the carrying amount of the assets is assessed and written down immediately to its recoverable amount. See accounting policy Note (e) on impairment of assets.

Land held for property development is transferred to property development cost (under current assets) when development activities have commenced and where the development activities can be completed within the Company normal operating cycle.

(i) **Property development costs**

Property development costs comprise costs associated with the acquisition of land and all costs directly attributable to development activities or that can be allocated on a reasonable basis to these activities.

When the outcome of the development activity can be estimated reliably, property development revenue and expenses are recognised by using the stage of completion method. The stage of completion is measured by reference to the value of work certified to date as a percentage of the total value of projects.

When the outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable; property development costs on the development units sold are recognised when incurred.

Irrespective of whether the outcome of a property development activity can be estimated reliably, when it is probable that total property development costs (including expected defect liability expenditure) will exceed total property development revenue, the expected loss is recognised as an expense immediately.

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

Where revenue recognised in the income statement exceed billings to purchasers, the balance is shown as accrued billings under receivables, deposits and prepayments (within current assets). Where billings to purchasers exceed revenue recognised in the income statement, the balance is shown as progress billings under payables (within current liabilities).

3 Summary of significant accounting policies (continued)

(j) 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 and the lease term.

(k) 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 finished goods and work in progress comprises raw materials, direct labour, other direct costs and an appropriate proportion of production overheads (based on normal operating capacity).

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

(l) Construction contracts

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

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.

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

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) exceed progress billings, the balance is shown as amounts due from customers on construction contracts under receivables, deposits and prepayments (within current assets). Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as amounts due to customers on construction contracts under payables (within current liabilities).

(m) Trade receivables

Trade receivables are carried at invoice amount less an allowance for doubtful debts. The allowance is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, discounted at the market rate of interest for similar borrowers. Bad debts are written off when identified.

3 **Summary of significant accounting policies** (continued)

(n) Cash and cash equivalents

For the purpose of the cash flow statements, cash and cash equivalents represent 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.

(o) Income taxes

Current tax expense is determined according to the Malaysian tax laws and include all taxes based upon the taxable profits.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements.

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

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

(p) Employee benefits

(i) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

(ii) Post-employment benefits

Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

The Group contributes to the Employees Provident Fund, the national defined contribution plan. Once the contributions have been paid, the Group has no further payment obligations.

(q) Revenue recognition

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

When the outcome of the development activity can be estimated reliably, property development revenue and expenses are recognised by using the stage of completion method. The stage of completion of development properties is measured by reference to the proportion that property development costs incurred bear to the total estimated total costs for the property development.

The recognition of contract revenue and contract costs is similar to that of property development mentioned above.

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

Revenue from hotel operations is recognised when earned.

3 **Summary of significant accounting policies** (continued)

(r) Foreign currencies

(i) Reporting currency

The financial statements are presented in Ringgit Malaysia.

(ii) Foreign currency transactions and balances

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.

(iii) Closing rates

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

Foreign currency	2005 RM	2004 RM
1 US Dollar	3.800	3.800

(s) Share capital

(i) Classification

Ordinary shares are classified as equity.

Distribution to holders of a financial instrument is charged directly to equity.

(ii) Dividends to shareholders of the Company

Dividends on ordinary shares are recognised as liabilities when proposed or declared before the balance sheet date. A dividend proposed or declared after the balance sheet date is not recognised as a liability at the balance sheet date until it is approved by the shareholders at the forthcoming Annual General Meeting.

(t) Treasury shares

When the Company purchase the Company's equity share capital, the consideration paid including any attributable transaction costs is deducted from total shareholders' equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

(u) Borrowings

(i) Classification

Borrowings are initially recognised based on the proceeds received, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings.

Interest, dividends, losses and gains relating to a financial instrument, or a component part, classified as a liability is reported within finance cost in the income statement.

3 Summary of significant accounting policies (continued)

(u) Borrowings (continued)

(ii) Capitalisation of borrowing cost

Borrowing costs incurred to finance the construction of property, plant and equipment are capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use. Borrowing costs incurred to finance property development activities and construction contracts are accounted for in a similar manner. All other borrowing costs are expensed.

(v) Contingent liabilities and contingent assets

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstance where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

(w) Financial instruments

(i) Description

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

(ii) 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.

(iii) Fair value estimation for disclosure purposes

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

(x) Segment reporting

Segment reporting is presented for enhanced assessment of the Group's risks and returns. Business segments provide products or services that are subject to risk and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those components operating in other economic environments.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expense, assets and segment liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transactions are between group enterprises within a single segment.

4 Revenue

	Group 2005 RM	Group 2004 RM	Company 2005 RM	Company 2004 RM
Property development	108,393,070	143,751,941	66,729,054	82,409,887
Rental income	3,112,476	2,437,268	2,962,253	2,267,548
Hotel revenue	8,433,893	8,479,377	8,433,893	8,479,377
Construction contracts	16,696,322	35,447,278	0	0
Sales of goods	9,868,984	10,656,034	0	0
Project management services	1,856,474	1,546,062	0	0
	148,361,219	202,317,960	78,125,200	93,156,812

5 Cost of sales

	Group 2005 RM	Group 2004 RM	Company 2005 RM	Company 2004 RM
Property development and management costs	81,835,709	111,253,236	48,390,708	59,712,300
Cost of inventories sold	17,368,524	21,222,231	6,307,968	12,362,869
Construction contract costs	8,612,563	23,891,003	0	0
	107,816,796	156,366,470	54,698,676	72,075,169

6 Supplementary income statements disclosures

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

	Note	Group 2005 RM	Group 2004 RM	Company 2005 RM	Company 2004 RM
Directors' remuneration	9	2,359,542	2,709,320	978,212	1,055,152
Auditors' remuneration	7	110,075	119,000	50,000	58,000
Impairment of investment in subsidiary		0	0	700,000	0
Property, plant and equipment:					
- depreciation		2,980,116	3,767,596	1,266,299	1,478,718
- written off		19,011	18,532	11,047	15,638
- gain on disposals		(252,921)	(393,578)	(43,467)	(139,337)
Subcontractors' costs		7,370,840	21,497,460	0	0
Staff costs	8	8,443,103	9,417,927	3,955,593	4,349,731
Rental deposit written off		12,000	0	0	0
Rental of premises		195,189	226,660	120,000	140,500
Hire charges of machinery		260,439	436,680	0	0
Allowance for foreseeable losses		63,100	388,503	63,100	388,503
Rental income		(99,517)	(75,000)	0	0
Rental of office equipment		0	1,350	0	0
Realised foreign exchange loss/(gain)		1,298	8,209	(5,363)	(7,634)
Interest income:					
- subsidiaries		0	0	(1,111,049)	(1,050,783)
- overdue interest		(21,112)	(29,125)	(21,112)	(29,125)
- others		(17,107)	(30,592)	(12,075)	(18,579)

7 Auditors' remuneration

	Group 2005 RM	Group 2004 RM	Company 2005 RM	Company 2004 RM
Current year	111,000	112,000	50,000	50,000
(Over)/under accruals in respect of prior year	(925)	7,000	0	8,000
	110,075	119,000	50,000	58,000
Fee for other services:				
- tax services	15,000	15,000	15,000	15,000
Total remuneration	125,075	134,000	65,000	73,000

8 Staff costs

	Group 2005 RM	Group 2004 RM	Company 2005 RM	Company 2004 RM
Wages, salaries and bonus	7,225,226	8,134,094	3,281,180	3,669,377
Defined contribution retirement plan	801,979	873,086	332,110	358,988
Other employee benefits	415,898	410,747	342,303	321,366
	8,443,103	9,417,927	3,955,593	4,349,731

The number of employees (including executive directors) at the end of the financial year amounted to 359 (2004: 398) employees in the Group and 197 (2004: 205) employees in the Company respectively.

9 Directors' remuneration

The Directors of the Company in office during the financial year are as follows:

Independent Non-executive Directors

Dato' Ismail bin Yusof
Sofian bin Arshad
Ash'ari bin Ayub

Executive Directors

Dato' Tan Seng Leong
Tan Lay Kim
Tan Lay Hiang
Tan Seng Hong

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

	Group 2005 RM	Group 2004 RM	Company 2005 RM	Company 2004 RM
Non-executive Directors:				
- fees	132,000	132,000	132,000	132,000
Executive Directors:				
- basic salaries and bonus	1,811,588	2,078,400	643,638	710,650
- defined contribution retirement plan	332,254	391,032	118,874	128,802
- estimated money value of benefits in kind	83,700	107,888	83,700	83,700
	2,359,542	2,709,320	978,212	1,055,152

9 **Directors' remuneration** (continued)

Executive Directors of the Company have been granted options under the ESOS on the same terms and conditions as those offered to other employees of the Group (as disclosed in Note 26) as follows:

			Number of shares				
Grant date	**Expiry date**	**Exercise price RM/shares**	**At start of financial year**	**Granted**	**Exercise**	**Lapsed**	**At end of financial year**
2005							
14.03.2000	14.03.2005	1.44	800,000	0	0	(800,000)	0
14.03.2000	14.03.2005	1.00	1,200,000	0	0	(1,200,000)	0
2004							
14.03.2000	14.03.2005	1.44	800,000	0	0	0	800,000
14.03.2000	14.03.2005	1.00	1,200,000	0	0	0	1,200,000

	2005	**2004**
Number of share options vested at balance sheet date	0	2,000,000

10 **Finance cost**

	Group		Company	
	2005 RM	**2004 RM**	**2005 RM**	**2004 RM**
Interest expenses:				
- term loans/bridging loans	4,834,536	4,896,932	1,784,346	1,992,793
- short term borrowings	4,533,282	5,105,075	3,808,866	4,822,567
- finance leases	68,175	214,964	56,414	51,928
- others	418,678	272,378	217,466	150,611
	9,854,671	10,489,349	5,867,092	7,017,899
Less interest capitalised:				
- land held for property development	(1,779,751)	(2,433,118)	0	0
- property development costs	(1,819,921)	(1,719,342)	(586,603)	(1,656,335)
	6,254,999	6,336,889	5,280,489	5,361,564

11 **Tax expense**

(a) Tax charge for the financial year:

	Group		Company	
	2005 RM	**2004 RM**	**2005 RM**	**2004 RM**
Current tax				
- current year	3,040,552	4,932,320	1,713,119	1,797,000
- (over)/under accrual in prior years	(103,582)	2,445,698	(127,044)	2,493,506
Deferred tax (Note 17)				
- current year	1,065,640	348,190	1,092,000	384,170
- over accrual in prior years	(5,597)	(6,909)	0	0
	1,060,043	341,281	1,092,000	384,170
	3,997,013	7,719,299	2,678,075	4,674,676

11 Tax expense (continued)

(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	
	2005	2004	2005	2004
	%	%	%	%
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	(2.9)	(1.4)	0	0
Income not subject to tax	(0.2)	0	0	0
Deferred tax assets not recognised	1.3	0	0	0
Expenses not deductible for tax purposes	3.0	4.3	4.2	11.3
Under/(over) accrual in prior years				
- current tax liability	(0.7)	14.1	(1.5)	44.9
- deferred tax liability	(0.3)	(0.1)	0	0
Average effective tax rate	28.2	44.9	30.7	84.2

The Company has unabsorbed capital allowances and Investment Tax Allowance amounting to approximately RM18,000 (2004: RM1,875,000) and RM18,000,000 (2004: RM18,000,000) respectively, available to be set off against the future taxable income of the hotel business.

There are sufficient Section 108 tax credit and tax exempt account to frank all the retained earnings of the Company as at 30 June 2005 if paid out as dividends.

12 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.

	Group	
	2005	2004
	RM	RM
Net profit for the financial year (RM)	10,154,045	9,465,613
Weighted average number of ordinary shares in issue	205,099,483	206,179,633
Basic earnings per share (sen)	4.95	4.59

No account is taken of the outstanding ESOS granted to Directors and employees in the computation of diluted earnings per share in 2004 as the effect on the basic earnings per share is anti-dilutive. The ESOS has lapsed in 2005.

13 Property, plant and equipment

Group

2005	Hotel property RM	Freehold land RM	Buildings RM	Plant and machinery RM	Motor vehicles RM	Renovation RM	Furniture, fittings, office and site equipment RM	Electrical and kitchen equipment RM	Other equipment RM	Total RM
At 1 July 2004										
At cost	0	4,682,636	13,313,206	5,890,461	7,951,328	5,357,180	7,258,494	3,387,402	588,925	48,429,632
At valuation	31,796,564	0	0	0	0	0	0	0	0	31,796,564
Additions	0	1,096,000	616,000	100,419	564,197	82,000	397,298	90,965	0	2,946,879
Disposals	0	(378,445)	(489,600)	(60,773)	(746,887)	0	(7,397)	0	0	(1,683,102)
Write off	0	0	0	(32,273)	0	0	(102,505)	0	0	(134,778)
At 30 June 2005	31,796,564	5,400,191	13,439,606	5,897,834	7,768,638	5,439,180	7,545,890	3,478,367	588,925	81,355,195
Accumulated Depreciation										
At 1 July 2004	0	0	1,251,955	4,171,616	6,421,416	4,179,635	5,378,807	2,500,092	0	23,903,521
Charge for the financial year	0	0	263,810	869,361	694,472	218,613	549,946	383,914	0	2,980,116
Disposals	0	0	(29,781)	(54,333)	(725,247)	0	(4,865)	0	0	(814,226)
Write off	0	0	0	(32,004)	0	0	(83,763)	0	0	(115,767)
At 30 June 2005	0	0	1,485,984	4,954,640	6,390,641	4,398,248	5,840,125	2,884,006	0	25,953,644
Net book value										
30 June 2005	31,796,564	5,400,191	11,953,622	943,194	1,377,997	1,040,932	1,705,765	594,361	588,925	55,401,551

13 Property, plant and equipment (continued)

Group (continued)

2004	Hotel property RM	Freehold land RM	Buildings RM	Plant and machinery RM	Motor vehicles RM	Renovation RM	Furniture, fittings, office and site equipment RM	Electrical and kitchen equipment RM	Other equipment RM	Total RM
At 1 July 2003										
At cost	0	5,021,725	13,440,483	5,719,749	8,496,058	5,304,276	6,993,258	3,322,226	588,925	48,886,700
At valuation	31,796,564	0	0	0	0	0	0	0	0	31,796,564
Additions	0	144,000	336,000	203,143	101,480	72,575	310,026	65,176	0	1,232,400
Disposals	0	(483,089)	(463,277)	(32,431)	(620,210)	0	(41,008)	0	0	(1,640,015)
Write off	0	0	0	0	(26,000)	(19,671)	(3,782)	0	0	(49,453)
At 30 June 2004	31,796,564	4,682,636	13,313,206	5,890,461	7,951,328	5,357,180	7,258,494	3,387,402	588,925	80,226,196
Accumulated Depreciation										
At 1 July 2003	0	0	1,005,545	3,243,835	5,785,126	3,966,836	4,640,937	2,163,550	0	20,805,829
Charge for the financial year	0	0	272,680	960,092	1,214,787	219,128	764,367	336,542	0	3,767,596
Disposals	0	0	(26,270)	(32,311)	(555,097)	0	(25,306)	0	0	(638,984)
Write off	0	0	0	0	(23,400)	(6,329)	(1,191)	0	0	(30,920)
At 30 June 2004	0	0	1,251,955	4,171,616	6,421,416	4,179,635	5,378,807	2,500,092	0	23,903,521
Net book value 30 June 2004	31,796,564	4,682,636	12,061,251	1,718,845	1,529,912	1,177,545	1,879,687	887,310	588,925	56,322,675

13 **Property, plant and equipment** (continued)

Company

2005	Hotel property RM	Freehold land RM	Buildings RM	Plant and machinery RM	Motor vehicles RM	Renovation RM	Furniture, fittings, office and site equipment RM	Electrical and kitchen equipment RM	Other equipment RM	Total RM
At 1 July 2004										
At cost	0	2,256,097	10,442,406	1,171,107	4,029,262	3,919,820	4,626,072	3,387,402	588,925	30,421,091
At valuation	31,796,564	0	0	0	0	0	0	0	0	31,796,564
Additions	0	0	0	0	314,084	0	52,186	90,965	0	457,235
Disposals	0	0	0	0	(213,116)	0	(3,550)	0	0	(216,666)
Write off	0	0	0	0	0	0	(79,960)	0	0	(79,960)
At 30 June 2005	31,796,564	2,256,097	10,442,406	1,171,107	4,130,230	3,919,820	4,594,748	3,478,367	588,925	62,378,264
Accumulated depreciation										
At 1 July 2004	0	0	1,117,220	1,150,870	2,929,020	3,677,555	4,050,965	2,500,092	0	15,425,722
Charge for the year	0	0	208,848	5,609	421,796	52,037	194,095	383,914	0	1,266,299
Disposals	0	0	0	0	(213,116)	0	(3,017)	0	0	(216,133)
Write off	0	0	0	0	0	0	(68,913)	0	0	(68,913)
At 30 June 2005	0	0	1,326,068	1,156,479	3,137,700	3,729,592	4,173,130	2,884,006	0	16,406,975
Net book value										
30 June 2005	31,796,564	2,256,097	9,116,338	14,628	992,530	190,228	421,618	594,361	588,925	45,971,289

13 Property, plant and equipment (continued)

Company (continued)

2004	Hotel property RM	Freehold land RM	Buildings RM	Plant and machinery RM	Motor vehicles RM	Renovation RM	Furniture, fittings, office and site equipment RM	Electrical and kitchen equipment RM	Other equipment RM	Total RM
At 1 July 2003										
At cost	0	2,364,542	10,539,283	1,154,012	4,300,992	3,917,251	4,561,897	3,322,226	588,925	30,749,128
At valuation	31,796,564	0	0	0	0	0	0	0	0	31,796,564
Additions	0	0	0	17,095	0	22,240	96,327	65,176	0	200,838
Disposals	0	(108,445)	(96,877)	0	(271,730)	0	(28,750)	0	0	(505,802)
Write off	0	0	0	0	0	(19,671)	(3,402)	0	0	(23,073)
At 30 June 2004	31,796,564	2,256,097	10,442,406	1,171,107	4,029,262	3,919,820	4,626,072	3,387,402	588,925	62,217,655
Accumulated depreciation										
At 1 July 2003	0	0	918,543	1,145,096	2,712,667	3,613,474	3,660,976	2,163,550	0	14,214,306
Charge for the year	0	0	210,302	5,774	444,554	70,410	411,136	336,542	0	1,478,718
Disposals	0	0	(11,625)	0	(228,201)	0	(20,042)	0	0	(259,868)
Write off	0	0	0	0	0	(6,329)	(1,105)	0	0	(7,434)
At 30 June 2004	0	0	1,117,220	1,150,870	2,929,020	3,677,555	4,050,965	2,500,092	0	15,425,722
Net book value 30 June 2004	31,796,564	2,256,097	9,325,186	20,237	1,100,242	242,265	575,107	887,310	588,925	46,791,933

13 Property, plant and equipment (continued)

	Group		Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
Net book value of assets under finance leases:				
- motor vehicles	1,142,969	1,165,294	899,194	1,015,457
- machinery	0	222,569	0	0
Net book value of assets pledged for bank borrowings:				
- freehold land	4,530,646	3,511,277	1,592,908	1,592,908
- buildings	8,760,524	9,352,254	6,775,906	6,933,222
	13,291,170	12,863,531	8,368,814	8,526,130

During the financial year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM2,946,879 (2004: RM1,232,400) and RM457,235 (2004: RM200,838) respectively, of which RM516,516 (2004: RM53,000) for the Group and RM314,084 (2004: RM Nil) for the Company were acquired by means of finance leases. Cash payments of RM2,430,363 (2004: RM1,179,400) and RM143,151 (2004: RM200,838) were made to purchase the assets for the Group and Company respectively.

The hotel property of the Group stated at valuation was revalued in June 2005 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.

14 Investment properties

	Group		Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
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	0	0
	19,482,436	19,482,436	18,762,436	18,762,436
Investment properties pledged as security for borrowings	19,482,436	19,482,436	18,762,436	18,762,436

Investment properties were revalued once in every five years and were revalued in June 2005 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.

15 Land held for property development

	Group		Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
Freehold land including improvements, at cost:				
At start of financial year	67,192,365	63,957,011	803,675	803,675
Additions	1,665,560	11,960,462	0	0
Transfer to property development cost (Note 18)	(854,081)	(8,725,108)	0	0
At end of financial year	68,003,844	67,192,365	803,675	803,675
Land held for property development as security for borrowings	67,763,409	66,951,930	563,240	563,240

16 Subsidiaries

	Company 2005	Company 2004
	RM	RM
Unquoted shares, at cost	15,500,008	15,300,010
Accumulated impairment losses	(2,700,000)	(2,000,000)
	12,800,008	13,300,010

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

Name of Company	Group's effective interest 2005	Group's effective interest 2004	Principal activities
	%	%	
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.

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

On 20 May 2005, the Company subscribed for additional 199,998 ordinary shares of RM1.00 each of BCB Trading Sdn. Bhd. by way of capitalising the amount due from BCB Trading Sdn. Bhd. of RM199,998.

17 Deferred tax

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:

	Group 2005	Group 2004	Company 2005	Company 2004
	RM	RM	RM	RM
Deferred tax assets	8,000	12,889	0	0
Deferred tax liabilities				
- subject to income tax	(5,657,702)	(4,602,548)	(5,513,000)	(4,421,000)
	(5,649,702)	(4,589,659)	(5,513,000)	(4,421,000)
At beginning of the financial year	(4,589,659)	(4,248,378)	(4,421,000)	(4,036,830)
Credited/(charged) to income statement				
- property, plant and equipment	(561,556)	(362,389)	(579,513)	(405,278)
- others	(498,487)	21,108	(512,487)	21,108
	(1,060,043)	(341,281)	(1,092,000)	(384,170)
At end of the financial year	(5,649,702)	(4,589,659)	(5,513,000)	(4,421,000)

17 Deferred tax (continued)

	Group		Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
Deferred tax assets (prior to offsetting)				
- foreseeable losses	125,336	637,823	125,336	637,823
- other	22,000	12,889	0	0
Offsetting	(139,336)	(637,823)	(125,336)	(637,823)
Deferred tax assets (after offsetting)	8,000	12,889	0	0
Deferred tax liabilities (prior to offsetting)				
- revaluation reserve	(2,962,378)	(2,962,378)	(2,944,830)	(2,944,830)
- property, plant and equipment	(2,834,660)	(2,277,993)	(2,693,506)	(2,113,993)
	(5,797,038)	(5,240,371)	(5,638,336)	(5,058,823)
Offsetting	139,336	637,823	125,336	637,823
Deferred tax liabilities (after offsetting)	(5,657,702)	(4,602,548)	(5,513,000)	(4,421,000)

The amount of deductible temporary differences and unused tax losses (both of which have no expiry date) for which no deferred tax asset is recognised in the balance sheet are as follows:

	Group		Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
Deductible temporary differences	1,849,139	1,655,815	0	0
Tax losses	3,991,709	3,992,693	0	0
	5,840,848	5,648,508	0	0
Deferred tax asset not recognised at 28%	1,635,437	1,581,582	0	0

18 Property development cost

	Group		Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
At start of financial year:				
- land, at cost	74,198,099	81,033,978	46,933,340	55,326,934
- development costs	264,278,809	261,535,566	183,818,036	191,031,118
	338,476,908	342,569,544	230,751,376	246,358,052
Costs incurred during the financial year:				
- transfer from land held for property development (Note 15)	854,081	8,725,108	0	0
- development costs	71,313,730	111,489,102	33,396,406	67,079,073
	72,167,811	120,214,210	33,396,406	67,079,073

18 Property development cost (continued)

	Group 2005 RM	Group 2004 RM	Company 2005 RM	Company 2004 RM
Accumulated costs charged to income statement:				
At start of financial year	(131,562,995)	(139,891,252)	(85,798,535)	(107,598,317)
Current year	(81,780,893)	(109,888,634)	(48,335,892)	(58,052,356)
At end of financial year	(213,343,888)	(249,779,886)	(134,134,427)	(165,650,673)
Transfer to inventories	(420,649)	(6,089,955)	(274,149)	(2,833,611)
	(420,649)	(6,089,955)	(274,149)	(2,833,611)
Property development costs	196,880,182	206,913,913	129,739,206	144,952,841
At end of financial year:				
- land, at cost	68,031,053	74,198,099	42,422,783	46,933,340
- development costs	275,890,060	264,278,809	172,962,180	183,818,036
- accumulated cost charged to income statement	(147,040,931)	(131,562,995)	(85,645,757)	(85,798,535)
	196,880,182	206,913,913	129,739,206	144,952,841
Property development cost pledged as securities for borrowings	98,742,885	191,449,605	39,344,116	130,006,480

19 Inventories

	Group 2005 RM	Group 2004 RM	Company 2005 RM	Company 2004 RM
At cost				
Completed development properties	49,267,870	54,427,446	23,187,657	26,654,563
Raw materials	965,867	885,301	0	0
Work in progress	183,832	400,019	0	0
Finished goods	405,091	524,759	0	0
Food and beverages	160,413	183,961	160,413	183,961
General supplies	42,744	151,446	42,744	38,983
Consumable stocks	189,562	103,308	0	0
	51,215,379	56,676,240	23,390,814	26,877,507
Inventories pledged as securities for borrowings	21,359,761	21,511,070	17,685,101	18,203,876

20 Receivables, deposits and prepayments

	Group 2005 RM	Group 2004 RM	Company 2005 RM	Company 2004 RM
Trade receivables	73,582,461	82,903,359	10,235,703	12,907,871
Allowance for doubtful debts	(248,659)	(234,886)	0	0
	73,333,802	82,668,473	10,235,703	12,907,871

20 Receivables, deposits and prepayments (continued)

	Group		Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
Amounts due from customers on contracts (Note 30)	8,379,354	9,515,517	0	0
Other receivables	13,831,544	15,896,185	12,133,563	13,913,034
Accrued billings in expect of property development	0	872,890	0	872,890
Deposits	1,349,230	1,470,521	949,842	1,008,297
Prepayments	317,362	305,333	235,234	210,272
	97,211,292	110,728,919	23,554,342	28,912,364

The currency exposure profile of receivables, deposits and prepayments is as follows:

	2005	2004	2005	2004
	RM	RM	RM	RM
- Ringgit Malaysia	96,639,622	110,054,061	23,554,342	28,912,364
- US Dollar	571,670	674,858	0	0
	97,211,292	110,728,919	23,554,342	28,912,364

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 RM5,246,374 (2004: RM8,331,269) and RM5,246,374 (2004 : RM7,614,249) respectively.

21 Amount due from/to subsidiaries

	Company	
	2005	2004
	RM	RM
Amounts due from subsidiaries		
- Johbase Development Sdn Bhd	29,024,069	21,672,824
- BCB Management Sdn Bhd	0	381,662
- BCB Construction Sdn Bhd	0	24,923,390
- BCB Concrete Sdn Bhd	0	95,780
- BCB Road Builder Sdn Bhd	3,678,957	3,341,647
- BCB Furniture Sdn Bhd	5,679,422	4,635,757
- BCB Development Sdn Bhd	239,546	234,931
- BCB Resources Sdn Bhd	48,452,300	14,333,732
- BCB Land Sdn Bhd	9,382,078	7,630,302
- BCB Trading Sdn Bhd	26,316,552	17,065,630
- BCB Greens Sdn Bhd	1,344,595	1,124,108
- BCB Technologies Sdn Bhd	9,044	4,177
	124,126,563	95,443,940

21 Amount due from/to subsidiaries (continued)

	Company	
	2005	2004
	RM	RM
Amounts due to subsidiaries		
- BCB Management Sdn Bhd	439,209	0
- BCB Construction Sdn Bhd	6,088,036	0
	6,527,245	0

The amounts due from/to subsidiaries are denominated in Ringgit Malaysia.

The net amounts due from subsidiaries comprise the following:

	Company	
	2005	2004
	RM	RM
Advances	12,906,834	44,388,762
Current account	104,692,484	51,055,178
	117,599,318	95,443,940

The weighted average effective interest rate of advances at balance sheet date is 7.37% (2004: 7.88%) per annum. The current account is interest free. Both accounts are unsecured and have no fixed terms of repayment.

22 Deposits, bank and cash balances

	Group		Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
Deposit with a licensed bank	0	15,288	0	0
Bank and cash balances (Note 29)	7,371,002	4,926,687	3,233,463	3,340,172
	7,371,002	4,941,975	3,233,463	3,340,172

Included in bank and cash balances of the Group and Company is an amount of RM933,749 (2004: RM1,142,212) and RM508,976 (2004 : RM837,627) respectively held under Housing Development Accounts (maintained under Section 7A of the Housing Developers (Control and Licensing) Act 1966).

Other bank balances are deposits held at call with banks and bear no interest.

The fixed deposit with a licensed bank was pledged as security to obtain bank guarantee facility.

	Group		Company	
	2005	2004	2005	2004
Weighted average effective interest rate at balance sheet date (%):				
- Deposit with a licensed bank	0	3.1	0	0
- Housing Development Accounts	2.0	2.1	2.0	2.1
Average maturity (days)				
- fixed deposits with a licensed bank	0	365	0	0

The deposits, bank and cash balances are denominated in Ringgit Malaysia.

23 Payables

	Group		Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
Trade payables	28,324,018	39,856,922	3,440,476	3,906,571
Amounts due to customers on contracts (Note 30)	11,874,494	15,096,607	0	0
Progress billings in respect of property development	218,400	1,497,946	218,400	980,000
Other payables	4,301,609	4,112,826	2,674,061	2,162,381
Accrued expenses	1,019,398	1,330,275	579,199	777,734
Payroll liabilities	436,053	468,625	340,765	402,009
Deposits received	1,280,545	1,694,144	1,279,245	1,692,844
	47,454,517	64,057,345	8,532,146	9,921,539

The currency exposure profile of payables is as follows:

	2005	2004	2005	2004
	RM	RM	RM	RM
- Ringgit Malaysia	47,413,046	63,898,065	8,532,146	9,921,539
- US Dollar	41,471	159,280	0	0
	47,454,517	64,057,345	8,532,146	9,921,539

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.

24 Borrowings

	Group		Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
Current				
Bridging loans	9,577,894	17,730,082	3,825,293	7,540,376
Term loans - repayable within 12 months	14,081,410	22,992,043	3,664,695	9,785,373
Finance lease liabilities (Note 28)	452,638	419,310	369,109	345,717
Revolving credits	4,521,000	18,402,811	4,521,000	18,402,811
Bankers' acceptances	26,770,246	24,333,141	20,522,070	19,065,225
	55,403,188	83,877,387	32,902,167	55,139,502
Non current				
Term loans	48,404,687	45,429,100	19,876,279	12,822,649
Finance lease liabilities (Note 28)	361,135	384,251	231,391	358,267
	48,765,822	45,813,351	20,107,670	13,180,916
Total				
Bridging loans	9,577,894	17,730,082	3,825,293	7,540,376
Term loans	62,486,097	68,421,143	23,540,974	22,608,022
Finance lease liabilities	813,773	803,561	600,500	703,984
Revolving credit	4,521,000	18,402,811	4,521,000	18,402,811
Bankers' acceptance	26,770,246	24,333,141	20,522,070	19,065,225
	104,169,010	129,690,738	53,009,837	68,320,418

24 **Borrowings** (continued)

	Group		Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
Term loans are repayable as follows:				
- not later than 1 year	14,081,410	22,992,043	3,664,695	9,785,373
- later than 1 year and not later than 2 years	12,505,657	11,889,489	3,814,285	2,748,772
- later than 2 years and not later than 5 years	26,255,653	26,000,867	8,906,672	8,024,954
- later than 5 years	9,643,377	7,538,744	7,155,322	2,048,923
	62,486,097	68,421,143	23,540,974	22,608,022

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 properties, 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.

Other 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 term loans of the Group are secured by way of legal charges over certain investment properties, 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.

	Group		Company	
	2005	2004	2005	2004
	%	%	%	%
Weighted average effective interest rates at balance sheet date:				
- bridging loans	7.5	7.4	7.8	7.7
- term loans	6.7	7.7	5.9	8.4
- revolving credits	8.5	7.1	8.5	7.1
- bankers' acceptances	4.5	4.7	5.0	5.0

The borrowings are denominated in Ringgit Malaysia.

The carrying amount and fair value of term loans excluding Islamic borrowings of RM3,281,250 (2004: RM3,906,250) are as follows:

	Group		Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
Carrying amount	59,204,847	64,514,893	20,259,724	18,701,772
Fair value	49,773,680	57,304,104	16,007,424	16,145,316

25 Bank overdrafts

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

	Group		Company	
	2005	2004	2005	2004
	%	%	%	%
Weighted average effective interest rate at balance sheet date	7.7	7.7	7.7	7.7

The bank overdrafts are denominated in Ringgit Malaysia.

26 Share capital

	Group and Company	
	2005	2004
	RM	RM
Authorised:		
Ordinary shares of RM1.00 each	500,000,000	500,000,000
Issued and fully paid:		
Ordinary shares of RM1.00 each		
At start/end of financial year	206,250,000	206,250,000

(a) Treasury shares

The shareholders of the Company have approved the Company's plan to repurchase up to 10% of the issued and paid-up share capital of the Company ("Share Buy Back"). The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the Share Buy Back can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company repurchased 2,031,500 (2004: 248,800) of its issued share capital from the open market on the Bursa Malaysia Securities Berhad for RM1,110,979 (2004: RM153,219). The average price paid for the shares repurchased was RM0.55 (2004: RM 0.62) per share. The Share Buy Back transactions were financed by internally generated funds. The shares bought back are being held as treasury shares as allowed under Section 67A of Companies Act 1965. The Company has the right to reissue these shares at a later date. As treasury shares, the rights attached as to voting, dividends and participation in other distributions are suspended. None of the treasury shares repurchased has been sold as at 30 June 2005.

At the balance sheet date, the number of outstanding shares in issue after setting treasury shares off against equity is 203,969,700 (2004: 206,001,200).

(b) Employees' share option scheme

The Company implemented a new Employees' Share Option Scheme ("ESOS") in year 2000 to eligible employees to subscribe for new shares of RM1.00 each in the Company pursuant to the BCB Berhad's Employees' Share Option Scheme ("Scheme"). The ESOS is governed by the by-laws which were approved by the shareholders on 4 February 2000.

The main features of the Scheme are as follows:

(i) 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.

26 Share capital (continued)

(b) Employees' share option scheme (continued)

The main features of the Scheme are as follows: (continued)

(ii) 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 Bursa Malaysia (formerly known as 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.

(iii) The options granted may be exercised at any time before the expiry of the ESOS on 14 March 2005. The options have lapsed after this date.

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

Number of option granted and unexercised as at 30 June 2005	Percentage of option exercisable Year 2005 %	Year 2006 %
800,000	20	0
1,200,000	20	0
500,000	0	0
2,333,000	0	0
788,000	20	0
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 2004	**5,621,000**
Lapsed	**(5,621,000)**
Granted	**0**
Exercised	**0**
At 30 June 2005	**0**

Set out below are details of options over the ordinary shares of the Company granted under the ESOS:

			Number of shares				
Grant date	Expiry date	Exercise price RM/ shares	At start of financial year	Granted	Exercise	Lapsed	At end of financial year
2005							
14 March 2000	14 March 2005	**1.44**	**800,000**	**0**	**0**	**(800,000)**	**0**
14 March 2000	14 March 2005	**1.00**	**4,821,000**	**0**	**0**	**(4,821,000)**	**0**
2004							
14 March 2000	14 March 2005	1.44	800,000	0	0	0	800,000
14 March 2000	14 March 2005	1.00	4,821,000	0	0	0	4,821,000

26 Share capital (continued)

(b) Employees' share option scheme (continued)

Set out below are details of options over the ordinary shares of the Company granted under the ESOS: (continued)

	2005	2004
Number of share options vested at balance sheet date	0	5,621,000

27 Revaluation reserves

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
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

28 Finance lease liabilities

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Minimum lease payments:				
- not later than 1 year	503,493	480,144	414,632	397,398
- later than 1 year and not later than 2 years	227,822	357,671	150,786	337,448
- later than 2 years and not later than 5 years	169,881	83,964	102,857	75,574
	901,196	921,779	668,275	810,420
Future finance charges	(87,423)	(118,218)	(67,775)	(106,436)
Present value of finance lease liabilities	813,773	803,561	600,500	703,984
Current (Note 24)	452,638	419,310	369,109	345,717
Non current (Note 24)	361,135	384,251	231,391	358,267
	813,773	803,561	600,500	703,984
Present value of finance lease liabilities				
- not later than 1 year	452,638	419,310	369,109	345,717
- later than 1 year and not later than 2 years	215,444	310,100	142,530	292,433
- later than 2 years and not later than 5 years	145,691	74,151	88,861	65,834
	813,773	803,561	600,500	703,984

28 Finance lease liabilities (continued)

	Group		Company	
	2005	2004	2005	2004
	%	%	%	%
Weighted average effective interest rate at the balance sheet date	6.2	7.5	6.9	7.6

	Group		Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
Fair value at the balance sheet date	747,927	726,277	555,830	630,249

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

29 Cash and cash equivalents

	Group		Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
Bank and cash balances (Note 22)	7,371,002	4,926,687	3,233,463	3,340,172
Bank overdrafts	(34,126,473)	(25,400,823)	(32,175,090)	(23,254,536)
	(26,755,471)	(20,474,136)	(28,941,627)	(19,914,364)

30 Construction contracts

	Company	
	2005	2004
	RM	RM
Aggregate costs incurred to date	190,688,965	186,421,554
Add: Estimated attributable profits	18,421,172	15,746,543
Less: Recognised losses	(1,459,191)	(1,545,541)
	207,650,946	200,622,556
Less: Progress billings	(211,146,086)	(206,203,646)
	(3,495,140)	(5,581,090)
Represented by:		
Amounts due from customers on contracts (Note 20)	8,379,354	9,515,517
Amounts due to customers on contracts (Note 23)	(11,874,494)	(15,096,607)
	(3,495,140)	(5,581,090)
Retention sum on contracts	5,758,734	20,353,090

31 Contingent liabilities

	Group 2005 RM	Group 2004 RM	Company 2005 RM	Company 2004 RM
Unsecured				
Corporate guarantees for borrowings granted to third parties	29,156,889	37,213,488	29,156,889	37,213,488
Corporate guarantees for trade credits granted to subsidiaries	0	0	3,662,935	5,437,467
Claim by third party	5,276,807	0	5,276,807	0
	34,433,696	37,213,488	38,096,631	42,650,955
Secured				
Corporate guarantees for borrowings facilities granted by financial institutions to subsidiaries	0	0	48,429,369	62,111,920
	34,433,696	37,213,488	86,526,000	104,762,875

(a) 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.

(b) On 10.6.1995, the Company entered into a Joint Venture Agreement (JVA) with Sime Hock Sdn Bhd (Sime Hock) to undertake the development of a mix development project; namely Taman Megah, Pontian, Johor.

On 29.1.1999, a Supplemental Agreement (SA) was signed between the Company and Sime Hock in essence to finalise Sime Hock's entitlement of completed units per the SA and the delivery of the units within 5 years from the SA date. Pursuant to Clause 5 of the SA, Sime Hock is entitled to a 10% per annum. Liquidated Damages (LD) for the late delivery of the entitled units.

There is at present an action in the Johor Bahru High Court commenced by Sime Hock for the termination of the JVA due to the late delivery of the balance entitled units and the sum of RM5,276,807 being the amount allegedly due upon the termination. The Company in turn filed a counterclaim of RM1,665,366 against Sime Hock and contends that Sime Hock cannot unilaterally rescind the JVA as Clause 5 of the SA provides for LD of 10% per annum on the late delivery of the balance entitled units.

The Directors are of the opinion, after taking appropriate legal advice, that the Company has an arguable defense and that no provision for this claim is necessary.

32 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 agreed terms.

(a) Intercompany transactions

	Company 2005 RM	Company 2004 RM
Interest income receivable from subsidiaries:		
- BCB Construction Sdn. Bhd.	965,718	817,156
- Johbase Development Sdn. Bhd.	145,331	233,626
Progress billings by subsidiaries:		
- BCB Construction Sdn. Bhd.	29,139,509	56,972,414
- BCB Road Builder Sdn. Bhd.	1,296,867	2,405,943
Purchase of goods from subsidiaries:		
- BCB Trading Sdn. Bhd.	37,102	592,167
- BCB Furniture Sdn. Bhd.	5,476	8,041
- BCB Greens Sdn. Bhd.	117,320	225,075

32 Significant related party disclosures (continued)

(a) Intercompany transactions

	Company 2005 RM	Company 2004 RM
Management fee receivable from subsidiaries:		
- BCB Concrete Sdn. Bhd.	96,000	96,000
- BCB Construction Sdn. Bhd.	840,000	840,000
- BCB Greens Sdn. Bhd.	48,000	48,000
- BCB Resources Sdn. Bhd.	360,000	360,000
- BCB Trading Sdn. Bhd.	180,000	180,000
- BCB Road Builder Sdn. Bhd.	96,000	96,000
- Johbase Development Sdn. Bhd.	240,000	240,000
Advances from subsidiaries:		
- BCB Management Sdn. Bhd.	1,461,259	1,315,000
- Johbase Development Sdn. Bhd.	0	3,750,000
Advances to subsidiaries:		
- BCB Construction Sdn. Bhd.	19,401,771	19,872,672
- BCB Furniture Sdn. Bhd.	320,000	137,000
- BCB Greens Sdn. Bhd.	273,000	499,000
- BCB Road Builder Sdn. Bhd.	908,239	1,252,500
- Johbase Development Sdn. Bhd.	70,000	111,000
- BCB Trading Sdn. Bhd.	347,000	2,339,834

(b) Project management services to:

	Group 2005 RM	Group 2004 RM
- Marvel Plus Development Sdn. Bhd. ("MPD")	563,186	177,394

MPD is a related party by virtue of the major shareholding and directorships of Datin Lim Sui Yong and Tan Vin Sern in MPD, who are the spouse and son respectively of Dato' Tan Seng Leong, a Director of the Company.

(c) Sales to related parties

	Group 2005 RM	Group 2004 RM
Progress billing in respect of sale of development properties to related parties:		
- Tan Lindy	135,830	0
- Tan Vin Sern	135,830	0
	271,660	0

The related parties are children of Dato' Tan Seng Leong, a Director of the Company.

33 Capital commitments

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

	Group 2005 RM	Group 2004 RM
Authorised and contracted for	4,233,000	4,450,000

34 Fair value

The carrying amount of financial assets and liabilities with maturity of less than one year are assumed to approximate their fair value except as disclosed in Note 24 and 28.

35 Segmental reporting

(a) The Group is organised into the following three main business segments:

- Properties development and management activities
- Construction and related activities

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

Intersegment sales comprise mainly:

- provision of project construction and road services to properties development and management activities segment.
- sales of building materials and furniture to properties development and management activities and construction segments.

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

Primary reporting format – business segments

Group 2005	Properties development and management activities	Construction and related activities	Others	Elimination	Total
Revenue					
External sales	112,888,173	16,883,618	18,589,428	0	148,361,219
Inter-segment sales	0	64,907,069	6,124,701	(71,031,770)	0
Total revenue	112,888,173	81,790,687	24,714,129	(71,031,770)	148,361,219
Results					
Segment results	18,249,345	2,440,865	1,582,685		22,272,895
Unallocated expenses					(1,866,838)
Profit from operations					20,406,057
Finance cost					(6,254,999)
Profit from ordinary activities before tax					14,151,058
Tax expense					(3,997,013)
Net profit for the financial year					10,154,045
Other information					
Segment assets	387,426,281	66,728,139	41,411,266		495,565,686
Unallocated corporate assets					713,535
Consolidated total assets					496,279,221
Segment liabilities	14,807,745	32,350,798	5,953,676		53,112,219
Unallocated corporate liabilities					139,596,463
Consolidated total liabilities					192,708,682
Capital expenditure	438,269	2,279,385	229,225		2,946,879
Depreciation	809,325	662,543	1,508,248		2,980,116
Non cash items other than depreciation and Amortisation	346,665	(128,360)	76,301		294,606

35 Segmental reporting (continued)

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

Primary reporting format – business segments (continued)

Group 2004	Properties development and management activities	Construction and related activities	Others	Elimination	Total
Revenue					
External sales	146,189,209	35,447,278	20,681,473	0	202,317,960
Inter-segment sales	76,717	115,728,758	24,079,202	(139,884,677)	0
Total revenue	146,265,926	151,176,036	44,760,675	(139,884,677)	202,317,960
Results					
Segment results	18,151,988	4,577,102	2,750,340		25,479,430
Unallocated expenses					(1,957,629)
Profit from operations					23,521,801
Finance cost					(6,336,889)
Profit from ordinary activities before tax					17,184,912
Tax expense					(7,719,299)
Net profit for the financial year					9,465,613
Other information					
Segment assets	442,720,721	73,485,240	6,181,106		522,387,067
Unallocated corporate assets					28,177
Consolidated total assets					522,415,244
Segment liabilities	18,178,728	42,918,808	5,953,138		67,050,674
Unallocated corporate liabilities					160,837,097
Consolidated total liabilities					227,887,771
Capital expenditure	237,197	827,934	167,269		1,232,400
Depreciation	1,487,548	1,239,684	1,040,364		3,767,596
Non cash items other than depreciation and Amortisation	210,693	(126,762)	10,880		94,811

36 Change of accounting policy

During the financial year, the Group and Company changed its accounting policy in respect of accounting for property development activities in compliance with MASB Standard 32 “Property Development Activities”.

In accordance with MASB Standard 32, land where no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle, is classified as land held for property development under non-current assets.

Where revenue recognised in the income statement exceeds billings to purchasers, the balance is presented as accrued billings under “Trade and other receivables” (within current assets). Where billings to purchasers exceed revenue recognised in the income statement, the balance is presented as progress billings under “Trade and other payables” (within current liabilities).

36 Change of accounting policy (continued)

This change in accounting policy has been accounted for retrospectively.

This new accounting policy has no effect on the net profit for the financial year of the Group and Company for the financial year ended 30 June 2005.

The effects of this change of accounting policy on the Group's and Company's financial statements for the financial year ended 30 June 2004 are as follows:

	As previously reported RM	Effect of change in policy RM	As restated RM
At 30 June 2004			
Group			
Land held for property development	68,403,429	(1,211,064)	67,192,365
Property development costs	206,288,857	625,056	206,913,913
Receivables, deposits and prepayments	108,644,965	2,083,954	110,728,919
Payables	62,559,399	1,497,946	64,057,345
Company			
Land held for property development	2,014,739	(1,211,064)	803,675
Property development costs	144,845,731	107,110	144,952,841
Receivables, deposits and prepayments	26,828,410	2,083,954	28,912,364
Payables	8,941,539	980,000	9,921,539

"Property development costs" was previously disclosed as "Land and development costs" in the balance sheet.

37 Approval of financial statements

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 20 October 2005.

Authorised share capital	:	RM500,000,000
Issued and paid-up capital	:	RM206,250,000 (inclusive of 3,415,300 as Treasury Shares)
Type of shares	:	Ordinary shares of RM1.00 each
Voting rights	:	One vote per ordinary share

Analysis of Shareholdings By Range Groups

	No. of Shares	% Over Total Shares	No. of Holders	% Over Total Shareholders
less than 100 shares	119	0.00	3	0.05
101 to 1,000 shares	595,300	0.29	641	11.51
1,001 to 10,000 shares	15,737,500	7.76	4,164	74.80
10,001 to 100,000 shares	16,633,700	8.20	675	12.13
100,001 to less than 5% of issued shares	116,208,581	57.29	80	1.44
5% and above of issued shares	53,659,500	24.46	4	0.07
Company Total	202,834,700	100.00	5,567	100.00

List of Thirty Largest Shareholders as at 25 October 2005 (as per Record of Depositors)

Name	No. of Shares Held	%
1. HLG Nominee (Asing) Sdn Bhd Commerzbank (SEA) Ltd for Puncak Angkasa Sdn Bhd	17,054,500	8.41
2. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged securities account for Dato' Tan Seng Leong	14,310,000	7.06
3. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged securities account for Dato' Tan Seng Leong	11,328,000	5.58
4. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged securities account for Dato' Tan Seng Leong	10,967,000	5.41
5. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged securities account for Dato' Tan Seng Leong	9,855,000	4.86
6. HDM Nominees (Tempatan) Sdn Bhd Pledged securities account for Soh Jin Chai	6,767,300	3.34
7. EB Nominees (Tempatan) Sdn Bhd Pledged securities account for Abdul Manap Bin Hussain	6,106,000	3.01
8. HDM Nominees (Tempatan) Sdn Bhd Pledged securities account for Lim Key Siew	5,755,500	2.84
9. EB Nominees (Tempatan) Sendirian Berhad Pledged securities account for Lai Chee Hoong	5,316,000	2.62
10. HDM Nominees (Tempatan) Sdn Bhd Pledged securities account for Wan Mee Choo	4,269,600	2.10
11. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged securities account for Abdul Manap Bin Hussain	3,814,500	1.88
12. Mayban Nominees (Tempatan) Sdn Bhd Pledged securities account for Dato' Tan Seng Leong	3,750,000	1.85

List of Thirty Largest Shareholders as at 25 October 2005 (as per Record of Depositors) (continued)

Name	No. of Shares Held	%
13. Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged securities account for Haven Venture Sdn Bhd	3,613,800	1.78
14. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged securities account for Tan Lay Kim	3,180,000	1.57
15. EB Nominees (Tempatan) Sendirian Berhad Pledged securities account for Dato' Tan Seng Leong	3,078,000	1.52
16. Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged securities account for Lai Chee Hoong	2,765,200	1.36
17. Tan Vin Sern	2,534,500	1.25
18. Mayban Nominees (Tempatan) Sdn Bhd Pledged securities account for Dato' Tan Seng Leong	2,410,500	1.19
19. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged securities account for Tan Seng Hoo	2,285,000	1.13
20. HLG Nominee (Asing) Sdn Bhd Commerzbank (Sea) Ltd for Brookvale Sdn Bhd	2,250,000	1.11
21. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged securities account for Wong Sek Hin	2,250,000	1.11
22. Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged securities account for Lasercoin (M) Sdn Bhd	2,113,300	1.04
23. Matrix International Berhad	2,085,800	1.03
24. Puncak Angkasa Sdn Bhd	2,000,000	0.99
25. Mayban Nominees (Tempatan) Sdn Bhd Pledged securities account for Hon Lai Yin	1,971,000	0.97
26. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged securities account for Tan Lay Kim	1,920,000	0.95
27. Mayban Nominees (Tempatan) Sdn Bhd Pledged securities account for Tan Seng Leong	1,884,000	0.93
28. HDM Nominees (Tempatan) Sdn Bhd Pledged securities account for Tan Seng Hong	1,881,100	0.93
29. Southern Investment Bank Bhd Kumpulan Wang Simpanan Pekerja for Dato' Tan Seng Leong	1,839,200	0.91
30. RHB Nominees (Tempatan) Sdn Bhd RHB Asset Management Sdn Bhd for Dato' Tan Seng Leong	1,764,300	0.87
Total Share	141,119,100	69.57

Substantial Shareholders as at 25 October 2005 (as per Register of Substantial Shareholders)

	Name of Substantial Shareholders	No. of Shares Held Direct	Indirect	% of Issued Share Capital Direct	Indirect
1.	Dato' Tan Seng Leong	63,775,500	*2,665,500	31.44	1.31
2.	Datin Lim Sui Yong	131,000	#66,310,000	0.06	32.69
3.	Puncak Angkasa Sdn Bhd	19,054,500	-	9.39	-
4.	Abdul Manap Bin Hussain	10,745,500	-	5.30	-

Notes:

* *Deemed interest by virtue of:-*
(1) his spouse, Datin Lim Sui Yong's shareholding in the Company - 131,000 (0.06%); and
(2) his son, Mr Tan Vin Sern's shareholding in the Company - 2,534,500 (1.25%).

\# *Deemed interest by virtue of:-*
(1) her spouse, Dato' Tan Seng Leong's shareholding in the Company - 63,775,500 (31.44%); and
(2) her son, Mr Tan Vin Sern's shareholding in the Company - 2,534,500 (1.25%).

Directors' Shareholdings as at 25 October 2005 (as per Register of Directors' Shareholdings)

	Shareholdings in the name of the Director	Number of ordinary shares of RM1 each Direct	%	Indirect	%
1.	Dato' Tan Seng Leong	63,775,500	31.44	*2,665,500	1.31
2.	Tan Lay Kim	5,375,700	2.65	-	-
3.	Tan Seng Hong	4,072,600	2.01	#1,971,000	0.97
4.	Tan Lay Hiang	491,100	0.24	-	-

Notes:

* *Deemed interest by virtue of:-*
(1) his spouse, Datin Lim Sui Yong's shareholding in the Company - 131,000 (0.06%); and
(2) his son, Mr Tan Vin Sern's shareholding in the Company - 2,534,500 (1.25%).

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

The details of the BCB Group's properties as at 30 June 2005 are as follows:

Location	Descriptions	Tenure	Age of building	Size (acre)	Net Book Value/Cost as at 30 June 2005 RM'000	Date of acquisition/ revaluation*
KLUANG, JOHOR						
PTB 8370 No. 20, Jalan Bakawali, 86000 Kluang, Johor.	16 storey hotel	Leasehold (expiring 10.11.2093)	10 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)	10 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	12 years	0.15	720	15.01.2000 *
PTD 49840 No. 1, Jalan 6, Taman Sri Kluang, 86000 Kluang, Johor.	Single storey hypermarket	Freehold	7 years	1.44	4,088	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	7 years	0.84	2,768	27.06.1998
PTD 50047 - 50049 No. 29-33, Jalan 20, Taman Sri Kluang, 86000 Kluang, Johor.	3 units industry factory	Freehold	5.5 years	3.29	4,516	12.01.2000
Lot 6806 & 6808 Mukim of Kluang District of Kluang, Johor.	Being developed as Taman Sri Kluang	Freehold	N/A	67.05	18,615	12.01.1996
Lot 7186 & 7187 Mukim of Kluang District of Kluang, Johor.	Being developed as Taman Emas III	Freehold	N/A	0.09	89	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.	Being developed as Taman Kluang Baru 2	Freehold	N/A	10.83	1,100	29.12.1999

Location	Descriptions	Tenure	Age of building	Size (acre)	Net Book Value/Cost as at 30 June 2005 RM'000	Date of acquisition/ revaluation*
BATU PAHAT, JOHOR						
Lot 4091 Mukim of Simpang Kanan, District of Batu Pahat, Johor.	Being developed as Taman Bukit Perdana II	Freehold	N/A	11.64	5,799	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	18.54	8,569	07.12.1994
Lot 5297, 5298 & 5299 Mukim Tanjong Sembrong, District of Batu Pahat, Johor.	Being developed as Taman BCB	Freehold	N/A	5.19	2,846	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 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, 23526-23540, 23551-23565, 23581-23596, 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	353.74	56,190	06.02.2002
PONTIAN, JOHOR						
Lot 4681, Mukim of Pontian District of Pontian, Johor.	Being developed as Taman Megah	Freehold	N/A	26.83	5,959	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	17.25	4,231	15.07.1994

NOTICE IS HEREBY GIVEN that the **Annual General Meeting** of the Company will be held at Prime City Hotel, Mars 2, 6th Floor, 20, Jalan Bakawali, 86000 Kluang, Johor Darul Takzim on Monday, 19 December 2005 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 2005 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) Y. Bhg Dato' Tan Seng Leong (Article 105); and **Resolution 2**

   (b) Ms Tan Lay Hiang (Article 105) **Resolution 3**

   (c) En Syed Abdullah Bin A Hamid (Article 112) **Resolution 4**

3. To approve the payment of the Directors' fees amounting to RM132,000 in respect of the financial year ended 30 June 2005. **Resolution 5**

4. To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 6**

Special Business

5. To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution: **Resolution 7**

   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 Bursa Malaysia Securities Berhad 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 Bursa Malaysia Securities Berhad."

6. To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution: **Resolution 8**

   Proposed Renewal Of Share Buy-Back Mandate

   "THAT, subject to the provisions of the Companies Act, 1965 ("Act"), the Articles of Association of the Company, the Listing Requirements of the Bursa Malaysia Securities Berhad ("Securities Exchange") and all other applicable laws, regulations and guidelines and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised to utilise an amount not exceeding the total audited retained earnings of the Company as at 30 June 2005 of approximately RM63,709,000.00 to purchase on the Securities Exchange up to 17,209,700 ordinary shares of RM1.00 each of the Company being the number of ordinary shares which when aggregated with 3,415,300 ordinary shares already purchased and held as treasury shares as defined under Section 67A of the Act ("Treasury Shares") by the Company, would result in 20,625,000 BCB Berhad shares or ten per cent (10%) of its issued and paid-up share capital which stands at 206,250,000 ordinary shares as at 25 October 2005.

AND THAT, such authority shall commence upon the passing of this resolution until the conclusion of the next annual general meeting of the Company which shall be held no later than 31 December 2006 unless earlier revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting,

AND THAT, upon completion of the purchase by the Company of its own shares (“BCB Shares”), the Directors are authorised to retain BCB Shares as the treasury shares or cancel BCB Shares or retain part of BCB Shares so purchased as treasury shares and cancel the remainder. The Directors are further authorised to resell the treasury shares on the Securities Exchange or distribute the treasury shares as dividends to the Company’s shareholders or subsequently cancel the treasury shares or any combination of the three,

AND THAT, the Directors be and are hereby empowered to carry out the above immediately upon the passing of this resolution and from the date of the passing of this resolution until:

(i) the conclusion of the first annual general meeting of the Company following the general meeting at which this resolution was passed at which time it shall lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

(ii) the expiration of the period within which the next annual general meeting after that date is required by law to be held; or

(iii) revoked or varied by ordinary resolution passed by the shareholders in general meeting;

whichever is the earliest but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and to take all steps as are necessary and/or to do all such acts and things as the Directors deem fit and expedient in the interest of the Company to give full effect to the proposed purchase of BCB Shares with full powers to assent to any condition, modification, revaluation, variation and/or amendment (if any) as may be imposed by the relevant authorities.”

7. To transact any other business which due notice shall have been given.

BY ORDER OF THE BOARD

YEAP KOK LEONG
TAN BEE HWEE
Company Secretaries

Dated this 25th day of November 2005

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.

   Renewal of Share Buy-Back Mandate
   Resolution pursuant to the proposed renewal of Share Buy-Back Mandate. The Ordinary Resolution proposed under item 6, if passed, will empower the Directors to purchase the Company's shares of up to ten per cent of the issued and paid-up share capital of the Company by utilising the funds allocated out of the retained earnings of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

   *Based on the Company's audited financial statements for the financial year ended 30 June 2005, the Company's retained earnings stood at RM*63,709,000.

Pursuant to Paragraph 8.28(2) of the Bursa Securities 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 financial year 2005 of the company which will be held at Prime City Hotel, Mars 2, 6th Floor, 20, Jalan Bakawali, 86000 Kluang, Johor Darul Takzim on Monday, 19 December 2005 at 11.30 a.m.

Name of Director	Details of attendance for Board Meeting	Details of Individual Director
Y. Bhg Dato' Tan Seng Leong	Refer to Page 16 of Annual Report	Refer to Page 12 of Annual Report
Ms Tan Lay Hiang	Refer to Page 16 of Annual Report	Refer to Page 12 of Annual Report
En Syed Abdullah Bin A Hamid	Refer to Page 16 of Annual Report	Refer to Page 12 of Annual Report

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 2, 6th Floor, 20, Jalan Bakawali, 86000 Kluang, Johor Darul Takzim on Monday, 19 December 2005 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		
No. 7		
No. 8		

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.

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: bcbbhd@bcbbhd.com.my