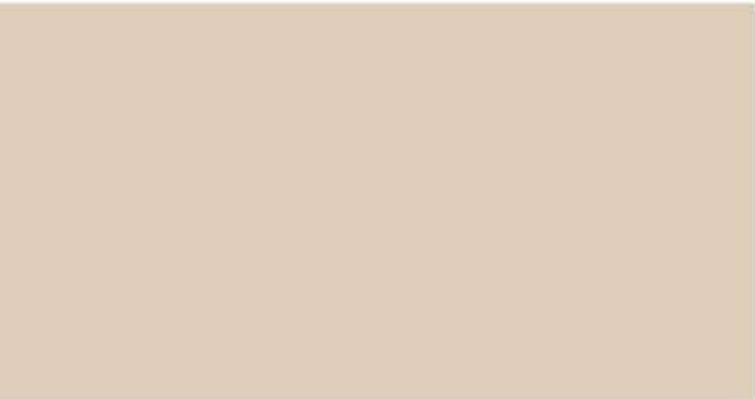


BCB

龍城集團

BCB BERHAD

(172003-W)



Building *New*
Momentum

Annual Report 2008

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.





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CHAIRMAN'S STATEMENT



**DEAR
SHAREHOLDERS**

On behalf of the Board of Directors of BCB Berhad, I have the pleasure to present to you the Annual Report and the Financial Statements for the financial year ended 30 June 2008.

GROUP PERFORMANCE

For the year ended 30 June 2008, the Group delivered revenue of RM108,221,063 (2007: RM120,099,451) and profit before tax of RM3,277,432 (2007: RM3,270,067) due to better margins from certain types of properties sold and tighter costs control.

The Group recorded consistent basic earnings per share of 1.62 sen (2007: 1.62 sen).

CHAIRMAN'S STATEMENT (CONT'D)

Property Development

Existing projects include:

- Taman Bukit Perdana (Batu Pahat, Johor)
- Evergreen Heights (Batu Pahat, Johor)
- Taman Sri Kluang (Kluang, Johor)
- Taman Kluang Baru II (Kluang, Johor)
- Taman BCB (Yong Peng, Johor)
- Taman Megah (Pontian, Johor)
- Taman Seremban Jaya (Seremban, Negeri Sembilan)

The easy access routes, contemporary architectural design and superior interior designs are just a few out of many of those unique features that all our projects have to offer, which have already attracted mass home buyers to endorse, as credentials to our efforts. The developments at Taman Bukit Perdana and Evergreen Heights have continued to prosper and contributed significantly to the Group.

We have focused our priority and resources on existing market and are now well positioned to maximise and reap the benefits in a market that we know best.

During the financial year ended 30 June 2008, the Group has entered into conditional sale and purchase agreements, through a subsidiary company, to acquire an approximately 390 acres of freehold land located at Mukim Linau, Batu Pahat, Johor. The proposed development of this location comprises approximately 2750 units of terrace houses, 709 units of shops and 2 pieces of commercial lots. The acquisition is in-line with the Group's planning to replenish the depleting land banks.

Construction

Primarily serving as the main contractor to the various projects of the Group, the division recorded a revenue of RM12,566,454 (2007: RM17,530,562) to the Group for the financial year ended 30 June 2008.

With the unwavering determination, the division constantly strives its best to curb the rising labour, materials, transportation and other construction costs while maintaining the commitment to deliver quality work. The division recorded a gross profit of RM2,463,849 (2007: Gross loss of RM941,655).

During the financial year ended 30 June 2008, the division has ventured into contracting external projects, namely Taman Pulai Utama project, restoration of Istana Bukit Sri Pelangi Johor Bahru etc, which so far have proven successful and contributed positively to the Group.



*We have **focused** our priority and **resources** on existing market and are now well positioned to maximise and reap the **benefits** in a market that we know best.*

CHAIRMAN'S STATEMENT (CONT'D)

Hotel

The Prime City Hotel retained its premier position, which out-classed all of its competitors in Kluang. It is still the most sought venue for local seminars, corporation meetings, training as well as social gathering and functions.

There is a remarkable 20% increase in revenue contributed to the Group of RM11,047,475 (2007: RM9,181,228). The soaring crude palm oil price has benefited neighbouring society and plantation companies, encouraging more regular meetings and seminars to be held at the hotel.

Although the hotel industry continues to face significant pressures in payroll and energy costs, the hotel division remains committed to grow its business with more sustainable earnings with better gross margins, mainly through tie-up with more recurring corporate clients, constant monitoring of occupancy rate, operating costs, and maintenance needs that help to put all rooms in tenable condition.

Manufacturing

BCB Furniture Sdn. Bhd. produced steel based furniture primarily for export market. During the financial year ended 30 June 2008, it has contributed a revenue of approximately RM3.7 million (2007: RM10.4 million) and loss before tax of RM454,000 (2007: RM363,000) to the Group.

Judging from its continuous deteriorating financial position, coupled with rising steel and material prices, as well as unfavourable US Dollar exchange rates as all export transactions are traded in US Dollar, the Group has decided to cease its business operation starting the second half of the financial year 2008.

Project Management

The Group has established its presence in Johor Bahru since 1998 via its project management of Taman Pulai Utama.

Taman Pulai Utama is within a stone throw to Universiti Teknologi Malaysia and Pulai Springs Golf and Country Club; hence it has created prestigious living expectations in the surrounding neighbourhood, whereby the population within five kilometers radius is estimated to be exceeding 600,000 people.

The successful completion of U-Mall in January 2008, with modern and stylish design outlook, has successfully attracted Giant Hypermarket to open its business serving the surrounding mass populations.

BOARD CHANGES

In April 2008, Mr. Tan Vin Sern, Executive Director, announced his resignation. I have, as Chairman, been proud to work with him. He left the company in good stead and we wish him well in his future endeavours.

I am pleased to welcome the appointment of Ms Tan Lindy as Executive Director of the company. At the same time, I am extremely proud and honoured to have Y.A.M. Tunku Zabedah Aminah Maimunah Iskandariah to join the Board as Independent Non-Executive Director.



CHAIRMAN'S STATEMENT (CONT'D)

SHARE BUY BACK

During the financial year ended 30 June 2008, there were 25,000 ordinary shares that were bought back from the open market with an average price of RM0.50 per share. The total consideration paid for the buy back, including transaction costs, was RM12,791.

As at 30 June 2008, 4,388,600 ordinary shares have been bought back and retained as treasury shares.

PROSPECTS

The property development sector will continue to face challenging situations in the financial year 2009. While Malaysia is not immune to the global financial system meltdown and slowing economy, its buffer over the crisis impact may very much be dependent on its wealth accumulation, internal demand potential and more importantly, government's spending, budget and fiscal policies, as well as economy stimulating policies.

Even signs have emerged that pressures in the global money markets are easing. Even if access to the credit markets has improved, the cost will likely be more expensive than it has been in recent memory. Hence, inevitably it may have impacted the corporate and individual lenders.

The Group will continue its efforts to enhance operating efficiency and mitigate rising material costs in order to meet upcoming challenges. With such determination, we will strive to maintain and to grow our market shares and to be the developer of choice in existing geographical areas. We wish to continue winning customer via our properties' product range that is of good quality, innovative and affordable.

For the financial year ending 30 June 2009, the Group will continue to monitor the development plans against the market demand. Barring unforeseen circumstances, the Board remains optimistic of its satisfactory performance to be achieved by the Group.

APPRECIATION

On behalf of the Board of Directors, I would like to take this opportunity to express our sincere appreciation to our valued shareholders, customers, bankers, business associates and the government authorities for their cooperation and continuing support.

I also like to thank the management and staff for their steadfast dedication and hard-work in the past year.

DATO' ISMAIL BIN YUSOF

Chairman



*The Group will continue its efforts to **enhance operating efficiency** and **mitigate rising material costs** in order to meet upcoming challenges.*

CORPORATE SOCIAL RESPONSIBILITY

BCB is committed to be a responsible corporate citizen and firmly believes that the community is also a stakeholder. Our goal is to construct quality and affordable houses for the community which is in line with the government's call to increase home ownerships.

In striving to provide comfortable living environment to our home purchasers, the Group is the pioneer in Johor State in providing lift facility to low-medium cost flat. The grand launching was witnessed by local officials.



Evergreen Heights project in Batu Pahat, the Group has contributed approximately 12 acres of land as green-belt to the community, and subsequently developed it as Recreation Park that equipped with scenic lake view, stunning landscaping and walking path.



The Group's construction division has secured ISO-9001: 2000 recognition on its provision of building construction services.



inspiring life...

Commitment towards the
development of a community.
We make the most of our time,
to make yours better.



FIVE YEARS' FINANCIAL HIGHLIGHTS

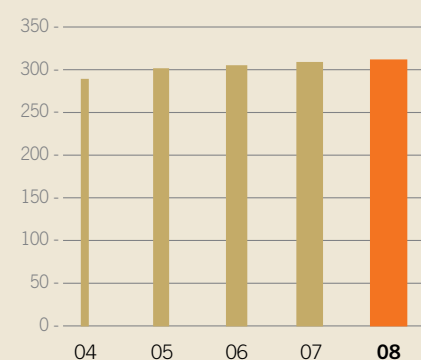
Consolidated Balance Sheets as at 30 June of the financial year

	2004 RM'000	2005 RM'000	2006 [@] RM'000	2007 [#] RM'000	2008 RM'000
Share Capital	206,250	206,250	206,250	206,250	206,250
Treasury Shares	(153)	(1,264)	(2,237)	(2,239)	(2,251)
Non-Distributable Reserve	7,199	7,199	7,199	6,509	6,719
Retained Earnings	81,232	91,386	98,697	105,381	108,658
Shareholders' Equity	294,528	303,571	309,909	315,901	319,376
Represented by:					
Property, Plant and Equipment	56,323	55,402	53,897	49,404	49,132
Investment Properties	19,482	19,483	19,483	19,483	19,483
Land Held for Development	67,192	68,004	45,331	55,229	61,501
Other Non-Current Assets	13	8	-	3,128	3,092
Current Asset	379,405	353,383	381,591	361,413	339,878
Current Liabilities	(177,471)	(138,285)	(142,893)	(125,763)	(114,147)
	201,934	215,098	238,698	235,650	225,731
Non Current Liabilities	(50,416)	(54,424)	(47,500)	(46,993)	(39,563)
	294,528	303,571	309,909	315,901	319,376
Total Assets	522,415	496,280	500,302	488,657	473,086
Number of Ordinary Shares of RM1.00 in Issue ('000)	206,250	206,250	206,250	206,250	206,250
Net Assets Per Share (RM)	1.43	1.47	1.50	1.53	1.55

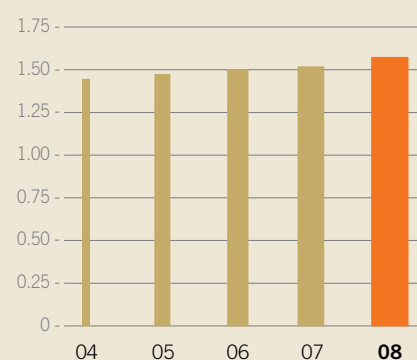
@ Restated upon adoption of FRS 116 - Property, Plant and Equipment and FRS 140 - Investment Properties on 1 July 2006.

Restated upon adoption of FRS 112 - Income Taxes and FRS 117 - Leases on 1 July 2007.

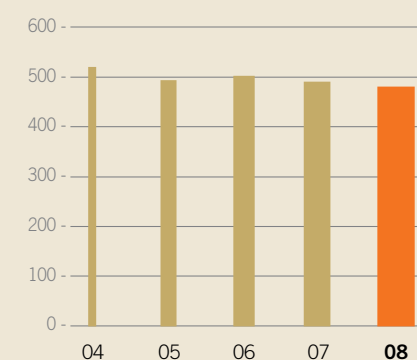
Shareholders' Equity
RM'000



Net Assets Per Share
RM



Total Assets
RM'000



FIVE YEARS' FINANCIAL HIGHLIGHTS (CONT'D)

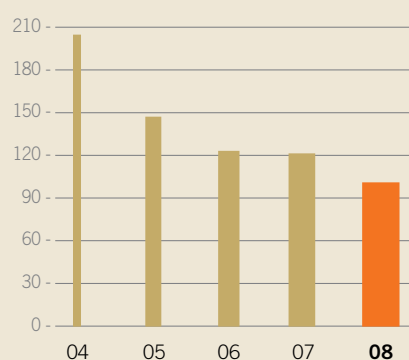
Consolidated Income Statements as at 30 June of the financial year

	2004 RM'000	2005 RM'000	2006 [@] RM'000	2007 [#] RM'000	2008 RM'000
Revenue	202,318	148,361	122,894	120,099	108,211
Profit Before Charging Depreciation and Interest Expenses	27,290	23,385	20,925	13,554	16,143
Depreciation	(3,768)	(2,980)	(2,406)	(2,183)	(1,905)
Interest Expenses	(6,337)	(6,254)	(6,469)	(6,624)	(7,182)
Profit Before Taxation	17,185	14,151	12,050	4,748	7,056
Taxation	(7,719)	(3,997)	(4,150)	(1,478)	(3,779)
Profit After Taxation	9,466	10,154	7,900	3,270	3,277
Adjusted Weighted Average Number of Shares in Issue	206,180	205,099	202,489	201,887	201,878
Basic EPS (sen)	4.59	4.95	3.90	1.62	1.62
Dividend Rate	-	-	-	-	-

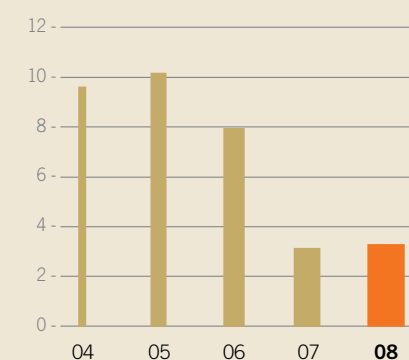
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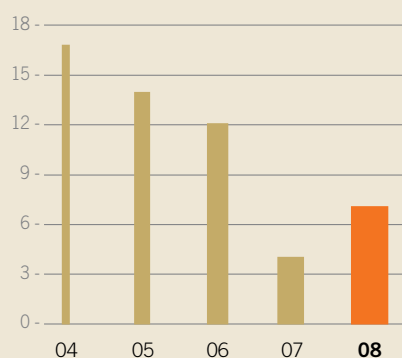
Revenue
RM'000



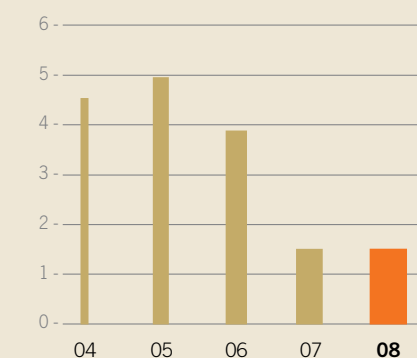
Profit After Taxation
RM'000



Profit Before Taxation
RM'000



Basic EPS
Sen



CORPORATE INFORMATION

Board of Directors

Dato' Ismail Bin Yusof
Chairman
Independent Non-Executive Director

Tan Lay Kim
Executive Director

Ash'ari Bin Ayub
Independent Non-Executive Director

Dato' Tan Seng Leong
Group Managing Director

Tan Lay Hiang
Executive Director

Sofian Bin Arshad
Independent Non-Executive Director

Y.A.M. Tunku Zabedah Aminah
Maimunah Iskandariah
Independent Non-Executive Director

Tan Lindy
Executive Director

Tuan Syed Abdullah Bin A Hamid
Independent Non-Executive Director

Audit Committee

Dato' Ismail Bin Yusof
Chairman

Sofian Bin Arshad
Member

Ash'ari Bin Ayub
Member

Company Secretaries

Yeap Kok Leong, ACIS
(MAICSA No. 0862549)

Tan Bee Hwee, ACIS
(MAICSA No. 7021024)

Share Registrar

Symphony Share Registrars Sdn Bhd
Level 26, Menara Multi-Purpose
Capital Square
No. 8 Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel : 03-2721 2222
Fax : 03-2721 2530

Nomination & Remuneration Committee

Ash'ari Bin Ayub
Chairman

Dato' Ismail Bin Yusof
Member

Sofian Bin Arshad
Member

Auditors

PricewaterhouseCoopers (AF: 1146)
Chartered Accountants
Level 16, Menara Ansar
No. 65 Jalan Trus
80730 Johor Bahru
Johor Darul Takzim
Tel : 07-222 4448
Fax : 07-224 8088

Principal Bankers

Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
AmInvestment Bank Berhad
Bank Islam Malaysia Berhad
Public Bank Berhad

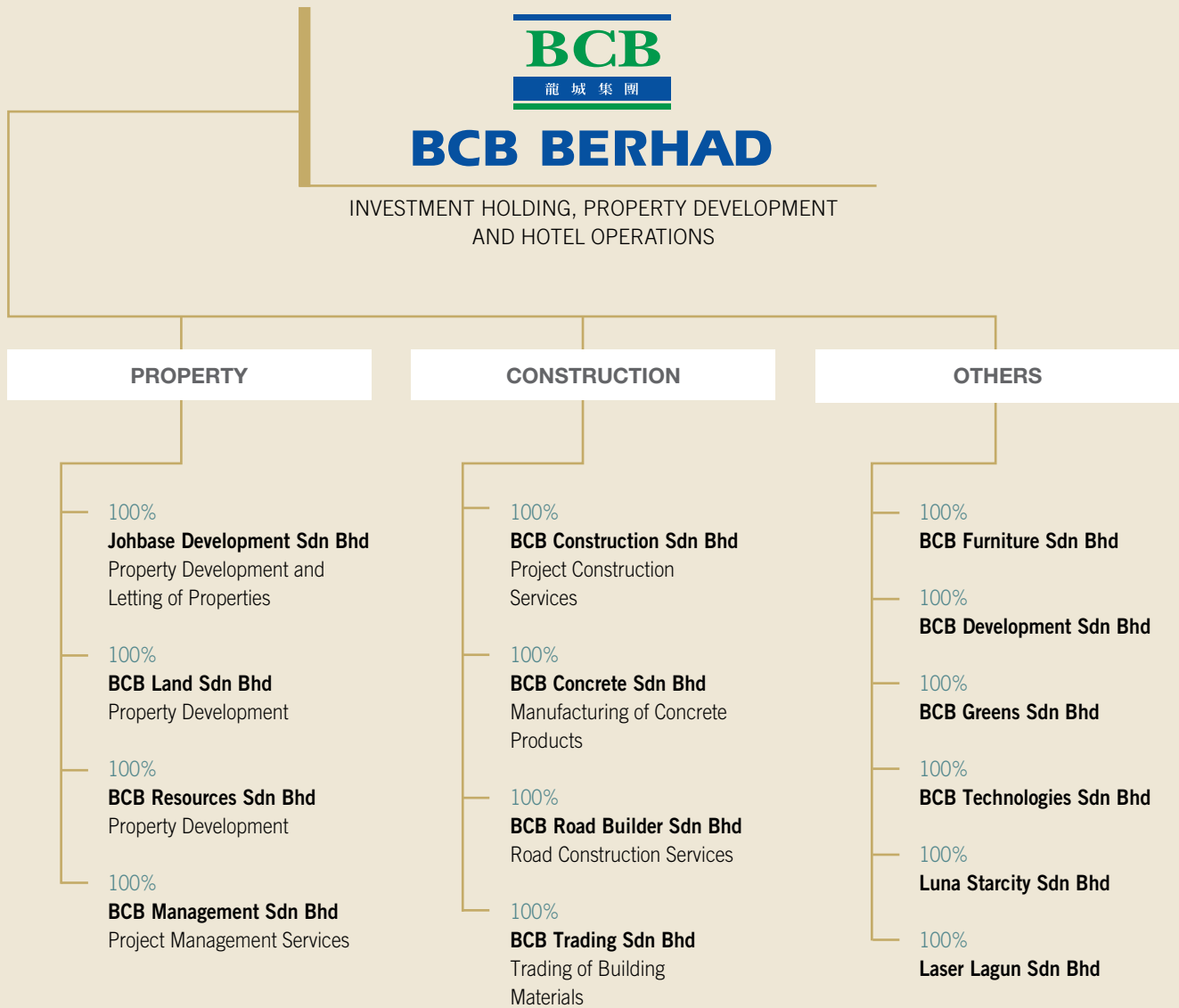
Registered Office

7th Floor, Plaza BCB
(Hotel Tower Block),
20 Jalan Bakawali, 86000 Kluang,
Johor Darul Takzim
Tel : 07-776 0089 (5 lines)
Fax : 07-772 0089

Stock Exchange Listing

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

CORPORATE STRUCTURE



BOARD OF DIRECTORS' PROFILE

DATO' ISMAIL BIN YUSOF

Chairman
Independent Non-Executive Director
Chairman of Audit Committee
Member of Nomination and Remuneration Committee

Dato' Ismail Bin Yusof, aged 64, 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) Berhad, South Malaysia Industries Berhad and Utusan Melayu (Malaysia) Berhad.

DATO' TAN SENG LEONG

Group Managing Director

Dato' Tan Seng Leong, aged 52, 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 and related activities. 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 interests as disclosed under Statement of Corporate Governance of this Annual Report, there are no other business arrangements with the Company in which he has personal interests.

Y.A.M. TUNKU ZABEDAH AMINAH MAIMUNAH ISKANDARIAH

Independent Non-Executive Director

Y.A.M. Tunku Zabedah Aminah Maimunah Iskandariah was born in Johor Bahru in 1957. She was previously Managing Mado's Group before being official appointed as Director of Museum DiRaja Abu Bakar Istana Besar Johor in 1990 which she holds until today. Her vast experience work is in line with Timber, Agricultural, Transportation, Communication and Finance. She was appointed to the Board as an Independent Non-Executive Director on 11 April 2008.

"The greatest discovery of any generation is that a human being can alter his life by altering his attitude" - William James

ASH'ARI BIN AYUB

Independent Non-Executive Director
Member of Audit Committee
Chairman of Nomination and Remuneration Committee

Encik Ash'ari Bin Ayub, aged 66, 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 a Senior Partner of Coopers & Lybrand, Kuala Lumpur (now known as PricewaterhouseCoopers). Encik Ash'ari also holds non-executive directorships in AV Ventures Corporation Berhad, Metrod (Malaysia) Berhad and Ranhill Utilities Berhad.

SOFIAN BIN ARSHAD

Independent Non-Executive Director
Member of Audit Committee
Member of Nomination and Remuneration Committee

Encik Sofian Bin Arshad, aged 44, 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 18 years of experience in project management.

BOARD OF DIRECTORS' PROFILE (CONT'D)

TUAN SYED ABDULLAH BIN A HAMID

Independent Non-Executive Director

Tuan Syed Abdullah Bin A Hamid, aged 51, 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.

Tuan Syed is deemed in conflict of interest with the Company by virtue of his interests and directorships in a privately-owned company which is also involved in property development. However, this privately-owned company is not in direct competition with the business of the Company due to the different market segment and / or locality of developments.

TAN LAY KIM

Executive Director

Ms Tan Lay Kim, aged 46, 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.

TAN LAY HIANG

Executive Director

Ms Tan Lay Hiang, aged 40, 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.

TAN LINDY

Executive Director

Ms Tan Lindy, aged 24, a Malaysian, was appointed to the Board on 22 May 2008. She joins BCB Group as an employee since 2005 and responsible for business development, marketing and conveyancing departments of the Group. She holds a Bachelor of Commerce (Accounting & Finance) from University of Melbourne, Australia. She also holds directorships in BCB's subsidiaries. She is the daughter of Dato' Tan Seng Leong.

OTHER INFORMATION

- Dato' Tan Seng Leong, Ms Tan Lay Kim and Ms Tan Lay Hiang are siblings.
- Ms Tan Lindy is the daughter of Dato' Tan Seng Leong.
- 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 have been convicted for any offences within the past ten (10) years.

REPORT OF THE AUDIT COMMITTEE

MEMBERS

The Audit Committee comprises the following members:

Chairman : Dato' Ismail Bin Yusof
(Chairman / Independent Non-Executive Director)

Members : Ash'ari Bin Ayub
(Member / Independent Non-Executive Director)

Sofian Bin Arshad
(Member / Independent Non-Executive Director)

Dato' Tan Seng Leong *
(Member / Group Managing Director)

Tan Vin Sern*
(Member / Executive Director)

* Resigned as Audit Committee member on 21.02.2008

TERMS OF REFERENCE

The Terms of Reference for the Audit Committee set out by the Board of Directors are as follows:

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) To maintain the independence of external auditors and thereby help assure that they will have free rein in the audit process and to provide, by way of regular meetings, a line of communication between Board and the external auditors.
- iii) Provide emphasis on the internal audit function by increasing objectivity and independence of the internal auditors and provide a forum for discussion that is independent of the management.
- iv) Assure the integrity of the management, adequacy of corporate disclosure and accountability to the Company's shareholders.

v) Undertake all such additional duties as may be deemed appropriate and necessary to assist the Board.

vi) To ensure compliance with any such changes / amendments / updates / insertions of the listing requirements and any other applicable laws and regulations, arising thereof from time to time.

2) COMPOSITION OF AUDIT COMMITTEE

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

- i) the Committee must be composed of no fewer than 3 members;
- ii) all members of the Audit Committee shall be non-executive directors, 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:
 - (aa) must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act 1967; or
 - (ab) must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.
 - (c) fulfills such other requirements prescribed or approved by the Exchange.

The Chairman shall be an independent non-executive Director elected by the members of the committee. No alternate Director can be appointed as a member of the Committee.

REPORT OF THE AUDIT COMMITTEE (CONT'D)

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 to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.

3) MEETING AND REPORTING PROCEDURES

i) Frequency of meetings

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, and the external or internal auditors to consider any matter within the scope of responsibilities of the Committee.

Written notice of the meeting together with the agenda shall be given to the members of the Committee and external auditors where applicable.

A resolution in writing signed and approved by a majority of the Committee and who are sufficient to form a quorum shall be as valid and effective as if it had been passed at a Meeting of the Committee duly called and constituted.

ii) Quorum

A quorum shall be two, both being independent directors.

iii) Secretary and Minutes

The Company Secretary shall be the secretary of the Committee.

The minutes of each meeting shall be kept and distributed to each member. All minutes of meeting shall be circulated to every member of the Board.

vii) 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.

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.

vi) Reporting Procedure

The Minutes of each meeting shall be circulated to all members of the Board.

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, internal auditors or both excluding the attendance of the other directors and employees, whenever deemed necessary.

REPORT OF THE AUDIT COMMITTEE (CONT'D)

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:

- the going concern assumption;
- changes in or implementation of major accounting policy changes;
- significant and unusual events; and
- compliance with the applicable approved accounting standards and other legal and regulatory 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:

- the audit plan;
- the evaluation of the system of internal controls;
- the audit report;
- the management letter and management's response;
- 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, competency 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 actions are 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 and to provide the opportunity for resigning staff member to submit his reasons for resigning;

(d) to review any appraisal or assessment of the performance of members of the internal audit function ; and

(e) to ensure co-ordination between external and internal audits

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 2008. Details of the attendance of the meetings by the Committee Members are as follows:

Members	No. of Meetings attended	%
Dato' Ismail Bin Yusof	3/5	60
Dato' Tan Seng Leong *	4/4	100
Tan Vin Sern *	3/3	100
Ash'ari Bin Ayub	5/5	100
Sofian Bin Arshad	5/5	100

* Resigned as Audit Committee member on 21 February 2008

REPORT OF THE AUDIT COMMITTEE (CONT'D)

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 2008;
- v) reviewing the external auditors' reports, management letter and management's response;
- vi) reviewing the unaudited quarterly financial statements and the audited financial statements of the Company and the Group, upon being satisfied that inter alia, the financial reporting and the disclosure requirements of the relevant authorities had been complied with;
- vii) reviewing the proposal on shareholders' mandate for recurrent related party transactions of a revenue or trading nature; and
- viii) reviewing the Company's compliance, in particular the quarterly and year end financial statements with the Listing Requirements of the Bursa Malaysia Securities Berhad and the applicable approved accounting standards issued by the Malaysian Accounting Standards Board.

8) INTERNAL AUDIT FUNCTION

The Board has outsourced its internal audit function to Messrs. BDO Governance Advisory Sdn Bhd ("BDOGA"). Its principal responsibility is 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.

The Committee is to:

- review the adequacy of the scope, functions and resources of internal audit department and that it has the necessary authority to carry out its work;
- review internal audit programme; and
- consider major findings of internal audit investigations and management's response, and ensure that appropriate actions are taken on the recommendations of the internal audit functions.

Three (3) internal audit assignments were completed during the financial year on three (3) business units of the Group; namely

- Property Management;
- Manufacturing Division – Store Department, and
- Construction Division – Purchasing Department.

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.

STATEMENT OF CORPORATE GOVERNANCE

The Board of Directors is committed in ensuring the highest standards of corporate governance are practiced throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholder's value and the financial performance of the Group and the Company.

Set out below is a description on the manner in which the Group has applied the principles and complied with the recommended best practices set out in the Malaysian Code on Corporate Governance (the "Code").

BOARD OF DIRECTORS

Roles and Principal Duties

The Board has overall responsibility for the strategic direction and corporate development of the Group including identifying principal risks and ensuring the implementation of appropriate actions to manage these risks, as well as reviewing the adequacy and integrity of the Group's internal control system and management information system.

Board Committees

The Board has delegated certain responsibilities to the Board Committees, namely Audit Committee, Nomination and Remuneration Committee, all of which operate within their respective defined Terms of Reference. Reports of proceedings and outcome of these committees are submitted to the Board.

The composition, the terms of reference and activities of the Audit Committee are separately set out on the Audit Committee Report of this Annual Report 2008.

The primary responsibility of the Nomination and Remuneration Committee is to establish formal and transparent procedures for developing and reviewing the remuneration of the Executive Directors.

Board Composition and Balance

The Board currently comprises Nine (9) members, of whom five (5) 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 set out under the section of Profile of Directors contained in this 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.

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.

Supply of Information

The board has full and unrestricted access to timely and accurate information pertaining to the Group's business and affairs in furtherance of their duties. 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.

STATEMENT OF CORPORATE GOVERNANCE (CONT'D)

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.

Board Meetings

The Board meets at least four (4) 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 six 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.

All Directors have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that the Board procedures are followed and that applicable rules and regulations are complied with. In addition, if need be, they may seek independent advice from external resources at the Company's expense, in furtherance of their duties.

Shown below is the attendance of each Director for the financial year ended 30 June 2008:

Name of Director	Designation	No. of Meetings attended	%
Dato' Ismail Bin Yusof	Chairman, Independent Non-Executive Director	4/6	67
Dato' Tan Seng Leong	Group Managing Director	6/6	100
Y.A.M. Tunku Zabedah Aminah Maimunah Iskandariah *	Independent Non-Executive Director	1/1	100
Tan Lay Kim	Executive Director	6/6	100
Tan Lay Hiang	Executive Director	3/6	50
Tan Vin Sern **	Executive Director	5/5	100
Tan Lindy ***	Executive Director	N/A	N/A
Sofian Bin Arshad	Independent Non-Executive Director	6/6	100
Ash'ari Bin Ayub	Independent Non-Executive Director	6/6	100
Tuan Syed Abdullah Bin A Hamid	Independent Non-Executive Director	4/6	67

* Appointed on 11 April 2008

** Resigned on 15 April 2008

*** Appointed on 22 May 2008

STATEMENT OF CORPORATE GOVERNANCE (CONT'D)

Directors' Training

All Directors appointed to the Board apart from attending the Mandatory Accreditation Programme ("MAP"), and the Continued Education Programme ("CEP") accredited by Bursa Malaysia Securities Berhad, will continue to undergo other relevant training programmes to keep themselves abreast with the latest developments in the market place and enhance their professionalism in discharging their fiduciary duties to the Company in compliance with paragraph 15.09 of Bursa Securities Listing Requirements. The Board continues to monitor the needs of the Directors' training.

During the financial year, the Directors have attended the following training

Directors	Seminars / Trainings
Dato' Ismail Bin Yusof	Code of Corporate Compliance and Ethical Conduct
Dato' Tan Seng Leong	1st Malaysian Property Summit 2008
Y.A.M. Tunku Zabedah Aminah Maimunah Iskandariah*	- Mandatory Accreditation Programme (MAP) for Directors of Public Listed Companies - Directorship: Independent vs Executive
Ash'ari Bin Ayub	- National Tax Conference 2007 - National Accountants Conference 2007
Sofian Bin Arshad	Property Outlook for 2008 and Emerging Trends in Malaysia Real Estate
Tan Lay Kim	Iskandar Region Investment & Budget Tax Implication 2008 Seminar
Tan Lay Hiang	Iskandar Region Investment & Budget Tax Implication 2008 Seminar
Tan Lindy**	- Mandatory Accreditation Programme (MAP) for Directors of Public Listed Companies - Directorship: Independent vs Executive
Tuan Syed Abdullah Bin A Hamid	Briefing on Accounting Standards and Listing Requirements updates.
Tan Vin Sern***	-

* Appointed on 11 April 2008

** Appointed on 22 May 2008

*** Resigned on 15 April 2008

Re-election

In-accordance with the Company's Articles of Association, all Directors who are appointed by the Board are subject to election by shareholders at the next Annual General Meeting following their appointment. The Articles of Association also provide that at least one-third of the remaining Directors will 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.

Y.A.M. Tunku Zabedah Aminah Maimunah Iskandariah, Ms Tan Lay Hiang, Tuan Syed Abdullah Bin A Hamid and Ms Tan Lindy shall retire by rotation at the forthcoming Annual General Meeting and, being eligible, offers themselves for re-election.

STATEMENT OF CORPORATE GOVERNANCE (CONT'D)

Nomination & Remuneration Committee

The Committee comprises the following Independent Non-Executive Directors:

En. Ash'ari Bin Ayub (Chairman)
 Dato' Ismail Bin Yusof
 En. Sofian Bin Arshad

The Committee ordinarily meets once a year with additional meetings convened when necessary 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 his / her own remuneration.

The Committee recommends the Directors' fees to the Board for endorsement and subsequent approval, by the shareholders at the Company's Annual General Meeting.

The details of the remuneration for the Directors of the Company, on a group basis, for the financial year ended 30 June 2008 are disclosed under Note 11 of the Audited Financial Statements.

The number of Directors whose remuneration falls into each successive band of RM50,000 for the financial year ended 30 June 2008, is disclosed as follows:

Range of Remuneration	Number of Director	
	Executive	Non-Executive
RM1 to RM50,000	1	4
RM50,001 to RM100,000	-	1
RM150,001 to RM200,000	2	-
RM1,600,000 to RM1,650,000	1	-

The Board does not consider it appropriate to disclose the remuneration of each individual director so as to preserve a degree of privacy and confidentiality.

STATEMENT OF CORPORATE GOVERNANCE (CONT'D)

RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS

The Board acknowledges the importance of an effective communication channel between the Board, shareholders and the general public. Annual report serves as an important mode as it provides comprehensive information pertaining to the Group. In addition, quarterly result and other significant items affecting the Group are reported to Bursa Malaysia from time to time.

The Annual General Meeting serves as the principal forum for dialogue with shareholders of the Company. Notice of AGM together with a copy of the Company's Annual Report is sent to shareholders at least 21 days prior to the meeting. At the AGM, the Board presents the performance of the Group and shareholders are encouraged to participate and given opportunity to raise question or seek more information. 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, clear and understandable assessment of the Group's position 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 their responsibility 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.

STATEMENT OF CORPORATE GOVERNANCE (CONT'D)

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.

COMPLIANCE TO THE CODE

The Group endeavours, in so far as it is practicable to comply with the Principles and Best Practices of the Malaysia Code on Corporate Governance throughout the financial year.

ADDITIONAL COMPLIANCE INFORMATION

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

Share buy-back

Monthly breakdown	No. of shares purchased and retained as Treasury Shares	Lowest (RM)	Highest (RM)	*Average cost per share (RM)	Total consideration paid (RM)
August 2007	1,000	0.62	0.62	0.62	633
February 2008	24,000	0.47	0.54	0.50	12,159
	25,000				12,792

* Note: Inclusive of brokerage and other charges.

During the financial year ended 30 June 2008, all the shares purchased by the Company were retained as Treasury Shares. As at 30 June 2008, the cumulative total number of shares held as Treasury Shares was 4,388,600 shares. None of the Treasury Shares were resold or cancelled during the financial year.

Non-audit fees

Other as disclosed, there were no non-audit fees paid to the external auditors, Messrs PricewaterhouseCoopers for the financial year ended 30 June 2008:

Services :-	Amount Paid (RM)
Professional services in respect of tax compliance	14,250
Professional services in respect of review Housing Development Account (HDA)	12,000
Professional services in respect of review on the Statement on Internal Control	5,000

Material contracts

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

STATEMENT OF CORPORATE GOVERNANCE (CONT'D)

Revaluation of landed properties

The Company's revaluation policy is disclosed in Note 3(d) of the Notes to the financial statements.

RECURRENT RELATED PARTY TRANSACTIONS ("RRPT")

Details of the transaction with related parties are disclosed in Note 34 to the audited financial statements in this Annual Report.

At the Annual General Meeting of the Company held on 13 December 2007, the Company had obtained the approval of the shareholders' mandate to enter into recurrent related party transactions of a revenue or trading nature with the related parties of the circular to the shareholders dated 19 November 2007, which are necessary for its day-to-day operations and in the ordinary course of its business.

The said mandate took effect continue until the conclusion of the forthcoming Annual General Meeting of the Company.

The Company intends to seek its shareholders' approval to renew the existing mandate for recurrent related party transactions at the forthcoming Annual General Meeting of the Company. The details of the mandate to be sought will be furnished in a separate Circular to the shareholders.

The aggregate of recurrent transactions of revenue or trading nature conducted pursuant to the shareholders' mandate during the financial year under review between the Company and/or its subsidiaries companies with related parties are set out below:

BCB BHD/ Companies within the BCB BHD Group	Related party	Interested parties and nature of relationship	Nature of transactions	Value of transactions RM' 000
BCB Construction Sdn Bhd ("BCSB")	Marvel Plus Development Sdn Bhd ("MPD")	Dato' Tan Seng Leong ^a Tan Lindy ^b Tan Lay Hiang ^c Tan Lay Kim ^d Tan Vin Sern ^e	Building construction services.	2,238
BCB Road Builder Sdn Bhd ("BRBSB")	MPD	Dato' Tan Seng Leong ^a Tan Lindy ^b Tan Lay Hiang ^c Tan Lay Kim ^d Tan Vin Sern ^e	Road and pavement construction services.	404
BCB Management Sdn Bhd ("BMSB")	MPD	Dato' Tan Seng Leong ^a Tan Lindy ^b Tan Lay Hiang ^c Tan Lay Kim ^d Tan Vin Sern ^e	Project management services and sales & marketing services.	353
BCB Berhad ("BCB")	Ju-Ichi Enterprise Sdn Bhd ("JIE")	Dato' Tan Seng Leong ^a	Provision of maintenance and security charges for shopping complex	202

STATEMENT OF CORPORATE GOVERNANCE (CONT'D)

Nature of relationships of BCB Group with the Interested Related Parties

- ^a Dato' Tan Seng Leong is a director of BCB Berhad and a major shareholder of BCB Berhad. He is deemed interested in MPD by virtue of his relationship with his spouse and his children, namely Datin Lim Sui Yong and Tan Vin Sern, who are both the directors as well as the Major Shareholders of MPD; whilst Tan Lindy is the director of MPD. Dato' Tan Seng Leong is also a director of JIE.
- ^b Tan Lindy is a director of BCB Berhad and all its subsidiary companies. She is the daughter of Dato' Tan Seng Leong.
- ^c Tan Lay Hiang is a director of BCB Bhd, BCSB, BRBSB and BMSB. She is the sister-in-law to Datin Lim Sui Yong, the director and major shareholder of Marvel Plus.
- ^d Tan Lay Kim is a director of BCB Bhd, BCSB and BRBSB. She is the sister-in-law to Datin Lim Sui Yong, the Director and Major Shareholder of Marvel Plus.
- ^e Tan Vin Sern resigned as director from BCB Bhd Group with effect of 15 April 2008.

CORPORATE SOCIAL RESPONSIBILITY

The Group recognises the needs and responsibility to care for the community and strives to contribute towards the benefits of the community. On community welfare, the Group has taken some initiative such as donated generously to those needy, local schools, public associations etc.

With regards to staff welfare, occupational safety and health concept has been instilled and implemented, and reinforced through regular training and updates. Personnel from various business departments are given opportunity to participate internal and/or external training or seminars to continuous skills development.

STATEMENT ON INTERNAL CONTROL

Introduction

The Malaysian Code on Corporate Governance requires that the Board of Directors (“the Board”) of listed companies to maintain a sound system of internal controls to safeguard the shareholders’ investment and the Group’s assets. Paragraph 15.27(b) of the Listing Requirements of Bursa Malaysia Securities Berhad requires the Board of the listed companies to include a statement on the state of their internal control in their Annual Report.

The Board is pleased to present hereinafter the annual update on the Group’s state of internal control for the period under review.

Responsibility of the Board

The Board affirms its responsibilities for the Group’s system on internal controls – including the assurance of its adequacy and integrity, and its alignment with the business objectives. However, it should be noted that these controls system are designed to manage rather than to eliminate associated risks; accordingly, the system of internal control can only provide reasonable but not absolute assurance against material misstatement, fraud or loss.

The role of executive management is to implement the Board’s policies on risk and control and present assurance on compliance with these policies. Further independent assurance is provided by the internal audit function that is carried out by an external reputable professional consultancy firm, as well as the external auditors that express their opinion on the financial statements

Risk Management

The Managing Director reports to the Board on significant changes in the business and the external environment which affects significant risks. Where areas for improvement in the system are identified, the Board considers also over the recommendations made by the Audit Committee and the internal auditors.

The Group adopts an on-going process to identify, manage and respond to internal and external factors that may affect the achievement of Group’s business objectives and performance.

- Commitment towards quality controls on products and services with strict implementation of standard procedures. The construction division has successfully secured the ISO9001:2000 on 1st July 2008;
- Addressing the increasing construction material and other costs by direct negotiation with suppliers at source and also fixed contract sum for award of construction works contracts whenever is viable;
- Regular visits to the operating units by the members of the Board and senior management; and
- The professionalism and competence of staff are being continually upgraded through training and regular performance evaluation.

Internal Control

The main elements in the internal control framework include:

- Ensuring internal audit programs covering identified principal risks. Audit findings throughout the financial period served as key feedback mechanism to validate effectiveness to existing internal control procedures;
- Evaluating the adequacy of key processes, systems, and operating procedures, and establishing or fine-tuning actionable programs and tasks to manage the performance gap;
- Interim financial results are reviewed by the Audit Committee and approved by the Board upon recommendation of the Audit Committee before release for public announcement;
- An organization structure with formally defined lines of responsibility and delegation of authority;
- Regular meetings with various levels of management team to discuss operational and financial issues;
- Appointment of employees of the necessary caliber to carry out the assigned responsibilities; and
- Audit Committee comprised non-executive directors only.

Internal Audit Function

The Group internal audit function has been out-sourced to a reputable professional consultancy firm, BDO Governance Advisory Sdn Bhd, and reports directly to the Audit Committee.

The Group internal audit function monitors compliance with policies and procedures, and the effectiveness of internal controls in the Group. The work of the internal audit function is focused on areas of priority as identified by risk analysis and in accordance with an annual audit plan approved each year by the Audit Committee.

The Board, through the Audit Committee, has reviewed the effectiveness of the Group’s system of internal control. Some minor internal control weaknesses were identified during the period, all of which have been addressed and considered. None of these weaknesses have resulted in any material losses, contingences, or uncertainties that would require disclosure herein or in the Group’s annual report.

Conclusion

The Board believes that the system of internal controls being instituted throughout the BCB Berhad Group is sound and effective, and an on-going review of procedures is in place to ensure its effectiveness and adequacy, so as to safeguard shareholders’ investments and the BCB Berhad Group’s assets.

This statement has been reviewed by the external auditors, PricewaterhouseCoopers, and was made in accordance with a resolution of the Board.

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DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2008

The Directors are pleased to submit their annual report to the members together with the audited financial statements of the Group and of the Company for the year ended 30 June 2008.

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, 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 year.

FINANCIAL RESULTS

	Group RM	Company RM
Profit for the year	3,277,432	8,295,953

DIVIDENDS

No dividends have been paid or declared by the Company since 30 June 2007.

The Directors do not recommend the payment of any dividend for the year ended 30 June 2008.

RESERVES AND PROVISIONS

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

TREASURY SHARES

During the year, the Company repurchased 25,000 (2007: 3,000) of its issued share capital from the open market on Bursa Malaysia Securities Berhad for RM12,791 (2007: RM1,487). The average price paid for the shares repurchased was RM0.50 (2007: RM0.50) per share.

Details of the treasury shares are set out in Note 28 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
- Y.A.M. Tunku Zabedah Aminah Maimunah Iskandariah (appointed on 11 April 2008)
- Tan Lindy (appointed on 22 May 2008)
- Sofian bin Arshad
- Tan Vin Sern (resigned on 15 April 2008)
- Dato' Tan Seng Leong
- Tan Lay Kim
- Tan Lay Hiang
- Ash'ari bin Ayub
- Syed Abdullah bin A. Hamid

DIRECTORS' REPORT (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

DIRECTORS (CONT'D)

In accordance with the Company's Articles of Association, Tan Lindy and Y.A.M. Tunku Zabedah Aminah Maimunah Iskandariah who were appointed during the financial year, retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for election.

In accordance with the Company's Articles of Association, Tan Lay Hiang and Syed Abdullah Bin A. Hamid retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

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 Note 11 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

DIRECTORS' INTERESTS IN SHARES

According to the register of directors' shareholdings, particulars of interests of Directors who held office at the end of the year in shares in the Company are as follows:

	Number of ordinary shares of RM1.00 each in the Company			At 30.6.2008
	At 1.7.2007	Bought	Sold	
Shareholdings in the name of the Director				
Dato' Tan Seng Leong	63,775,500	-	200,000	63,575,500
Tan Lay Kim	5,375,700	-	-	5,375,700
Tan Lay Hiang	491,100	-	-	491,100
Shareholdings in which the Director is deemed to have an interest				
Dato' Tan Seng Leong	2,665,500	-	-	2,665,500

Note: By virtue of the shareholdings of his spouse and child.

By virtue of their interests in the shares of the Company, Dato' Tan Seng Leong, Tan Vin Sern, Tan Lay Kim, 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 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 year.

DIRECTORS' REPORT (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the income statements and balance sheets of the Group and of the Company 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 of the 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 of the 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 of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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 year which, in the opinion of the Directors, will or may affect the ability of the Group or of the Company to meet their obligations when they fall due.

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

- (a) any charge on the assets of the Group or of the Company which has arisen since the end of the year which secures the liability of any other person; or
- (b) any contingent liability of the Group or of the Company which has arisen since the end of the 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 of the Group and of the Company which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

- (a) the results on the operations, of the Group and of the Company during the 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 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 of the Company for the 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 17 October 2008.

DATO' TAN SENG LEONG
Group Managing Director

TAN LINDY
Executive Director

STATEMENT BY DIRECTORS

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

We, Dato' Tan Seng Leong and Tan Lindy, two of the Directors of BCB Berhad, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 34 to 80 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2008 and of the results and cash flows of the Group and of the Company for the year ended on that date in accordance with the provisions of the Companies Act, 1965 and the applicable Financial Reporting Standards in Malaysia.

Signed on behalf of the Board of Directors in accordance with their resolution dated 17 October 2008.

DATO' TAN SENG LEONG

Group Managing Director

TAN LINDY

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 34 to 80 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 in the state of Johor on 17 October 2008

Before me: SUCHA SINGH
 No: J023
 COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BCB BERHAD (Company No. 172003 - W)

(Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of BCB Berhad, which comprise the balance sheet as at 30 June 2008, of the Group and of the Company and the income statement, statement of changes in equity and cash flow statement of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 34 to 80.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards in Malaysia and the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2008 and of its financial performance and cash flows for the year then ended.

INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF BCB BERHAD (Company No. 172003 - W)

(Incorporated in Malaysia)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- (b) 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 financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (c) Our audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER MATTERS

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS

(No. AF : 1146)

Chartered Accountants

Johor Bahru

17 October 2008

YEE WAI YIN

(No. 2081/08/10 (J))

Chartered Accountant

INCOME STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

	Note	Group		Company	
		2008 RM	(Restated) 2007 RM	2008 RM	(Restated) 2007 RM
Revenue	5	108,221,063	120,099,451	64,220,717	46,183,915
Cost of sales	6	(73,323,743)	(87,197,913)	(25,768,841)	(25,861,533)
Gross profit		34,897,320	32,901,538	38,451,876	20,322,382
Other operating income		1,638,780	1,020,856	2,137,189	2,192,590
Administrative expenses		(10,333,939)	(11,359,985)	(8,958,405)	(3,952,724)
Marketing expenses		(5,900,448)	(5,444,203)	(4,644,095)	(4,154,685)
Other operating expenses		(6,244,794)	(6,049,285)	(5,437,880)	(6,785,696)
Finance income		181,189	302,566	302,047	542,753
Finance costs	7	(7,181,645)	(6,623,358)	(6,304,462)	(5,546,898)
Profit before tax	8	7,056,463	4,748,129	15,546,270	2,617,722
Tax expenses	12	(3,779,031)	(1,478,062)	(7,250,317)	(559,859)
Profit for the year		3,277,432	3,270,067	8,295,953	2,057,863
Basic earnings per share attributable to ordinary equity holders of the Company (sen)	13	1.62	1.62		

BALANCE SHEETS

AS AT 30 JUNE 2008

	Note	Group		Company	
		2008 RM	(Restated) 2007 RM	2008 RM	(Restated) 2007 RM
NON-CURRENT ASSETS					
Property, plant and equipment	14	49,131,978	49,404,538	41,956,354	41,084,469
Investment properties	15	19,482,436	19,482,436	18,762,436	18,762,436
Prepaid land lease payment	16	3,091,758	3,128,132	3,091,758	3,128,132
Land held for property development	17	61,501,013	55,228,410	8,488,004	8,475,148
Investment in subsidiaries	18	-	-	10,500,012	11,247,012
		133,207,185	127,243,516	82,798,564	82,697,197
CURRENT ASSETS					
Property development costs	19	192,309,253	201,201,147	105,633,718	106,040,018
Inventories	20	55,403,486	62,436,607	30,246,589	36,236,018
Tax recoverable		1,165,285	2,083,691	839,778	1,310,235
Trade and other receivables	21	80,555,028	87,279,557	12,672,747	14,872,564
Amount due from subsidiaries	22	-	-	149,522,675	129,911,320
Cash and bank balances	23	10,444,627	8,412,186	2,001,894	3,361,828
		339,877,679	361,413,188	300,917,401	291,731,983
TOTAL ASSETS		473,084,864	488,656,704	383,715,965	374,429,180
CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY					
Share capital	28	206,250,000	206,250,000	206,250,000	206,250,000
Treasury shares	28	(2,251,415)	(2,238,624)	(2,251,415)	(2,238,624)
Revaluation reserves	29	6,718,863	6,508,674	6,718,863	6,508,674
Retained earnings		108,657,981	105,380,549	81,619,334	73,323,381
		319,375,429	315,900,599	292,336,782	283,843,431
NON-CURRENT LIABILITIES					
Borrowings	25	36,904,312	44,262,464	21,796,244	24,808,595
Deferred tax liabilities	27	2,658,609	2,730,533	2,904,690	2,907,991
		39,562,921	46,992,997	24,700,934	27,716,586
CURRENT LIABILITIES					
Trade and other payables	24	37,960,048	48,251,657	6,543,054	6,322,410
Amount due to subsidiaries	22	-	-	362,267	-
Borrowings	25	39,967,603	43,370,260	25,806,354	26,278,938
Bank overdrafts	26	35,322,595	33,858,697	33,966,574	30,267,815
Current tax payables		896,268	282,494	-	-
		114,146,514	125,763,108	66,678,249	62,869,163
TOTAL LIABILITIES		153,709,435	172,756,105	91,379,183	90,585,749
TOTAL EQUITY AND LIABILITIES		473,084,864	488,656,704	383,715,965	374,429,180

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2008

	Note	Issued and fully paid ordinary shares of RM1.00 each Number of shares	Nominal value	Non-distributable Treasury shares	Revaluation reserves	Distributable Retained earnings	Total
At 1 July 2006							
- as previously reported		206,250,000	206,250,000	(2,237,137)	6,307,291	97,244,116	307,564,270
Effect of adopting:							
- FRS 112	38	-	-	-	-	4,866,366	4,866,366
- as restated		206,250,000	206,250,000	(2,237,137)	6,307,291	102,110,482	312,430,636
Reversal of deferred tax liabilities in respect of hotel properties	29	-	-	-	201,383	-	201,383
Income recognised directly into equity	27	-	-	-	201,383	-	201,383
Profit for the year		-	-	-	-	3,270,067	3,270,067
Total recognised income and expenses for the year		-	-	-	201,383	3,270,067	3,471,450
Purchase of treasury shares	28	-	-	(1,487)	-	-	(1,487)
At 30 June 2007		206,250,000	206,250,000	(2,238,624)	6,508,674	105,380,549	315,900,599
At 1 July 2007							
- as previously reported		206,250,000	206,250,000	(2,238,624)	6,508,674	100,805,773	311,325,823
Effect of adopting:							
- FRS 112	38	-	-	-	-	4,574,776	4,574,776
- as restated		206,250,000	206,250,000	(2,238,624)	6,508,674	105,380,549	315,900,599
Reversal of deferred tax liabilities in respect of hotel properties	29	-	-	-	210,189	-	210,189
Income recognised directly into equity	27	-	-	-	210,189	-	210,189
Profit for the year		-	-	-	-	3,277,432	3,277,432
Total recognised income and expenses for the year		-	-	-	210,189	3,277,432	3,487,621
Purchase of treasury shares	28	-	-	(12,791)	-	-	(12,791)
At 30 June 2008		206,250,000	206,250,000	(2,251,415)	6,718,863	108,657,981	319,375,429

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2008

	Note	Issued and fully paid ordinary shares of RM1.00 each Number of shares	Nominal value	Non-distributable Treasury shares	Revaluation reserves	Distributable Retained earnings	Total
At 1 July 2006							
- as previously reported		206,250,000	206,250,000	(2,237,137)	6,307,291	66,399,152	276,719,306
Effect of adopting:							
- FRS 112	38	-	-	-	-	4,866,366	4,866,366
- as restated		206,250,000	206,250,000	(2,237,137)	6,307,291	71,265,518	281,585,672
Reversal of deferred tax liabilities in respect of hotel properties	29	-	-	-	201,383	-	201,383
Income recognised directly into equity	27	-	-	-	201,383	-	201,383
Profit for the year		-	-	-	-	2,057,863	2,057,863
Total recognised income and expenses for the year		-	-	-	201,383	2,057,863	2,259,246
Purchase of treasury shares	28	-	-	(1,487)	-	-	(1,487)
At 30 June 2007		206,250,000	206,250,000	(2,238,624)	6,508,674	73,323,381	283,843,431
At 1 July 2007							
- as previously reported		206,250,000	206,250,000	(2,238,624)	6,508,674	68,748,605	279,268,655
Effect of adopting:							
- FRS 112	38	-	-	-	-	4,574,776	4,574,776
- as restated		206,250,000	206,250,000	(2,238,624)	6,508,674	73,323,381	283,843,431
Reversal of deferred tax liabilities in respect of hotel properties	29	-	-	-	210,189	-	210,189
Income recognised directly into equity	27	-	-	-	210,189	-	210,189
Profit for the year		-	-	-	-	8,295,953	8,295,953
Total recognised income and expenses for the year		-	-	-	210,189	8,295,953	8,506,142
Purchase of treasury shares	28	-	-	(12,791)	-	-	(12,791)
At 30 June 2008		206,250,000	206,250,000	(2,251,415)	6,718,863	81,619,334	292,336,782

CASH FLOW STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

	Note	Group		Company	
		2008 RM	(Restated) 2007 RM	2008 RM	(Restated) 2007 RM
OPERATING ACTIVITIES					
Profit for the year		3,277,432	3,270,067	8,295,953	2,057,863
Adjustments :					
Dividend income		-	-	(22,972,973)	(3,750,000)
Property, plant and equipment:					
- depreciation	8	1,904,536	2,182,872	1,144,189	1,311,046
- written off	8	31,413	5,819	1,647	1,614
- gain on disposals	8	(534,547)	(181,295)	-	(129,987)
Amortisation on prepaid land lease payment		36,374	36,374	36,374	36,374
Interest income		(181,189)	(302,566)	(302,047)	(542,753)
Interest expenses	7	7,181,645	6,623,358	6,304,462	5,546,898
Impairment of investment in subsidiary		-	-	747,000	1,553,000
Tax expenses	12	3,779,031	1,478,062	7,250,317	559,859
		15,494,695	13,112,691	504,922	6,643,914
Changes in working capital:					
- property development cost		9,836,667	3,457,510	500,517	(646,254)
- inventories		7,033,121	6,788,135	5,989,429	3,306,293
- trade and other receivables		6,724,529	15,782,928	2,199,817	13,145,222
- trade and other payables		(10,291,609)	(967,808)	220,644	(1,912,494)
- amount with subsidiaries		-	-	(19,249,088)	(573,291)
Cash generated from/(used in) operations		28,797,403	38,173,456	(9,833,759)	19,963,390
Interest received		181,189	302,566	302,047	542,753
Interest paid	7	(8,695,021)	(8,999,176)	(6,398,679)	(5,832,976)
Dividend received		-	-	17,000,000	-
Tax paid		(2,403,688)	(3,997,741)	(600,000)	(1,835,188)
Tax refunded		295,102	300,691	-	-
Net cash flow generated from operating activities		18,174,985	25,779,796	469,609	12,837,979
INVESTING ACTIVITIES					
Purchase of property, plant and equipment	14	(2,049,272)	(809,339)	(2,018,110)	(570,159)
Proceeds from disposals of property, plant and equipment		920,430	403,178	389	152,500
Additions to investment in subsidiaries		-	-	-	(4)
Additions to land held for property development		(5,704,000)	(8,899,974)	(12,856)	(7,671,053)
Net cash flow used in investing activities		(6,832,842)	(9,306,135)	(2,030,577)	(8,088,716)

CASH FLOW STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

	Note	Group		Company	
		2008 RM	(Restated) 2007 RM	2008 RM	(Restated) 2007 RM
FINANCING ACTIVITIES					
Purchase of treasury shares	28	(12,791)	(1,487)	(12,791)	(1,487)
Proceeds from bank borrowings		49,460,112	93,733,376	44,969,112	68,945,373
Repayments of bank borrowings		(59,863,887)	(102,488,542)	(48,277,564)	(66,544,058)
Finance lease principal payments		(357,034)	(471,521)	(176,482)	(215,279)
Net cash flow (used in)/generated from financing activities		(10,773,600)	(9,228,174)	(3,497,725)	2,184,549
Net increase/(decrease) in cash and cash equivalents		568,543	7,245,487	(5,058,693)	6,933,812
Cash and cash equivalents at beginning of the year		(25,446,511)	(32,691,998)	(26,905,987)	(33,839,799)
Cash and cash equivalents at end of the year	31	(24,877,968)	(25,446,511)	(31,964,680)	(26,905,987)

Notes:

- (i) acquisition of certain property, plant and equipment by means of finance leases (Note 14).
- (ii) dividend income receivable from subsidiaries amounting to RM3,750,000 in respect of the financial year ended 30 June 2007, which were settled via the intercompany account.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

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, 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 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 risks.

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(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

Unless otherwise stated, the following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia.

The financial statements have been prepared under the historical cost convention except as disclosed in this summary of significant accounting policies. For example, land and buildings and investment properties are stated at fair value.

The preparation of financial statements in conformity with the applicable Financial Reporting Standards in Malaysia requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgment in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

(i) Standards, amendments to published standards and interpretations that are effective.

The new accounting standards, amendments to published standards and IC Interpretations to existing standards that are effective for the Company's year beginning on or after 1 July 2007 are as follows:

- FRS 107 Cash Flow Statements
- FRS 111 Construction Contracts
- FRS 117 Leases
- FRS 118 Revenue
- FRS 124 Related Party Disclosures
- FRS 112 Income Taxes
- FRS 120 Accounting for Government Grants and Disclosure of Government Assistance
- FRS 134 Interim Financial Reporting
- FRS 137 Provisions, Contingent Liabilities and Contingent Assets
- FRS 6 Exploration for and Evaluation of Mineral Resources

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (cont'd)

(i) Standards, amendments to published standards and interpretations that are effective. (cont'd)

- Amendments to FRS 119₂₀₀₄ Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures
- Amendment to FRS 121 – The Effects of Changes in Foreign Exchange Rates – Net Investments in a Foreign Operation
- IC Interpretation 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities
- IC Interpretation 2 Members' Shares in Co-operative Entities and Similar Instruments
- IC Interpretation 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- IC Interpretation 6 Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
- IC Interpretation 7 Applying the Restatement Approach under FRS 129/2004 Financial Reporting in Hyperinflationary Economies
- IC Interpretation 8 Scope of FRS 2

The adoption of these new accounting standards does not have significant financial changes in the accounting policies or not relevant to the Group's operations except for those as disclosed in Note 38.

(ii) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Company but not yet effective.

The new standards that is applicable to the Company, but which the Company has not early adopted, are as follows:

- FRS 139 Financial Instruments: Recognition and Measurement (effective period beginning on or after 1 January 2010). The Company will apply this standard when it becomes effective.

(b) Subsidiaries and basis of consolidation

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. Generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or controls another entity.

Subsidiaries are consolidated using the purchase method of accounting.

Under the purchase method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases. The cost of an acquisition is measured as fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Identified assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's shares of the identifiable net assets acquired at the date of acquisition is reflected as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly on the income statement.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Subsidiaries and basis of consolidation (cont'd)

Minority interest represent that portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the parent. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since that date.

Intragroup transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by 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 as of the date of disposal including the cumulative amount of any exchange differences that relate to the subsidiary is 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 3(f) on impairment of non-financial 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

Hotel properties comprise leasehold land, hotel buildings and their integral plant and machinery.

Leasehold hotel properties are initially stated at cost and are subsequently stated at fair value based on periodic valuation by independent professional valuers, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. It is the Group's policy to revalue all its hotel properties once in every five years and at shorter intervals whenever the fair value of the revalued hotel properties is expected to differ materially from their carrying value based on open market value on an existing use basis. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

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. Deficits arising from revaluation are 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 the income statement.

Freehold land is not depreciated as it has an infinite life. Other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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
Leasehold land and buildings of the hotel properties	over lease period
Hotel properties	over lease period
Buildings on freehold land	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

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each balance sheet date.

At each balance sheet date, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 3(f) on impairment of non-financial assets.

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

(e) Prepaid land lease payments

Payment for rights to use land over a predetermined period that is accounted for as an operating lease represents prepaid land lease payments and is stated at cost less accumulated amortisation and accumulated impairment losses, if any.

The prepaid land lease payments are amortised on a straight-line basis over the lease period of 87 years.

(f) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment losses whenever events of changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The 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. Non current assets that suffered an impairment are reviewed for possible reversal of the impairment at each balance sheet date.

The impairment loss is charged to the income statement unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. 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 surplus.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) 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 stated at fair value, representing open-market value determined annually by external valuers. Fair value is based on active market price, adjusted, if necessary for any differences in the nature, location or condition of the specific asset. These valuations are reviewed annually by a registered valuer. Changes in fair values are recorded in the income statement as part of other income.

On disposal of an investment property, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal, it is derecognised. The difference between the net disposal proceeds and the carrying amount is recognised in the income statement in the period of the retirement or disposal.

(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 asset is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(f) on impairment of non-financial 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 Group 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.

The excess of revenue recognised in the income statement over billings to purchase is classified as accrued billings within trade and other receivables (current assets). Whereas the excess of billings to purchases over revenue recognised in the income statement is classified as progress billings within trade and other payables (current liabilities).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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 periodic constant rate of interest on the 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 so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment acquired under finance leases is depreciated over the shorter of 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 applicable variable 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 by using the stage of completion method. The stage of completion is measured by reference to the survey of work performed.

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 or 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).

Irrespective whether the outcome of a construction contract can be estimated reliably, when it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Trade receivables

Trade receivables are carried at invoiced 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.

(n) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks and short-term, highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the balance sheet.

(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. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

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

Deferred tax is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax as realised or the deferred tax liability is settled.

(p) Employee benefits

(i) Short term employee benefits

Wages, salaries and paid annual leave are accrued in the period in which the associated services are rendered by employees of the Group.

(ii) Defined contribution plans

A defined contributions 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. The contribution is charged to the income statement in the period to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of Group's activities net of discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(i) Revenue earned by the Group and the Company are recognised on the following basis:

- Revenue from sale of development properties is recognised net of discounts, based on the percentage 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 the projects.
- Revenue from sale of completed properties is recognised net of discounts, in accordance with the terms of the sale and purchase agreements.
- Rental income is recognised on receivable basis.
- Revenue from construction contracts is recognised based on the percentage of completion method. The stage of completion is measured by reference to the survey of work performed.
- Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.
- Project management services are recognised upon performance of services, net of service taxes and discounts.
- Hotel operations revenue comprise rental of hotel rooms, sale of food and beverages and other hotel related income, and is recognised on an accrual basis, net of service and sales taxes.

(ii) Other revenues earned by the Group and the Company are recognised on the following basis:

- Interest income is recognised on time proportion basis, taking into accounts the principal outstanding and the effective rate over the period of maturity, when it is determined that such income will accrue to the Group.
- Dividend income is recognised when the Group's right to receive payment is established

(r) Foreign currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ('RM'), which is also the Company's functional and presentation currency.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Foreign currencies (cont'd)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(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, in the period in which they are declared.

(iii) Purchase of own shares

Where the Company or its subsidiaries purchases the Company's equity share capital, the consideration paid, including any directly attributable incremental external costs, net of tax, is deducted from total shareholders' equity as treasury shares until they are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental external costs and the related tax effects, is included in shareholders' equity.

(t) 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 transactions 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.

Borrowings are classified as current liabilities unless the Group has an unconditional rights to defer settlement of the liability for at least 12 months after the balance sheet date.

(ii) Capitalisation of borrowing cost

Borrowing costs incurred to finance property development activities are capitalised as part of the costs of the assets during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) 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 occurrence or non-occurrence of one or more 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 occurrence or non-occurrence of one or more 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.

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

(w) Segment reporting

Segment reporting is presented for enhanced assessment of the Group's risks and returns. A business segment is a group of assets and operations engaged in providing products or services that are subject to risk and return that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and return that are different from those components.

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. Inter-segment pricing is based on similar terms as those available to other external parties.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the Directors and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions made that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

(i) Estimated impairment of property development costs

The Group recognises property development revenue and expenses in the income statement 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 the projects.

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

(ii) Construction contract and revenue recognition

The Group recognised construction contract revenue and expenses in the income statement using the stage of completion method. The stage of completion is determined by the survey of work performed.

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

(b) Critical judgment in applying the entity's accounting policies

There were no critical judgments used in applying the Group accounting policies.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

5 REVENUE

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Property development	77,351,661	79,670,471	27,092,786	31,013,599
Project management services	1,737,925	937,253	-	-
Hotel operations revenue	10,697,675	8,818,028	10,697,675	8,818,028
Sales of goods	7,387,575	15,776,519	-	-
Construction contracts	6,936,564	11,838,376	-	-
Rental income	4,109,663	3,058,804	3,457,283	2,602,288
Dividend income from subsidiaries	-	-	22,972,973	3,750,000
	108,221,063	120,099,451	64,220,717	46,183,915

6 COST OF SALES

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Property development (Note 19)	54,752,324	56,298,192	16,725,907	17,708,420
Hotel operations costs	2,938,700	2,348,112	2,938,700	2,348,112
Cost of completed properties sold	6,708,162	6,506,202	6,104,234	5,805,001
Cost of inventories sold	6,912,752	13,973,946	-	-
Construction contract costs	2,011,805	8,071,461	-	-
	73,323,743	87,197,913	25,768,841	25,861,533

7 FINANCE COSTS

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Interest expenses:				
- term loans/bridging loans	4,083,563	3,939,179	2,444,641	1,811,481
- short term borrowings	4,368,118	4,430,300	3,753,977	3,827,163
- finance leases	41,150	47,020	16,398	24,087
- others	202,190	582,677	183,663	170,245
	8,695,021	8,999,176	6,398,679	5,832,976
Less interest expenses capitalised:				
- land held for property development (Note 17)	(568,603)	(871,884)	-	-
- property development costs (Note 19)	(944,773)	(1,503,934)	(94,217)	(286,078)
	7,181,645	6,623,358	6,304,462	5,546,898

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

8 PROFIT BEFORE TAX

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

	Note	Group		Company	
		2008 RM	(Restated) 2007 RM	2008 RM	(Restated) 2007 RM
Auditors' remuneration	9	123,298	127,715	56,700	59,200
Directors' remuneration	11	1,756,989	2,410,751	903,234	1,080,817
Hiring charges of machinery		121,542	466,738	-	-
Inventories written off		50,055	-	-	-
Impairment of investment in a subsidiary		-	-	747,000	1,553,000
Material costs		22,109,884	37,253,978	-	-
Net foreign exchange losses/(gain)		32,509	103,837	3,044	(3,602)
Property, plant and equipment:					
- depreciation		1,904,536	2,182,872	1,144,189	1,311,046
- written off		31,413	5,819	1,647	1,614
- gain on disposals		(534,547)	(181,295)	-	(129,987)
Amortisation on prepaid land lease payments		36,374	36,374	36,374	36,374
Investment properties					
- rental income		(1,913,397)	(1,639,163)	(1,885,897)	(1,609,163)
- direct operating expenses		86,865	51,352	85,413	49,201
Rental of premises		269,213	230,515	192,000	192,000
Staff costs	10	8,507,378	8,508,722	5,068,464	4,192,235
Subcontractors' costs		14,670,711	27,908,838	-	-
Write back of allowance for obsolete stocks		(10,183)	(10,157)	-	-
Write down of inventories		250,193	21,379	-	-
Bad debts written off		95,213	-	-	-
Waiver of debts due from subsidiary		-	-	5,032,455	-

9 AUDITORS' REMUNERATION

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Statutory audit (Note 8):				
Current year	123,040	123,790	56,700	56,700
Under accrual in prior year	258	3,925	-	2,500
	123,298	127,715	56,700	59,200
Other services:				
Current year:				
- tax compliance work	29,400	14,250	29,400	14,250
- other non-audit services	-	58,000	-	58,000
	29,400	72,250	29,400	72,250
Total remuneration	152,698	199,965	86,100	131,450

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

10 STAFF COSTS

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Wages, salaries and bonus	7,246,952	7,368,968	4,217,332	3,522,628
Defined contribution plan	747,861	743,788	425,153	360,359
Other employee benefits	512,565	395,966	425,979	309,248
	8,507,378	8,508,722	5,068,464	4,192,235

11 DIRECTORS' REMUNERATION

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

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Non-executive Directors:				
- fees	-	-	175,500	168,000
Executive Directors:				
- basic salaries and bonus	1,476,846	2,038,330	611,926	782,652
- defined contribution plan	280,143	372,421	115,808	130,165
	1,756,989	2,410,751	903,234	1,080,817

The estimated money value of benefits in kind paid to Directors of the Group and the Company during the year amounting to RM66,986 (2007: RM66,449).

12 TAX EXPENSES

	Group		Company	
	2008 RM	(Restated) 2007 RM	2008 RM	(Restated) 2007 RM
Income tax				
- current year	2,557,170	1,931,759	5,972,973	576,790
- under accrual in prior years	1,083,596	74,295	1,070,456	99,614
	3,640,766	2,006,054	7,043,429	676,404
Deferred tax (Note 27)				
- current year	124,506	(840,536)	190,503	(421,663)
- over accrual in prior years	13,759	312,544	16,385	305,118
	138,265	(527,992)	206,888	(116,545)
	3,779,031	1,478,062	7,250,317	559,859

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

12 TAX EXPENSES (CONT'D)

The explanation of the relationship between tax and profit before tax is as follows:

	Group		Company	
	2008 %	(Restated) 2007 %	2008 %	(Restated) 2007 %
Numerical reconciliation between the average effective tax rate and the applicable tax rate				
Malaysia income tax rate	26	27	26	27
Tax effects of:				
- different tax rates apply to different levels of taxable income	(1)	(2)	-	-
- income not subject to tax	(3)	-	(1)	(25)
- utilisation of investment tax allowance	(3)	(3)	(1)	(5)
- deferred tax assets not recognised	3	3	-	-
- expenses not deductible for tax purposes	17	7	17	24
- under accrual in prior years:				
current tax	16	2	7	4
deferred tax	-	6	-	12
- change in tax rate	(1)	(9)	(1)	(16)
Average effective tax rate	54	31	47	21

Under the single-tier tax system which came into effect from the year of assessment 2008, companies are not required to have tax credit under Section 108 of the Income Tax Act 1967 for dividend payment purposes. Dividends paid under this system are tax exempt in the hands of shareholders.

Companies with Section 108 credits as at 31 December 2007 may continue to pay franked dividends until the Section 108 credits are exhausted or 31 December 2013 whichever is earlier unless they option to disregard the Section 108 credits to pay single-tier dividends under the special transitional provisions of the Finance Act 2007. As at 31 December 2007, subject to agreement with the tax authorities, the company has sufficient Section 108 tax credits and tax exempt income to pay in full all the retained earnings of the company as franked and exempt dividends.

13 BASIC EARNINGS PER SHARE

Basic earnings per share of the Group is calculated by dividing the profit attributable to ordinary equity holders of the Company for the year by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares (Note 28).

	Group	
	2008 RM	(Restated) 2007 RM
Profit for the year (RM)	3,277,432	3,270,067
Weighted average number of ordinary shares in issue	201,877,567	201,887,317
Basic earnings per share (sen)	1.62	1.62

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

14 PROPERTY, PLANT AND EQUIPMENT

GROUP

2008	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	Total RM
Cost									
At 1 July 2007	-	5,443,757	13,486,199	5,026,574	7,539,957	5,604,950	8,082,802	3,694,347	48,878,586
At valuation	28,632,058	-	-	-	-	-	-	-	28,632,058
Additions	-	-	693,725	80,450	256,000	292,995	381,853	344,249	2,049,272
Disposals	-	-	-	(1,228,885)	(232,910)	(955,524)	(403,297)	-	(2,820,616)
Written off	-	-	-	(476,557)	(60,000)	(10,183)	(253,555)	-	(800,295)
At 30 June 2008	28,632,058	5,443,757	14,179,924	3,401,582	7,503,047	4,932,238	7,807,803	4,038,596	75,939,005
Accumulated depreciation									
At 1 July 2007	329,104	-	1,995,450	4,882,030	6,199,356	4,784,420	6,644,887	3,270,859	28,106,106
Charge for the year	329,105	-	281,928	91,828	486,341	207,504	402,085	105,745	1,904,536
Disposals	-	-	-	(1,221,094)	(219,409)	(689,400)	(304,830)	-	(2,434,733)
Written off	-	-	-	(451,754)	(59,999)	(7,892)	(249,237)	-	(768,882)
At 30 June 2008	658,209	-	2,277,378	3,301,010	6,406,289	4,294,632	6,492,905	3,376,604	26,807,027
Net book value									
At 30 June 2008	27,973,849	5,443,757	11,902,546	100,572	1,096,758	637,606	1,314,898	661,992	49,131,978

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

14 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

GROUP	(Restated) 2007	Hotel	Freehold	Buildings	Plant and	Motor	Renovation	Furniture, fittings, office	Electrical	Total
		property	land	RM	machinery	vehicles	RM	and site	and kitchen	
		RM	RM	RM	RM	RM	RM	equipment	equipment	RM
Cost										
At 1 July 2006		-	5,491,901	13,647,641	5,026,809	7,746,344	5,517,429	7,718,440	3,593,666	48,742,230
At valuation		28,632,058	-	-	-	-	-	-	-	28,632,058
Additions		-	-	-	23,262	445,040	126,297	386,959	100,681	1,082,239
Disposals		-	(48,144)	(161,442)	(12,659)	(651,427)	-	(4,800)	-	(878,472)
Written off		-	-	-	(10,838)	-	(38,776)	(17,797)	-	(67,411)
At 30 June 2007		28,632,058	5,443,757	13,486,199	5,026,574	7,539,957	5,604,950	8,082,802	3,694,347	77,510,644
Accumulated depreciation										
At 1 July 2006		-	-	1,750,303	4,738,132	6,146,003	4,618,463	6,238,025	3,150,489	26,641,415
Charge for the year		329,104	-	268,776	167,393	671,776	204,728	420,725	120,370	2,182,872
Disposals		-	-	(23,629)	(12,657)	(618,423)	-	(1,880)	-	(656,589)
Written off		-	-	-	(10,838)	-	(38,771)	(11,983)	-	(61,592)
At 30 June 2007		329,104	-	1,995,450	4,882,030	6,199,356	4,784,420	6,644,887	3,270,859	28,106,106
Net book value										
At 30 June 2007		28,302,954	5,443,757	11,490,749	144,544	1,340,601	820,530	1,437,915	423,488	49,404,538

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

14 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

COMPANY

2008	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	Total RM
Cost									
At 1 July 2007	-	2,256,097	10,442,406	1,171,107	3,577,195	4,124,366	5,119,590	3,694,347	30,385,108
At valuation	28,632,058	-	-	-	-	-	-	-	28,632,058
Additions	-	-	1,000,000	78,000	-	292,995	302,866	344,249	2,018,110
Disposals	-	-	-	-	-	-	(2,979)	-	(2,979)
Written off	-	-	-	-	-	-	(15,036)	-	(15,036)
At 30 June 2008	28,632,058	2,256,097	11,442,406	1,249,107	3,577,195	4,417,361	5,404,441	4,038,596	61,017,261
Accumulated depreciation									
At 1 July 2007	329,104	-	1,743,765	1,167,314	3,060,902	3,845,824	4,514,929	3,270,859	17,932,697
Charge for the year	329,105	-	223,848	19,108	192,463	67,543	206,377	105,745	1,144,189
Disposals	-	-	-	-	-	-	(2,590)	-	(2,590)
Written off	-	-	-	-	-	-	(13,389)	-	(13,389)
At 30 June 2008	658,209	-	1,967,613	1,186,422	3,253,365	3,913,367	4,705,327	3,376,604	19,060,907
Net book value									
At 30 June 2008	27,973,849	2,256,097	9,474,793	62,685	323,830	503,994	699,114	661,992	41,956,354

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

14 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

COMPANY

(Restated) 2007	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	Total RM
Cost									
At 1 July 2006	-	2,256,097	10,442,406	1,171,107	3,873,722	3,998,069	4,796,337	3,593,666	30,131,404
At valuation	28,632,058	-	-	-	-	-	-	-	28,632,058
Additions	-	-	-	-	169,900	126,297	326,181	100,681	723,059
Disposals	-	-	-	-	(466,427)	-	-	-	(466,427)
Written off	-	-	-	-	-	-	(2,928)	-	(2,928)
At 30 June 2007	28,632,058	2,256,097	10,442,406	1,171,107	3,577,195	4,124,366	5,119,590	3,694,347	59,017,166
Accumulated depreciation									
At 1 July 2006	-	-	1,534,917	1,161,935	3,106,606	3,785,230	4,327,702	3,150,489	17,066,879
Charge for the year	329,104	-	208,848	5,379	398,210	60,594	188,541	120,370	1,311,046
Disposals	-	-	-	-	(443,914)	-	-	-	(443,914)
Written off	-	-	-	-	-	-	(1,314)	-	(1,314)
At 30 June 2007	329,104	-	1,743,765	1,167,314	3,060,902	3,845,824	4,514,929	3,270,859	17,932,697
Net book value									
At 30 June 2007	28,302,954	2,256,097	8,698,641	3,793	516,293	278,542	604,661	423,488	41,084,469

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

14 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Net book value of motor vehicle under finance lease	770,514	1,092,762	323,828	496,221
Net book value of assets pledged as security for bank borrowings (Note 25):				
- freehold land	5,690,779	4,953,269	1,924,502	1,924,502
- buildings	10,592,051	9,320,692	8,383,755	7,581,881
- hotel properties	31,065,608	31,431,086	31,065,608	31,431,086
	47,348,438	45,705,047	41,373,865	40,937,469

During the year, the Group and Company acquired property, plant and equipment with an aggregate cost of RM2,049,272 (2007: RM1,082,239) and RM2,018,110 (2007: RM723,059) respectively, of which RM110,000 (2007: RM272,900) for the Group and RM Nil (2007: RM152,900) for the Company were acquired by means of finance leases. Cash payments of RM1,939,272 (2007: RM809,339) and RM2,018,110 (2007: RM570,159) were made to purchase the assets for the Group and Company respectively.

The hotel property of the Group stated at valuation was last revalued in December 2004 by an independent qualified valuer, using a combination of the comparison, depreciated replacement cost and investment methods to reflect fair value.

The book value of hotel property was adjusted to reflect the revaluations and the resultant surpluses were credited to revaluation reserve.

Net book value of revalued hotel property, had these assets been carried at cost less accumulated depreciation is RM22,506,863 (2007: RM22,771,650).

15 INVESTMENT PROPERTIES

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Investment properties At beginning/ end of the year end	19,482,436	19,482,436	18,762,436	18,762,436
Investment properties pledged as security for borrowings (Note 25)	19,482,436	19,482,436	18,762,436	18,762,436

The fair value of the properties approximated their carrying values based on valuations by an independent professionally qualified valuer, Hj Sukiman bin Kassim, member of the Institution of Surveyors, Malaysia, a registered valuer with Henry Butcher Malaysia (Kluang) Sdn. Bhd., using open-market value method.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

16 PREPAID LAND LEASE PAYMENT

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
At beginning of the year	3,128,132	3,164,506	3,128,132	3,164,506
Amortisation for the year	(36,374)	(36,374)	(36,374)	(36,374)
At end of the year	3,091,758	3,128,132	3,091,758	3,128,132

17 LAND HELD FOR PROPERTY DEVELOPMENT

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Freehold land including improvements, at cost:				
At beginning of the year	55,228,410	45,330,930	8,475,148	804,095
Additions	6,272,603	8,899,974	12,856	7,671,053
Transfer from/(to) property development cost (Note 19)	-	997,506	-	-
At end of the year	61,501,013	55,228,410	8,488,004	8,475,148
Land held for property development is pledged as security for borrowings (Note 25)	48,560,329	47,316,862	564,320	563,600

Borrowing costs of the Group amounting to RM 568,603 (2007: RM871,884) arising on funds borrowed generally for property development activities, were capitalised during the year by applying a capitalisation rate of 7.6% (2007: 7.5%) per annum and are included in additions of land held for property development during the year (Note 7).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

18 INVESTMENT IN SUBSIDIARIES

	Company	
	2008 RM	2007 RM
Unquoted shares, at cost	15,500,012	15,500,008
Acquisition of subsidiaries	-	4
Accumulated impairment losses	(5,000,000)	(4,253,000)
	10,500,012	11,247,012

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

Name of company	Group's effective interest		Principal activities
	2008 %	2007 %	
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 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 Furniture Sdn. Bhd.	100	100	Dormant
BCB Development Sdn. Bhd.	100	100	Dormant
BCB Greens Sdn. Bhd.	100	100	Dormant
BCB Technologies Sdn. Bhd.	100	100	Dormant
Laser Lagun Sdn. Bhd.	100	100	Dormant
Luna Starcity Sdn. Bhd.	100	100	Dormant

All subsidiaries are incorporated in Malaysia and audited by PricewaterhouseCoopers, Malaysia. During the year, the Company decided to cease the business operations of two of its subsidiaries, BCB Furniture Sdn Bhd and BCB Greens Sdn Bhd. The cessation of these operations has no significant financial impact to the group's results.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

19 PROPERTY DEVELOPMENT COSTS

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
At beginning of the year:				
- land, at cost	69,782,432	75,840,831	30,293,444	33,420,912
- cumulative development costs	269,453,170	250,143,110	93,915,529	99,413,588
	339,235,602	325,983,941	124,208,973	132,834,500
Movements:				
Costs incurred during the year	46,760,824	55,216,500	16,319,607	21,510,429
Reversal of completed projects	(29,497,286)	(37,211,765)	(1,048,154)	(27,266,279)
Unsold units transferred to inventories	(900,394)	(3,755,568)	-	(2,869,677)
Transfer to land held for property development (Note 17)	-	(997,506)	-	-
	355,598,746	339,235,602	139,480,426	124,208,973
Accumulated costs charged to income statement:				
At beginning of the year	(138,034,455)	(118,948,028)	(18,168,955)	(27,726,814)
- additions (Note 6)	(54,752,324)	(56,298,192)	(16,725,907)	(17,708,420)
- reversal of completed projects	29,497,286	37,211,765	1,048,154	27,266,279
At end of the year	(163,289,493)	(138,034,455)	(33,846,708)	(18,168,955)
Property development costs	192,309,253	201,201,147	105,633,718	106,040,018
At end of the year:				
- land, at cost	73,320,650	69,782,432	30,204,876	30,293,444
- development costs	282,278,096	269,453,170	109,275,548	93,915,529
- accumulated cost charged to income statement	(163,289,493)	(138,034,455)	(33,846,706)	(18,168,955)
	192,309,253	201,201,147	105,633,718	106,040,018
Property development cost pledged as securities for borrowings (Note 25)	122,353,957	169,213,102	49,003,386	71,987,122

Borrowing costs of the Group and of the Company amounting to RM944,773 and RM94,217 (2007: RM1,503,934 and RM286,078), arising on funds borrowed generally for property development activities, were capitalised during the year by applying a capitalisation rate of 7.6% (2007: 7.5%) and 7.7% (2007: 7.8%) per annum for the Group and of the Company respectively and are included in development cost incurred during the year (Note 7).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

20 INVENTORIES

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Completed development units	54,671,194	60,623,294	29,969,521	35,965,417
Raw materials	134,789	396,839	-	-
Work in progress	56,673	113,724	-	-
Finished goods	17,440	810,019	-	-
Food and beverages	205,279	187,536	205,279	187,536
General supplies	71,789	83,065	71,789	83,065
Consumable stocks	246,322	222,130	-	-
	55,403,486	62,436,607	30,246,589	36,236,018
Inventories pledged as securities for borrowings (Note 25)	19,299,922	21,632,699	15,992,728	18,325,505

21 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Trade receivables	65,719,002	70,147,075	7,637,767	7,124,251
Accumulated impairment losses	-	(248,659)	-	-
	65,719,002	69,898,416	7,637,767	7,124,251
Amounts due from customers on contracts (Note 32)	6,684,733	6,610,419	-	-
Accrued billings in respect of property development	980,171	145,000	980,171	145,000
Other receivables	4,851,627	5,523,800	2,539,675	3,232,071
Deposits	2,033,647	4,456,486	1,309,654	3,984,784
Prepayments	285,848	645,436	205,480	386,458
	80,555,028	87,279,557	12,672,747	14,872,564

The currency exposure profile of trade and other receivables is as follows:

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
- Ringgit Malaysia	80,555,028	87,127,167	12,672,747	14,872,564
- US Dollar	-	152,390	-	-
	80,555,028	87,279,557	12,672,747	14,872,564

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

21 TRADE AND OTHER RECEIVABLES (CONTINUED)

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 trade receivables of the Group are amounts due from related parties of RM2,751,527 (2007: RM3,405,635).

The amounts due from related parties are interest free, unsecured and have no fixed terms of repayment. The related parties are companies in which certain directors are the Company's Directors.

22 AMOUNTS DUE FROM/TO SUBSIDIARIES

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

The amount due from/to subsidiary is interest free, unsecured and has no fixed terms of repayment.

23 CASH AND BANK BALANCES

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Cash and bank balances (Note 31)	10,444,627	8,412,186	2,001,894	3,361,828

Included in bank and cash balances of the Group and Company are amounts of RM2,495,271 (2007: RM1,169,677) and RM993,182 (2007 : RM837,396) respectively held under Housing Development Accounts (opened and maintained under Section 7A of the Housing Developers (Control and Licensing) Act 1966) that may only be used in accordance with the said Act.

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

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Weighted average effective interest rate at balance sheet date (%):				
- Housing Development Accounts	2.1	2.1	2.1	2.1

The cash and bank balances are denominated in Ringgit Malaysia.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

24 TRADE AND OTHER PAYABLES

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Trade payables	20,588,341	26,676,712	1,500,154	1,754,039
Amounts due to customers on contracts (Note 32)	8,632,304	13,244,086	-	-
Progress billings in respect of property development	446,988	653,389	400,000	627,407
Other payables	5,374,071	5,026,580	2,213,552	1,984,082
Accrued expenses	1,010,970	959,357	631,341	328,623
Payroll liabilities	568,882	454,325	459,515	391,051
Deposits received	1,338,492	1,237,208	1,338,492	1,237,208
	37,960,048	48,251,657	6,543,054	6,322,410

The currency exposure profile of trade and other payables is as follows:

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
- Ringgit Malaysia	37,960,048	48,245,285	6,543,054	6,322,410
- US Dollar	-	6,372	-	-
	37,960,048	48,251,657	6,543,054	6,322,410

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.

Included in other payable of the Group is an amount due to a related party of RM Nil (2007: RM451,469). The amount due to a related party was interest free, unsecured and has been settled. The related party is a company in which certain directors are the Company's Directors.

25 BORROWINGS

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
CURRENT				
Secured:				
Bridging loans	2,801,182	6,545,635	2,801,182	2,726,685
Term loans	8,706,134	9,609,411	2,874,521	3,591,156
Finance lease liabilities (Note 30)	258,273	429,455	117,637	173,338
Revolving credits	4,401,000	4,401,000	4,401,000	4,401,000
Bankers' acceptances	23,801,014	22,384,759	15,612,014	15,386,759
	39,967,603	43,370,260	25,806,354	26,278,938

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

25 BORROWINGS (CONT'D)

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
NON-CURRENT				
Secured:				
Term loans	36,820,368	43,992,667	21,758,026	24,649,595
Finance lease liabilities (Note 30)	83,944	269,797	38,218	159,000
	36,904,312	44,262,464	21,796,244	24,808,595
TOTAL				
Bridging loans	2,801,182	6,545,635	2,801,182	2,726,685
Term loans	45,526,502	53,602,078	24,632,547	28,240,751
Finance lease liabilities	342,217	699,252	155,855	332,338
Revolving credits	4,401,000	4,401,000	4,401,000	4,401,000
Bankers' acceptances	23,801,014	22,384,759	15,612,014	15,386,759
	76,871,915	87,632,724	47,602,598	51,087,533
Term loans are repayable as follows:				
- not later than 1 year	8,706,132	9,609,410	2,874,520	3,591,156
- later than 1 year and not later than 5 years	25,081,811	29,216,135	10,975,294	11,156,095
- later than 5 years	11,738,559	14,776,533	10,782,733	13,493,500
	45,526,502	53,602,078	24,632,547	28,240,751

The bridging loans of the Group and of the Company are secured by way of legal charges over certain development properties and inventories of the Group and of 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 personal guarantee from certain Directors, 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 and jointly and severally guaranteed 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

25 BORROWINGS (CONT'D)

	Group		Company	
	2008 %	2007 %	2008 %	2007 %
Weighted average effective interest rates at balance sheet date:				
- bridging loans	6.7	8.0	6.5	7.9
- term loans	7.6	7.5	7.8	7.8
- revolving credits	7.6	7.7	7.6	7.7
- bankers' acceptances	5.1	5.1	5.6	5.6

The borrowings are denominated in Ringgit Malaysia.

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

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Carrying amount	45,526,502	53,602,078	24,632,547	28,240,751
Fair value	43,322,422	51,461,853	23,199,972	28,082,781

26 BANK OVERDRAFTS

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

	Group		Company	
	2008 %	2007 %	2008 %	2007 %
Weighted average effective interest rates at balance sheet date	8.2	8.3	8.2	8.3

The bank overdrafts are denominated in Ringgit Malaysia.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

27 DEFERRED TAX

The following amounts, determined after appropriate offsetting, are shown in the balance sheet:

	Group		Company	
	2008 RM	(Restated) 2007 RM	2008 RM	(Restated) 2007 RM
Deferred tax liabilities	(6,839,078)	(7,305,309)	(7,085,159)	(7,482,767)
Deferred tax assets	4,180,469	4,574,776	4,180,469	4,574,776
	(2,658,609)	(2,730,533)	(2,904,690)	(2,907,991)
At beginning of the year	(2,730,533)	(3,459,908)	(2,907,991)	(3,225,919)
Credited/(charged) to income statement (Note 12)				
- property, plant and equipment	88,571	498,937	79,479	422,614
- investment tax allowance	(394,307)	(291,590)	(394,307)	(291,590)
- others	167,471	320,645	107,940	(14,479)
	(138,265)	527,992	(206,888)	116,545
Credited to equity	210,189	201,383	210,189	201,383
At end of the year	(2,658,609)	(2,730,533)	(2,904,690)	(2,907,991)
Deferred tax assets (prior to offsetting)				
- investment tax allowance	4,180,469	4,574,776	4,180,469	4,574,776
- others	541,653	372,991	110,562	2,622
Offsetting	4,722,122 (4,722,122)	4,947,767 (4,947,767)	4,291,031 (4,291,031)	4,577,398 (4,577,398)
Deferred tax assets (after offsetting)	-	-	-	-
Deferred tax liabilities (prior to offsetting)				
- property, plant and equipment	(7,380,731)	(7,678,300)	(7,195,721)	(7,485,389)
Offsetting	4,722,122	4,947,767	4,291,031	4,577,398
Deferred tax liabilities (after offsetting)	(2,658,609)	(2,730,533)	(2,904,690)	(2,907,991)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

27 DEFERRED TAX (CONT'D)

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	
	2008 RM	2007 RM	2008 RM	2007 RM
Deductible temporary differences	3,158,197	3,421,931	-	-
Tax losses	5,591,954	4,957,205	-	-
	8,750,151	8,379,136	-	-

28 SHARE CAPITAL

	Group and Company	
	2008 RM	2007 RM
Authorised:		
Ordinary shares of RM1.00 each		
At beginning/end of the year	500,000,000	500,000,000
Issued and fully paid:		
Ordinary shares of RM1.00 each		
At beginning/end of the year	206,250,000	206,250,000

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 year, the Company repurchased 25,000 (2007: 3,000) of its issued share capital from the open market on Bursa Malaysia Securities Berhad for RM12,791 (2007: RM1,487). The average price paid for the shares repurchased was RM0.50 (2007: RM 0.50) 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 2008.

At the balance sheet date, the number of outstanding shares in issue after setting treasury shares off against equity is 201,861,400 (2007: 201,886,400).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 30 JUNE 2008

29 REVALUATION RESERVES

	Hotel properties RM	Investment properties RM	Total RM
Group			
At beginning of year 2008	6,508,674	-	6,508,674
Reversal of deferred tax liabilities	210,189	-	210,189
At end of year 2008	6,718,863	-	6,718,863
At beginning of year 2007			
- as previously stated	6,307,291	891,386	7,198,677
Effect of adopting FRS 140	-	(891,386)	(891,386)
- as restated	6,307,291	-	6,307,291
Reversal of deferred tax liabilities	201,383	-	201,383
At end of year 2007	6,508,674	-	6,508,674
Company			
At beginning of year 2008	6,508,674	-	6,508,674
Reversal of deferred tax liabilities	210,189	-	210,189
At end of year 2008	6,718,863	-	6,718,863
At beginning of year 2007			
- as previously stated	6,307,291	557,976	6,865,267
Effect of adopting FRS 140	-	(557,976)	(557,976)
- as restated	6,307,291	-	6,307,291
Reversal of deferred tax liabilities	201,383	-	201,383
At end of year 2007	6,508,674	-	6,508,674

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

30 FINANCE LEASE LIABILITIES

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Minimum lease payments:				
- not later than 1 year	278,472	467,359	128,112	192,207
- later than 1 year and not later than 5 years	91,610	287,660	43,574	171,685
	370,082	755,019	171,686	363,892
Future finance charges	(27,865)	(55,767)	(15,831)	(31,554)
Present value of finance lease liabilities	342,217	699,252	155,855	332,338
Current (Note 25)	258,273	429,455	117,637	173,338
Non-current (Note 25)	83,944	269,797	38,218	159,000
	342,217	699,252	155,855	332,338
Present value of finance lease liabilities:				
- not later than 1 year	258,273	429,455	117,637	173,338
- later than 1 year and not later than 5 years	83,944	269,797	38,218	159,000
	342,217	699,252	155,855	332,338
	Group		Company	
	2008 %	2007 %	2008 %	2007 %
Weighted average effective interest rate at the balance sheet date	7.3	6.7	6.8	6.1
	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Fair value at the balance sheet date	313,856	652,966	147,621	310,181

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

31 CASH AND CASH EQUIVALENTS

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Cash and bank balances (Note 23)	10,444,627	8,412,186	2,001,894	3,361,828
Bank overdrafts	(35,322,595)	(33,858,697)	(33,966,574)	(30,267,815)
	(24,877,968)	(25,446,511)	(31,964,680)	(26,905,987)

32 CONSTRUCTION CONTRACTS

	Group	
	2008 RM	2007 RM
Aggregate costs incurred to date	168,244,161	261,982,578
Add: Estimated attributable profits	16,530,922	26,720,282
Less: Recognised losses	(2,534,569)	(2,744,623)
	182,240,514	285,958,237
Less: Progress billings	(184,188,085)	(292,591,904)
	(1,947,571)	(6,633,667)
Represented by:		
Amounts due from customers on contracts (Note 21)	6,684,733	6,610,419
Amounts due to customers on contracts (Note 24)	(8,632,304)	(13,244,086)
	(1,947,571)	(6,633,667)
Retention sum on contracts	13,814,326	12,821,802

33 CONTINGENT LIABILITIES

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Unsecured				
Corporate guarantees for trade credits granted to subsidiaries	-	-	1,513,069	2,190,387
Claim by third party	5,276,807	5,276,807	5,276,807	5,276,807
	5,276,807	5,276,807	6,789,876	7,467,194

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

33 CONTINGENT LIABILITIES (CONT'D)

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Secured				
Corporate guarantees for borrowings facilities granted by financial institutions to subsidiaries	-	-	35,882,739	35,542,349
	5,276,807	5,276,807	42,672,615	43,009,543

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 mixed development project; namely Taman Megah, located at 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 on-going litigation initiated by Sime Hock to revoke 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 against Sime Hock for breaching the terms and conditions stipulated in an Agreement entered by both parties.

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

34 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	
	2008 RM	2007 RM
Interest income receivable from subsidiaries:		
- BCB Construction Sdn. Bhd.	-	169,451
- Johbase Development Sdn. Bhd.	141,359	106,915
Progress billings by subsidiaries:		
- BCB Construction Sdn. Bhd.	13,819,408	17,237,878
- BCB Road Builder Sdn. Bhd.	195,549	951,711

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

34 SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

(a) Intercompany transactions (cont'd)

	Company	
	2008 RM	2007 RM
Purchase of goods from subsidiaries:		
- BCB Trading Sdn. Bhd.	-	28,641
- BCB Furniture Sdn. Bhd.	-	4,022
- BCB Greens Sdn. Bhd.	-	7,418
- BCB Concrete Sdn. Bhd.	750	-
- BCB Furniture Sdn. Bhd.	362,268	-
Management fee receivable from subsidiaries:		
- BCB Concrete Sdn. Bhd.	-	96,000
- BCB Construction Sdn. Bhd.	840,000	840,000
- BCB Greens Sdn. Bhd.	-	48,000
- BCB Resources Sdn. Bhd.	360,000	360,000
- BCB Trading Sdn. Bhd.	-	180,000
- BCB Road Builder Sdn. Bhd.	-	96,000
- Johbase Development Sdn. Bhd.	240,000	240,000
Hiring charges:		
- BCB Road Builders Sdn. Bhd.	139,681	109,554
Rental income:		
- BCB Construction Sdn. Bhd.	12,000	12,000
- BCB Furniture Sdn. Bhd.	10,000	60,000
Dividend income from subsidiaries:		
- Johbase Development Sdn. Bhd.	6,756,757	750,000
- BCB Construction Sdn. Bhd.	5,405,405	-
- BCB Resources Sdn. Bhd.	6,756,757	-
- BCB Management Sdn. Bhd.	2,702,703	3,000,000
- BCB Road Builder Sdn. Bhd.	1,351,351	-

(b) Office rental paid to:

	Company	
	2008 RM	2007 RM
Ju-Ichi Enterprise Sdn. Bhd. ("JIE")	192,000	192,000

JIE is a related party by virtue of the directorship of Dato' Tan Seng Leong, Tan Lindy and Syed Abdullah bin A. Hamid in JIE, who are also the Directors of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

34 SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

(c) Project management services to:

	Group 2008 RM	2007 RM
- Marvel Plus Development Sdn. Bhd. ("MPD")	353,199	431,865

(d) Sales of goods to:

	Group 2008 RM	2007 RM
- Marvel Plus Development Sdn. Bhd. ("MPD")	2,250,496	2,779,505

MPD is a related party by virtue of the directorship of Dato' Tan Seng Leong's spouse and children, namely Datin Lim Sui Yong and Tan Vin Sern respectively, both are the director as well as major shareholder of MPD; whilst Tan Lindy is the director of MPD.

(e) Key management personnel compensation

	Group 2008 RM	2007 RM	Company 2008 RM	2007 RM
Short-term employee benefits	1,756,989	2,410,751	727,734	912,817

35 CAPITAL COMMITMENTS

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

	Group 2008 RM	2007 RM
Authorised and contracted for		
- Conditional contractual commitment to purchase freehold land	40,830,000	-
- Conditional contractual commitment to developments infrastructure on freehold land	7,000,000	-
	47,830,000	-

36 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 25 and 30 which the fair values of borrowings were determined based on the future contractual cash flows discounted at current market interest rates available for similar financial instruments.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

37 SEGMENTAL REPORTING

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

- Property development and management activities
- Construction and related activities
- Hotel operations
- Others

Intersegment sales comprise mainly:

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

These transactions are conducted on agreed terms.

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

PRIMARY REPORTING FORMAT – BUSINESS SEGMENTS

GROUP 2008	Property development and management activities RM	Construction and related activities RM	Hotel operations RM	Others RM	Elimination RM	Total RM
REVENUE						
External sales	80,921,699	12,566,454	11,047,475	3,685,435	-	108,221,063
Inter-segment sales	6,778,757	34,530,382	120,000	-	(41,429,139)	-
Total revenue	87,700,456	47,096,836	11,167,475	3,685,435	(41,429,139)	108,221,063
RESULTS						
Segment results	12,370,814	2,463,849	2,208,888	(471,385)	-	16,572,166
Unallocated costs						(2,515,247)
Finance income						181,189
Finance cost						(7,181,645)
Tax						(3,779,031)
Profit for the year						3,277,432
OTHER INFORMATION						
Segment assets	535,639,706	107,660,767	34,258,107	503,431	(205,815,482)	472,246,529
Unallocated assets						1,165,285
Total assets						473,411,814
Segment liabilities	174,534,376	89,042,601	15,448,984	72,164	(205,815,482)	73,282,643
Unallocated liabilities						80,753,742
Total liabilities						154,036,385
Capital expenditure	1,464,987	332,379	564,681	-	(312,775)	2,049,272
Depreciation	524,484	528,243	701,572	150,237	-	1,904,536
Amortisation	-	-	36,374	-	-	36,374
Non cash items	3,312	(22,741)	-	(276,074)	-	(295,503)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

37 SEGMENTAL REPORTING (CONT'D)

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

PRIMARY REPORTING FORMAT – BUSINESS SEGMENTS

GROUP 2007	Property development and management activities RM	Construction and related activities RM	Hotel operations RM	Others RM	Elimination RM	Total RM
REVENUE						
External sales	82,988,310	17,530,562	9,181,228	10,399,351	-	120,099,451
Inter-segment sales	3,822,000	52,232,719	120,000	11,217	(56,185,936)	-
Total revenue	86,810,310	69,763,281	9,301,228	10,410,568	(56,185,936)	120,099,451
RESULTS						
Segment results	13,931,830	(941,655)	1,043,679	(209,687)	-	13,824,167
Unallocated costs						(2,755,246)
Finance income						302,566
Finance cost						(6,623,358)
Tax						(1,478,062)
Profit for the financial year						3,270,067
OTHER INFORMATION						
Segment assets	549,197,491	120,504,454	33,885,356	2,684,819	(219,699,107)	486,573,013
Unallocated assets						2,083,691
Total assets						488,656,704
Segment liabilities	178,872,786	99,291,013	16,824,906	6,820,756	(219,699,107)	82,110,354
Unallocated liabilities						90,645,751
Total liabilities						172,756,105
Capital expenditure	208,721	200,681	637,933	34,904		1,082,239
Depreciation	772,184	564,345	664,561	218,156		2,219,246
Non cash items	(105,911)	35,697	152,900	-		82,686

Unallocated costs represent corporate expenses. Segment assets consist of property, plant and equipment, investment properties, land held for property development, inventories, property development costs, operating receivables and cash and cash equivalents. Segment liabilities comprise operating liabilities and exclude items such as taxation and borrowings.

Capital expenditure comprises additions to property, plant and equipment (Note 14).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

38 CHANGES IN ACCOUNTING POLICIES AND EFFECTS ARISING FROM ADOPTION OF NEW AND REVISED FRS

The list of new accounting standards, amendments to published standards and interpretations on existing standards that are effective for the Group's and the Company's accounting periods beginning on 1 July 2007 is set out in Note 3.

The adoption of the new/revised FRS, amendments and interpretations above have not resulted in substantial changes to the accounting policies of the Group and have no material impact on the financial statements other than:

(a) FRS 112 – Income Taxes

The revised standard has removed the requirements that prohibit the recognition of deferred tax on reinvestment allowances or other allowances in excess of capital allowances.

(b) FRS 117- Prepaid Land Lease Payments

FRS 117 requires leasehold land to be treated as an operating lease and the transitional provision allows the unamortised carrying amounts of previously revalued leasehold land to be retained as surrogated carrying amounts. Therefore, instead of capitalising the payments made for the leasehold land as property, plant and equipment, the carrying amounts of all long and short leasehold land are now reclassified as prepaid lease rentals.

The prepaid lease rentals are amortised on a straight-line basis over the lease period, which is similar to the depreciation policy when they were treated as property, plant and equipment.

The following tables disclose the adjustments that have been made in accordance with the transitional and new provisions of the respective FRS to each of the line items in the Group and the Company's income statements for the year ended 30 June 2008 and balance sheets as at 30 June 2008, including restatement of comparatives and prior year adjustments as highlighted in the preceding paragraphs.

(i) restatement of comparative and prior year adjustment

GROUP	2007 As previously stated RM	Adjustment reflecting adoption of		2007 As restated RM
		FRS 117	FRS 112	
i) Balance Sheet items reflecting effect of FRS				
Property, plant and equipment	52,532,670	(3,128,132)	-	49,404,538
Prepaid land lease payment	-	3,128,132	-	3,128,132
Retained earnings	100,805,773	-	4,574,776	105,380,549
Deferred tax liabilities	(7,305,309)	-	4,574,776	(2,730,533)
ii) Income statement items reflecting effect of FRS				
Depreciation	2,219,246	(36,374)	-	2,182,872
Amortisation of prepaid land lease payments	-	36,374	-	36,374
Taxation	1,186,472	-	291,590	1,478,062

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30 JUNE 2008

38 CHANGES IN ACCOUNTING POLICIES AND EFFECTS ARISING FROM ADOPTION OF NEW AND REVISED FRS (CONT'D)

(b) FRS 117- Prepaid Land Lease Payments (cont'd)

(i) restatement of comparative and prior year adjustment (cont'd)

COMPANY	2007	Adjustment reflecting		2007
	As previously stated RM	FRS 117	adoption of FRS 112	As restated RM
i) Balance Sheet items reflecting effect of FRS				
Property, plant and equipment	44,212,601	(3,128,132)	-	41,084,469
Prepaid land lease payment	-	3,128,132	-	3,128,132
Retained earnings	68,748,605	-	4,574,776	73,323,381
Deferred tax liabilities	(7,482,767)	-	4,574,776	(2,907,991)
ii) Income statement items reflecting effect of FRS				
Depreciation	1,347,420	(36,374)	-	1,311,046
Amortisation of prepaid land lease payments	-	36,374	-	36,374
Taxation	268,269	-	291,590	559,859

39 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 17 October 2008.

SHAREHOLDINGS STATISTICS

AS AT 31 OCTOBER 2008

Authorised share capital	: RM500,000,000
Issued and paid-up capital	: RM206,250,000 (inclusive of 4,389,600 as Treasury Shares)
Types 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	219	0.00	5	0.11
100 to 1,000 shares	466,300	0.23	506	11.35
1,001 to 10,000 shares	12,430,681	6.16	3,317	74.42
10,001 to 100,000 shares	14,359,300	7.11	541	12.14
100,001 to less than 5% of issued shares	108,843,900	53.92	84	1.89
5% and above of issued shares	65,760,000	32.58	4	0.09
Company Total	201,860,400	100.00	4,457	100.00

List of Thirty Largest Shareholders as at 31 October 2008 (as per Record of Depositors)

No.	Name	Shares Held	%
1	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged securities account for Effective Strategy Sdn Bhd	19,300,000	9.56
2	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged securities account for Dato' Tan Seng Leong	18,410,000	9.12
3	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged securities account for Dato' Tan Seng Leong	15,053,000	7.46
4	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged securities account for Dato' Tan Seng Leong	12,997,000	6.44
5	HDM Nominees (Tempatan) Sdn Bhd Pledged securities account for Soh Jin Chai	5,775,500	2.86
6	HDM Nominees (Tempatan) Sdn Bhd Pledged securities account for Lim Key Siew	5,645,200	2.80
7	HDM Nominees (Tempatan) Sdn Bhd Pledged securities account for Lim Boon Seng	5,462,900	2.71
8	EB Nominees (Tempatan) Sendirian Berhad Pledged securities account for Lai Chee Hoong	5,316,000	2.63
9	Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged securities account for Abd Manap Bin Hussain	4,500,000	2.23
10	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged securities account for Tan Chin Ee	3,814,500	1.89

SHAREHOLDINGS STATISTICS (CONT'D)

AS AT 31 OCTOBER 2008

List of Thirty Largest Shareholders as at 31 October 2008 (as per Record of Depositors) (cont'd)

No.	Name	Shares Held	%
11	Mayban Nominees (Tempatan) Sdn Bhd Pledged securities account for Dato' Tan Seng Leong	3,750,000	1.86
12	Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged securities account for Lai Chee Hoong	3,400,500	1.68
13	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged securities account for Tan Lay Kim	3,180,000	1.58
14	EB Nominees (Tempatan) Sendirian Berhad Pledged securities account for Dato' Tan Seng Leong	3,078,000	1.52
15	Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged securities account for Haven Venture Sdn Bhd	2,946,800	1.46
16	EB Nominees (Tempatan) Sendirian Berhad Pledged securities account for Tan Vin Sern	2,534,500	1.26
17	Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged securities account for Lasercoin (M) Sdn Bhd	2,516,700	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	Public Nominees (Tempatan) Sdn Bhd Pledged securities account for Ong Li Tak	2,073,700	1.03
21	Tan Chin Ee	2,071,000	1.03
22	Puncak Angkasa Sdn Bhd	2,000,000	0.99
23	Mayban Nominees (Tempatan) Sdn Bhd Pledged securities account for Hon Lai Yin	1,971,000	0.98
24	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged securities account for Tan Lay Kim	1,920,000	0.95
25	Mayban Nominees (Tempatan) Sdn Bhd Pledged securities account for Dato' Tan Seng Leong	1,884,000	0.93
26	Southern Investment Bank Berhad Kumpulan Wang Simpanan Pekerja for Dato' Tan Seng Leong	1,839,200	0.91
27	RHB Nominees (Tempatan) Sdn Bhd RHB Investment Management Sdn Bhd for Dato' Tan Seng Leong	1,764,300	0.87
28	Matrix International Berhad	1,667,000	0.83
29	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged securities account for Tan Seng Hoo	1,665,000	0.82
30	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged securities account for Tan Seng Keng	1,665,000	0.82

SHAREHOLDINGS STATISTICS (CONT'D)

AS AT 31 OCTOBER 2008

Substantial Shareholders as at 31 October 2008 (as per Register of Substantial Shareholders)

No.	Name of Substantial Shareholders	No. of Shares Held		% of Issued Shares Capital	
		Direct	Indirect	Direct	Indirect
1.	Dato' Tan Seng Leong	63,575,500	* 2,665,500	31.49	1.32
2.	Datin Lim Sui Yong	131,000	#66,110,000	0.06	32.75
3.	Effective Strategy Sdn Bhd	19,304,500	-	9.56	-
4.	Chan Toong Kit	-	@ 19,304,500	-	9.56
5.	Chong Shiung Foh	-	^ 19,304,500	-	9.56

Notes:

- * Deemed interested 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 (1.26%).
- # Deemed interested by virtue of :-
 (1) her spouse, Dato' Tan Seng Leong's shareholding in the Company – 63,575,500 (31.49%); and
 (2) her son, Mr Tan Vin Sern's shareholding in the Company – 2,534,500 (1.26%).
- @ Deemed interested by virtue of his 50% shareholdings in Effective Strategy Sdn Bhd
- ^ Deemed interested by virtue of his 50% shareholdings in Effective Strategy Sdn Bhd

Directors' Shareholdings as at 31 October 2008 (as per Register of Directors' Shareholdings)

No.	Shareholdings in the name of the Director	Number of ordinary shares of RM1 each			
		Direct	%	Indirect	%
1.	Dato' Tan Seng Leong	63,575,500	31.49	* 2,665,500	1.32
2.	Tay Lay Kim	5,375,700	2.66	-	-
3.	Tan Lay Hiang	491,100	0.24	-	-

Notes:

- * Deemed interested 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 (1.26%).

LIST OF LANDED PROPERTIES

The details of the BCB Group's properties as at 30 June 2008 are as follows:

Location	Description	Tenure	Age of building	Size (acre)	Net book value/Cost as at 30 June 2008 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)	12 years	0.35	31,066	13/12/2004 *
PTB 8370 No. 20, Jalan Bakawali, 86000 Kluang, Johor.	A basement and 4 storey shopping complex	Leasehold (expiring 10.11.2093)	12 years	0.23	18,762	13/12/2004 *
PTD 32927 - 32930 70, 72, 74, 76, Jalan Intan 3, Taman Intan, 86000 Kluang, Johor.	4 units double storey shop house	Freehold	14 years	0.15	720	23/03/2004 *
PTD 49840 No. 1, Jalan 6, Taman Sri Kluang, 86000 Kluang, Johor.	Single storey hypermarket	Freehold	9 years	1.44	4,843	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	9 years	0.84	2,604	27/06/1998
PTD 50047 - 50049 No. 29-33, Jalan 20, Taman Sri Kluang, 86000 Kluang, Johor.	3 units industry factory	Freehold	7.5 years	3.29	4,284	12/01/2000
Lot 6806 & 6808 Mukim of Kluang, District of Kluang, Johor.	Being developed as Taman Sri Kluang	Freehold	N/A	67.05	47,082	12/01/1996
Lot 1574 Mukim of Kluang, District of Kluang, Johor.	Proposed residential & commercial development	Freehold	N/A	17.97	564	25/01/1991
Lot 4562 Mukim of Kluang, District of Kluang, Johor.	Proposed residential development	Freehold	N/A	2.99	817	25/05/1996

LIST OF LANDED PROPERTIES (CONT'D)

Location	Description	Tenure	Age of building	Size (acre)	Net book value/Cost as at 30 June 2008 RM'000	Date of acquisition/ revaluation*
KLUANG, JOHOR (CONT'D)						
Lot 321 & Lot 440 Mukim of Kluang, District of Kluang, Johor.	Being developed as Taman Kluang Baru 2	Freehold	N/A	10.83	2,966	29/12/1999
Lot 482,484 Mukim of Kluang, District of Kluang, Johor.	Being developed as Jobhase City Square Commercial Lot	Freehold	N/A	0.39	3,389	15/04/1993
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	16,630	07/12/1994
Lot 559, 2954-2959, 2656 & 2660	Being developed as Taman Bukit Perdana III	Freehold	N/A	18.54	9,071	07/12/1994
Lot 2664-2666 Mukim of Simpang Kanan, District of Batu Pahat, Johor.	Being developed as Taman Bukit Perdana II	Freehold	N/A	21.04	6,158	27/06/1994
Lot 3131 Mukim of Simpang Kanan, District of Batu Pahat, Johor.	Proposed residential development	Freehold	N/A	4.05	249	06/09/1994
Lot 8096 Mukim of Sri Gading, District of Batu Pahat, Johor.	Proposed residential development	Freehold	N/A	2	449	13/12/2006
Lot 8097 Mukim of Sri Gading, District of Batu Pahat, Johor.	Proposed residential development	Freehold	N/A	2	452	13/12/2006
Lot 708 Mukim of Sri Gading, District of Batu Pahat, Johor.	Proposed residential development	Freehold	N/A	3	860	13/12/2006
HS(D) 23056-23076, 23081-23087 & 23181 Mukim of Simpang Kanan, District of Batu Pahat, Johor.	Proposed residential development	Freehold	N/A	72.11	8,402	29/03/2000

LIST OF LANDED PROPERTIES (CONT'D)

Location	Description	Tenure	Age of building	Size (acre)	Net book value/Cost as at 30 June 2008 RM'000	Date of acquisition/ revaluation*
BATU PAHAT, JOHOR (CONT'D)						
Lot 5267 & 7918 Mukim of Simpang Kanan, District of Batu Pahat, Johor.	Proposed residential & commercial development	Freehold	N/A	7.07	2,122	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	106,522	06/02/2002
Lot 4207 Mukim of Simpang Kanan, District of Batu Pahat, Johor.	Proposed residential & commercial development	Freehold	N/A	35	5,915	23/09/2003
H.S.(D) 43072 P.T.D. No.18610 Mukim of Linau, District of Batu Pahat, Johor.	Being developed as Bandar Putera Indah	Freehold	N/A	19.5	4,340	19/11/2007
YONG PENG, JOHOR						
Lot 5297, 5298 & 5299 Mukim Tanjong Sembrong, District of Yong Peng, Johor.	Being developed as Bandar Cahaya Baru	Freehold	N/A	5.19	2,275	06/07/1999
PONTIAN, JOHOR						
Lot 4681, Mukim of Pontian District of Pontian, Johor.	Being developed as Taman Megah	Freehold	N/A	26.83	22,651	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	7,463	15/07/1994
					310,656	

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Prime City Hotel, Mars 1, 6th Floor, 20, Jalan Bakawali, 86000 Kluang, Johor Darul Takzim on Thursday, 18 December 2008 at 10.30 a.m., for the following purposes:

AGENDA

1. To receive the Statutory Financial Statements for the financial year ended 30 June 2008 together with the Reports of the Directors and Auditors thereon.

Resolution 1

2. To approve the payment of the Directors' fees amounting to RM175,500 for the financial year ended 30 June 2008.

Resolution 2

3. To re-elect the following Directors who retire in accordance with the Articles of Association of the Company and who, being eligible, offer themselves for re-election:

Article 105

- (a) Ms. Tan Lay Hiang

Resolution 3

- (b) Tuan Syed Abdullah Bin A Hamid

Resolution 4

Article 112

- (c) Y.A.M. Tunku Zabedah Aminah Maimunah Iskandariah

Resolution 5

- (d) Ms. Tan Lindy

Resolution 6

4. To re-appoint Messrs. PricewaterhouseCoopers as Auditors and to authorise the Directors to fix their remuneration.

Resolution 7

5. To transact any other ordinary business of which due notice shall be given.

AS SPECIAL BUSINESS:

To consider, and if thought fit, to pass the following resolutions as an Ordinary Resolution:

6. 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."

Resolution 8

7. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

"THAT subject to the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), approval be and is hereby given to the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the related parties ("Recurrent Related Party Transactions") as set out in Section 2.1.5 of the Circular to the Shareholders dated 26 November 2008 ("the Circular"), subject further to the following:

- (i) the Recurrent Related Party Transactions are entered into in the ordinary course of business on terms not more favourable to the related parties than those generally available to the public, and the Recurrent Related Party Transactions are undertaken on arms' length basis and are not to the detriment of the minority shareholders of the Company;

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

(ii) the disclosure is made in the annual report of the breakdown of the aggregate value of the Recurrent Related Party Transactions conducted pursuant to the shareholders' mandate during the financial year, amongst others, based on the following information:

- (a) the type of Recurrent Related Party Transactions made; and
- (b) the names of the related parties involved in each type of Recurrent Related Party Transaction made and their relationship with the Company;

(iii) the shareholders' mandate is subject to annual renewal and this shareholders' mandate shall only continue to be in full force until:

- (a) the conclusion of the next AGM of the Company following this AGM, at which this shareholders' mandate will lapse, unless by a resolution passed at the said AGM, such authority is renewed;
- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is the earlier;

AND THAT the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary (including executing such documents as may be required) to give effect to the Recurrent Related Party Transactions contemplated and/or authorised by this Ordinary Resolution;

AND THAT, the estimates given of the Recurrent Related Party Transactions specified in Section 2.1.5 of the Circular being provisional in nature, the Directors and/or any of them be and are hereby authorised to agree to the actual amount or amounts thereof provided always that such amount or amounts comply with the procedures set out in Section 2.1.7 of the Circular."

Resolution 9

8. Proposed Renewal of Share Buy-Back Mandate

"THAT subject always to compliance with the Companies Act, 1965 ("the Act"), the Articles of Association of the Company, the Listing Requirements of Bursa Securities or any other regulatory authorities and all other applicable rules, regulations, guidelines or approval for the time being in force or as may be amended from time to time, the Directors of the Company be and are hereby authorised to make purchases of ordinary shares of RM1.00 each in the Company's issued and paid-up ordinary share capital as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company, provided that:

- (i) the aggregate number of ordinary shares which may be purchased and/or held by the Company as treasury shares shall not exceed ten per centum (10%) of the total issued and paid-up ordinary share capital of the Company at any point in time of the said purchase(s);
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing its shares shall not exceed the total retained earnings of the Company at the time of the said purchase(s); and
- (iii) the authority conferred by this resolution shall commence immediately upon the passing of this ordinary resolution and shall continue to be in force until:
 - (a) the conclusion of the next AGM of the Company following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
 - (b) the expiration of the period within which the next AGM after that date is required by law to be held; or
 - (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever is earlier;

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

AND THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be and are hereby authorised to deal with the shares purchased in their absolute discretion in the following manner:

- (i) cancel all the shares so purchased; and/or
- (ii) retain the shares so purchased in treasury for distribution as dividend to the shareholders or resell on the market of Bursa Securities; and/or
- (iii) retain part thereof as treasury shares and cancel the remainder;

and in any other manner as prescribed by the Act, rules and regulations made pursuant to the Act and the Listing Requirements of Bursa Securities and any other relevant authorities for the time being in force;

AND THAT authority be and is hereby given to the Directors of the Company and/or anyone of them to complete and do all such acts and things as they may consider necessary or expedient in the best interest of the Company, including executing all such documents as may be required or necessary and with full powers to assent to any modifications, variations and/or amendments as the Directors in their discretion deem fit and expedient to give effect to the aforesaid purchase(s) contemplated and/or authorised by this Ordinary Resolution.”

Resolution 10

BY ORDER OF THE BOARD

YEAP KOK LEONG (MAICSA No. 0862549)

TAN BEE HWEE (MAICSA No. 7021024)

Company Secretaries

26 November 2008

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 but not more than two proxies 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. A member shall appoint not more than two proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies 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. If this Proxy Form is signed under the hand of an officer duly authorised, it should be accompanied by a statement reading "signed as authorised officer under Authorisation Document which is still in force, no notice of revocation having been received". If this Proxy Form is signed under the attorney duly appointed under a power of attorney, it should be accompanied by a statement reading "signed under Power of Attorney which is still in force, no notice of revocation having been received". A copy of the Authorisation Document or the Power of Attorney, which should be valid in accordance with the laws of the jurisdiction in which it was created and is exercised, should be enclosed in this Proxy Form.

Explanatory Notes on Special Business

1. Explanatory note for Ordinary Resolution No. 8

Section 132D of the Companies Act, 1965

Resolution pursuant to Section 132D of the Companies Act 1965. The Ordinary Resolution proposed under agenda 6, 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.

2. Explanatory note for Ordinary Resolution No. 9

Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions

Resolution pursuant to the proposed renewal of shareholders' mandate for recurrent related party transactions. The Ordinary Resolution proposed under agenda 7, if passed, will enable the Company and/or its subsidiary companies to enter into recurrent transactions involving the interest of Related Parties, which are necessary for the Group's day-to-day operations and undertaken at arm's length, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

3. Explanatory note for Ordinary Resolution No. 10

Proposed Renewal of Share Buy-Back Mandate

Resolution pursuant to the proposed renewal of Share Buy-Back Mandate. The Ordinary Resolution proposed under agenda 8, 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 which shall not exceed the total 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.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

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 2008 of the company which will be held at Prime City Hotel, Mars 1, 6th Floor, 20, Jalan Bakawali, 86000 Kluang, Johor Darul Takzim on Thursday, 18 December 2008 at 10.30 a.m.

Name of Director	Details of Attendance for Board Meeting	Details of Individual Director
Ms. Tan Lay Hiang	Refer to Page 16 of Annual Report	Refer to Page 13 of Annual Report
Tuan Syed Abdullah Bin A Hamid	Refer to Page 16 of Annual Report	Refer to Page 13 of Annual Report
Y.A.M. Tunku Zabedah Aminah Maimunah Iskandariah	Refer to Page 16 of Annual Report	Refer to Page 12 of Annual Report
Ms. Tan Lindy	Refer to Page 16 of Annual Report	Refer to Page 13 of Annual Report

PROXY FORM

BCB BERHAD (172003-W)
(Incorporated in Malaysia)

CDS Account No. of Authorised Nominee *

I/We _____ IC No. /Passport No./ Company No. _____

of _____

being a member of BCB Berhad, hereby appoint _____

_____ IC No. /Passport No. _____

of _____

or failing him/her _____ IC No. /Passport No. _____

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy, to vote for me/us on my/our behalf at the ANNUAL GENERAL MEETING of the Company to be held at the Prime City Hotel, Mars 1, 6th Floor, 20, Jalan Bakawali, 86000 Kluang, Johor Darul Takzim on Thursday, 18 December 2008 at 10.30 a.m. and at any adjournment thereof.

My/our proxy is to vote as indicated below:

	RESOLUTIONS		FOR	AGAINST
1.	To receive the Statutory Financial Statements for the financial year ended 30 June 2008.	RESOLUTION 1		
2.	To approve the payment of Directors' fees for the financial year ended 30 June 2008.	RESOLUTION 2		
3.	To re-elect the following Directors who retire in accordance with the Company's Articles of Association: (a) Ms. Tan Lay Hiang (Article 105) (b) Tuan Syed Abdullah Bin A Hamid (Article 105) (c) Y.A.M. Tunku Zabedah Aminah Maimunah Iskandariah (Article 112) (d) Ms. Tan Lindy (Article 112)	RESOLUTION 3 RESOLUTION 4 RESOLUTION 5 RESOLUTION 6		
4.	To re-appoint Messrs. PricewaterhouseCoopers as Auditors.	RESOLUTION 7		
5.	Authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965.	RESOLUTION 8		
6.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions.	RESOLUTION 9		
7.	Proposed Renewal of Share Buy-Back	RESOLUTION 10		

Please indicate with an "X" in the spaces as provided above how you wish to cast your votes. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

For appointment of two proxies, percentage of shareholdings to be represented by the proxies :
--

Signature/Common Seal

Number of shares held :

Date :

	No of shares	Percentage
Proxy 1		%
Proxy 2		%
	100	%

Notes:

- 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.
- 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 but not more than two proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- 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. A member shall appoint not more than two proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies 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.

- 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.
- If this Proxy Form is signed under the hand of an officer duly authorised, it should be accompanied by a statement reading "signed as authorised officer under Authorisation Document which is still in force, no notice of revocation having been received". If this Proxy Form is signed under the attorney duly appointed under a power of attorney, it should be accompanied by a statement reading "signed under Power of Attorney which is still in force, no notice of revocation having been received". A copy of the Authorisation Document or the Power of Attorney, which should be valid in accordance with the laws of the jurisdiction in which it was created and is exercised, should be enclosed in this Proxy Form.

* applicable to shares held through nominee account

Affix Stamp

The Company Secretary

BCB BERHAD (172003-W)
(Incorporated in Malaysia)

7th Floor, Plaza BCB
(Hotel Tower Block),
20 Jalan Bakawali, 86000 Kluang,
Johor Darul Takzim

BCB BERHAD (172003-W)

Registered Office:

7th Floor, Plaza BCB (Hotel Tower Block)

No. 20, Jalan Bakawali, 86000 Kluang

Johor Darul Takzim.

Tel: 607-776 0089 (5 Lines) Fax: 607-772 0089

Sales Office:

No. 1, Jalan Syed Abdul Hamid Sagaff

86000 Kluang, Johor Darul Takzim.

Tel: 607-772 2567 (7 Lines) Fax: 607-772 2108

E-mail: bcbhd@bcbhd.com.my