

Enriching Lives

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: bcbbhd@bcbbhd.com.my

BCB BERHAD (172003-W)



Annual Report

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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BCB BERHAD

Annual Report 2009



Dear shareholders,
On behalf of the Board of Directors of BCB Berhad, I am pleased to present this Annual Report and Financial Statements of BCB Berhad for the financial year ended 30 June 2009.



OVERVIEW

The year under review is certainly not a year of smooth sailing. The global economic slowdown resulting from record global prices for crude oil has adversely impacted on the local property market. Looming uncertainties and increasing construction costs due to shortage of building materials had coincided with increases in the prices of petroleum products creating a generally higher cost environment as these increases worked its way into higher operating and transport charges, affecting the whole country during the second half of 2008. This in turn caused a slowdown in market demand, resulting in year 2009 being an exceptionally challenging year for most property developers.

FINANCIAL REVIEW

The Group posted a turnover of RM93.079 million compared with RM108.221 million achieved in the previous year. Group profit before tax fell to RM6.156 million compared with RM7.056 million achieved in the previous year while Group profit after tax increased to RM3.605 million compared with RM3.277 million achieved in the previous year.



REVIEW OF OPERATION

PROPERTY DEVELOPMENT AND PROJECT MANAGEMENT

Property Development

In line with the global economic downturn, the Group experienced lower sales for its products in a generally more competitive market environment. To mitigate the situation, new development phases in the Group's flagship development projects in Taman Bukit Perdana, Evergreen Heights and Bandar Putera Indah (Batu Pahat, Johor), which are strategically sited close to public amenities are providing more value to home buyers with better/attractive designs, quality finishes, superb landscaping, excellent infrastructures, and competitive pricing.

Taman Bukit Perdana

This 330-acre mixed development township is located 1.5km from Batu Pahat town centre and continued to record strong sales during the year. To date, over 4,000 units have been sold for a total sales value of about RM463 million. As at to-date, this township is almost fully developed.

Evergreen Heights

This 370-acre mixed development township is located 8km south of Batu Pahat town centre. It is located next to the 18 hole Bukit Banang Golf and Country Club. This township is distinct as it emphasizes quality living set amidst natural surroundings. Its development is architecturally attractive with beautifully landscaped terrain. There is also a 12 acre park and lake for family recreational purposes.



To date, over 1,000 units have been sold for a total sales value of about RM200 million. This township is currently 40% developed. We are confident that future launches and sales at this township will continue to appeal and attract strong demand given the wide range of amenities, facilities and infrastructure already put in place or due to be put in place in the next few years.

Bandar Putera Indah

This 390-acre mixed development township is located about 11km north-east of Batu Pahat town centre. It will be emphasizing quality living set amidst natural surroundings with architecturally attractive designs and beautifully landscaped terrain. Since its maiden launching this year, the take-up rate has been very encouraging. We are confident of its future contribution to the Group's earnings.

Others

Existing developments which have not been fully launched are as follows:
 Taman Sri Kluang (Kluang, Johor)
 Taman Kluang Baru II (Kluang, Johor)
 Taman Megah (Pontian, Johor)
 Taman Seremban Jaya (Seremban, Negeri Sembilan)

Chairman's Statement

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Project Management

On the project management front, the Group has earned a name for itself in Johor Bahru via its management of the vibrant Taman Pulai Utama integrated township. Similarly in Kluang, the Group is managing a new township, Taman Saujana which is offering gated security features.

Taman Pulai Utama

This township is located about 2 km from Universiti Teknologi Malaysia and Pulai Springs Golf and Country Club. It is served by a shopping mall, U-mall, with Giant hypermarket being the anchor tenant. The shopping mall also has restaurants, retail lots and a Cineplex.

Taman Saujana

This township is the first in Kluang town to offer a residential gated security concept to home buyers. A sophisticated security system involving Touch Card access and perimeter fencing are featured for the higher-end products of this township.

CONSTRUCTION

The Group's construction division continues to be the main contractor for the Group's various development projects. Revenue of this division was RM9.073 million during the financial year. Its main objective is to assist the Group in ensuring timely delivery of quality products at competitive pricing.

Shortage of labor and increasing cost of building materials remain a continuing source of concern for this division. To mitigate these issues, the Group has started sourcing certain materials from overseas while ensuring that quality is not compromised.



HOTEL

The Group's Prime City Hotel, a 126 room hotel located in the heart of Kluang has maintained its market position as the town's main avenue for the hosting of business and social functions. Sales of this division were RM10.294 million during the financial year.

The performance of this division is laudable in view of current declining occupancy rates experienced by the hotel industry in the country. As Kluang is strategically located in the centre of Johor state, the Group intends to set up new amenities and facilities to position its hotel into a premier business convention centre of choice for surrounding areas.

CORPORATE DEVELOPMENTS

Share Buy Back

During the financial year, there were 2,000 ordinary shares that were bought back from the open market at an average price of RM0.45 per share. As at 30 June 2009, 4,390,600 ordinary shares have been bought back and retained as treasury shares.

Purchase of Land

On 13 November 2007, Johbase Development Sdn Bhd ("JDSB"), a wholly-owned subsidiary of BCB Berhad entered into a sale and purchase agreement ("SPA") with Focal Remedy Sdn Bhd ("FRSB") to acquire approximately 370 acres of land ("the land") located in Mukim of Linau, District of Batu Pahat, Johor. On 1 January 2009, JDSB terminated the SPA due to a breach of one of the condition precedents stipulated in the SPA by FRSB. Subsequently on 20 January 2009, JDSB terminated the Cost Share Agreement ("CSA") entered into on 13 November 2007 with FRSB and Pelangi Homes Sdn Bhd ("PHSB") in relation to the infrastructure developments of the land as a result of the collapse of the SPA.



Both FRSB and PHSB then filed a Writ of Summons against JDSB on 16 February 2009 to seek the continuation of the SPA and CSA, interest on the balance of purchase consideration and other relevant claims. JDSB in turn filed a Statement of Defense and Counter Claim as provided by the SPA and RM5, 000,000.00 being the consideration sum paid under the CSA.

On 19 August 2009, JDSB entered into a fresh SPA and CSA with FRSB for a revised cash consideration of RM41,147,416.00 and RM6,685,258.00 respectively after taking into account of previous payments. A Settlement Agreement ("SA") was also entered into on the same day by JDSB, FRSB and PHSB whereby all parties agreed to withdraw and discontinue their respective legal cases at their own cost and expenses. As at to-date, the Group is in the midst of consummating the SPA.

This new land acquisition will go towards replenishing the Group's dwindling land bank and be a part of its new township called Bandar Putera Indah in Batu Pahat as explained earlier.

New Bank Loans

On 10 November 2008, Johbase Development Sdn Bhd, a wholly-owned subsidiary of BCB Berhad obtained a RM33.0 million Islamic Term Loan from Malayan Banking Berhad to part-finance the purchase of 370 acres of land in Batu Pahat as mentioned above. As at to-date, the Group is in the midst of effecting the loan drawdown to fully consummate the sale and purchase agreement.

On 30 September 2009, BCB Construction Sdn Bhd, a wholly-owned subsidiary of BCB Berhad obtained a RM1.1 million Islamic Term Loan line from Amlslamic Bank Berhad for working capital use.

Recently, on 13 October 2009, BCB Berhad obtained a RM10.0 million standby working capital line from Malayan Banking Berhad.

PROSPECTS

Property developers will continue to face challenging years ahead. Notwithstanding the current global economic recovery, the property market is expected to remain soft for the next financial year. Nevertheless, the Group will endeavor to continue its efforts in enhancing operational efficiency and effectiveness by putting in place more cost control measures and more stringent product quality controls. In the forthcoming year, the Group will facilitate development in more strategically located areas to increase its sales and market share. The Group is optimistic that these projects as well as existing ones will contribute positively to its earnings.

APPRECIATION

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

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

DATO' ISMAIL BIN YUSOF
Chairman

Corporate SOCIAL RESPONSIBILITY

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The Group undertakes its corporate social responsibility (CSR) by maintaining a corporate culture of contributing back to society in various ways. The CSR initiated by the Group are as follows:

Environment

- The Group complies strictly with the rules and directives set by the authorities in regards to environmental safety and protection. All unwanted wastes, materials and by-products resulting from the construction sites are either recycled or disposed properly.
- The Group also strives to promote more energy-efficient houses to its customers through innovative designs.

Community

- Over the years, the Group has heeded the Government's call to build more affordable housing for the people. This is reflected in its townships which are all mixed development in nature, thus catering to all income groups.
- The Group also looks after the welfare of its home buyers by ensuring its flagship townships of Bandar Putera Perdana, Evergreen Heights and Bandar Putera Indah have adequate greens, proper landscaping and spacious recreational parks with facilities for family recreation and relaxation.
- During the year, the group made donations totaling RM76,800.00 to various charitable causes in sports, cultural and social welfare activities. Out of this, RM64,000.00 was extended to schools: Chong Hwa High School, Kluang, SJK (C) Pa Yai and SJK (C) Chiau Min; while RM12,800.00 was extended to Kluang Chinese Chamber of Commerce and Industry, Persatuan Kim Tong Har Negeri Johor, Persatuan Membaiki Akhlak Che Luan Khor, Kluang and Kluang Teow Chew Association.

Workplace

- The Group believes its human resources are an important asset and hence, constantly invest in its employees by sending them for relevant training courses and workshops to upgrade their skills and knowledge.
- The Group also ensures that its employees' health, welfare and safety is not compromised at the workplace.
- The Group also provides a harassment-free workplace regardless of race, sex and religion.





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



ENHANCING **Lifestyle**



Five Years'

FINANCIAL HIGHLIGHTS

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BCB BERHAD

Annual Report 2009

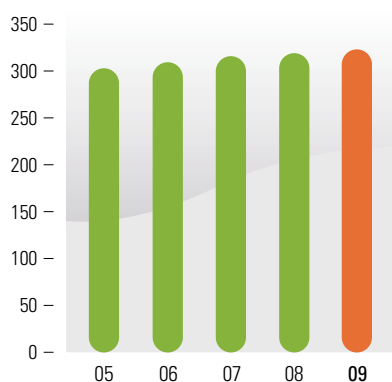
Consolidated Balance Sheets as at 30 June of the financial year

	2005 RM'000	2006@ RM'000	2007# RM'000	2008 RM'000	2009 RM'000
Share Capital	206,250	206,250	206,250	206,250	206,250
Treasury Shares	(1,264)	(2,237)	(2,239)	(2,251)	(2,252)
Non-Distributable Reserve	7,199	7,199	6,509	6,719	6,744
Retained Earnings	91,386	98,697	105,381	108,658	112,264
Shareholders' Equity	303,571	309,909	315,901	319,376	323,006
Represented by:					
Property, Plant and Equipment	55,402	53,897	49,404	49,132	48,680
Investment Properties	19,483	19,483	19,483	19,483	27,417
Land Held for Development	68,004	45,331	55,229	61,501	61,880
Other Non-Current Assets	8	-	3,128	3,092	3,056
Current Asset	353,383	381,591	361,413	339,878	313,157
Current Liabilities	(138,285)	(142,893)	(125,763)	(114,147)	(103,248)
	215,098	238,698	235,650	225,731	209,909
Non Current Liabilities	(54,424)	(47,500)	(46,993)	(39,563)	(27,936)
	303,571	309,909	315,901	319,376	323,006
Total Assets	496,280	500,302	488,657	473,086	454,190
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)	1.47	1.50	1.53	1.55	1.57

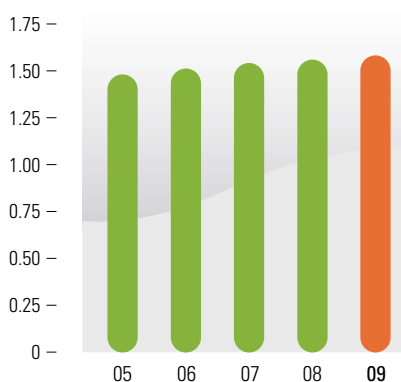
@ Restated upon adoption of FRS 116 - Property, Plant and Equipment and FRS 140 - Investment Properties on 1 July 2006.

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

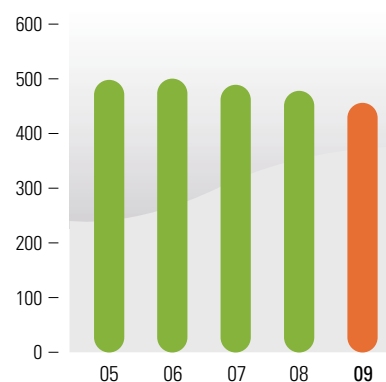
Shareholders' Equity
RM'000



Net Assets Per Share
RM



Total Assets
RM'000



Five Years' Financial Highlights

Annual Report 2009

BCB BERHAD

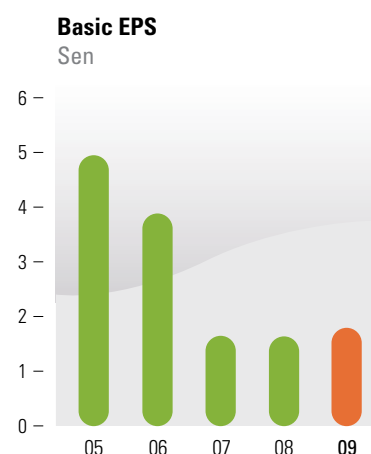
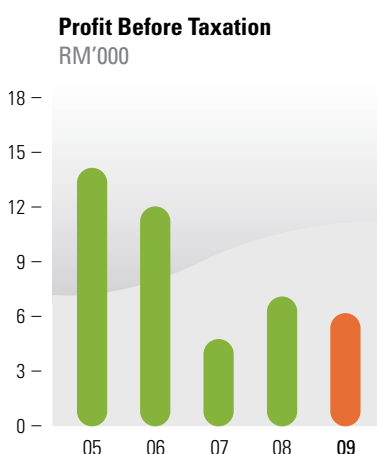
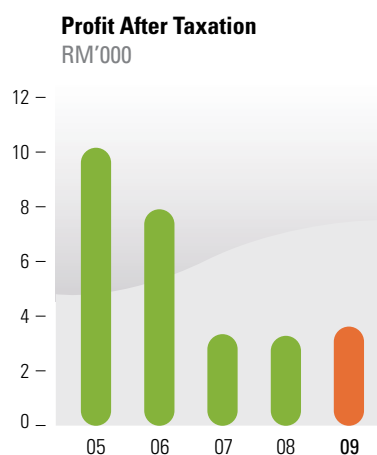
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Consolidated Income Statements as at 30 June of the financial year

	2005 RM'000	2006@ RM'000	2007# RM'000	2008 RM'000	2009 RM'000
Revenue	148,361	122,894	120,099	108,211	93,079
Profit Before Charging Depreciation and Interest Expenses	23,385	20,925	13,555	16,143	14,834
Depreciation	(2,980)	(2,406)	(2,183)	(1,905)	(2,028)
Interest Expenses	(6,254)	(6,469)	(6,624)	(7,182)	(6,650)
Profit Before Taxation	14,151	12,050	4,748	7,056	6,156
Taxation	(3,997)	(4,150)	(1,478)	(3,779)	(2,551)
Profit After Taxation	10,154	7,900	3,270	3,277	3,605
Adjusted Weighted Average Number of Shares in Issue	205,099	202,489	201,887	201,878	201,860
Basic EPS (sen)	4.95	3.90	1.62	1.62	1.79
Dividend Rate	-	-	-	-	-

@ 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.



Corporate INFORMATION

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BOARD OF DIRECTORS

Dato' Ismail Bin Yusof
Chairman
Independent Non-Executive Director

Dato' Tan Seng Leong
Group Managing Director

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

Tan Lay Kim
Executive Director

Tan Lay Hiang
Executive Director

Tan Lindy
Executive Director

Ash'ari Bin Ayub
Independent Non-Executive Director

Sofian Bin Arshad
Independent Non-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

NOMINATION & REMUNERATION COMMITTEE

Ash'ari Bin Ayub
Chairman

Dato' Ismail Bin Yusof
Member

Sofian Bin Arshad
Member

COMPANY SECRETARIES

Yeap Kok Leong, ACIS
(MAICSA No. 0862549)

Tan Bee Hwee, ACIS
(MAICSA No. 7021024)

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

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

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

PRINCIPAL BANKERS

Malayan Banking Berhad

Public Bank Berhad

OCBC Bank (Malaysia) Berhad

Bank Islam Malaysia Berhad

AmBank (M) Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad

Stock Number: BCB 6602



Corporate STRUCTURE

Annual Report 2009

BCB BERHAD

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BCB BERHAD

INVESTMENT HOLDING, PROPERTY DEVELOPMENT AND HOTEL OPERATIONS

PROPERTY

100%
Johbase Development Sdn Bhd
Property Development and Letting of Properties

100%
BCB Land Sdn Bhd
Property Development

100%
BCB Resources Sdn Bhd
Property Development

100%
BCB Management Sdn Bhd
Project Management Services

CONSTRUCTION

100%
BCB Construction Sdn Bhd
Project Construction Services

100%
BCB Concrete Sdn Bhd
Manufacturing of Concrete Products

100%
BCB Road Builder Sdn Bhd
Road Construction Services

100%
BCB Trading Sdn Bhd
Trading of Building Materials

OTHERS

100%
BCB Furniture Sdn Bhd

100%
BCB Development Sdn Bhd

100%
BCB Greens Sdn Bhd

100%
BCB Technologies Sdn Bhd

100%
Luna Starcity Sdn Bhd

100%
Laser Lagun Sdn Bhd

Board of DIRECTORS' PROFILE

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BCB BERHAD

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DATO' ISMAIL BIN YUSOF

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

Dato' Ismail Bin Yusof, aged 65, a Malaysian, was appointed to the Board on 14 July 1998. He is the Chairman of BCB Berhad (BCB). He holds a Bachelor of Arts (Hons) from University of Malaya. He was previously Secretary of The Federal Territory Development Division in the Prime Minister's Department. He also holds non-executive directorships in Minho (M) Berhad, South Malaysia Industries Berhad and Utusan Melayu (Malaysia) Berhad. He attended four (4) of five (5) Board Meetings held in the financial year ended 30 June 2009.

DATO' TAN SENG LEONG

Group Managing Director

Dato' Tan Seng Leong, aged 53, a Malaysian, was appointed to the Board on 9 November 1988. He is the Group Managing Director. He is the founder of BCB. He is also a director of BCB's subsidiaries and several private companies. He is an entrepreneur with considerable experience in the property development industry, particularly in the State of Johor.

He 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 his 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. He attended five (5) of five (5) Board Meetings held in the financial year ended 30 June 2009.

TUNKU ZABEDAH AMINAH

MAIMUNAH ISKANDARIAH
Independent Non-Executive Director

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. She attended three (3) of five (5) Board Meetings held in the financial year ended 30 June 2009.

"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 67, 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). He also holds non-executive directorships in AV Ventures Corporation Berhad, Metrod (Malaysia) Berhad and Ranhill Utilities Berhad. He attended five (5) of five (5) Board Meetings held in the financial year ended 30 June 2009.

SOFIAN BIN ARSHAD

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

Encik Sofian Bin Arshad, aged 45, a Malaysian, was appointed to the Board on 4 December 2000. He holds a Bachelor Degree in Urban and Regional Planning from UTM, Malaysia. He has more than 18 years experience in project management. He attended five (5) of five (5) Board Meetings held in the financial year ended 30 June 2009.

TUAN SYED ABDULLAH BIN A HAMID

Independent Non-Executive Director

Tuan Syed Abdullah Bin A Hamid, aged 52, a Malaysian, was appointed to the Board on 15 September 2005. He is a businessman and he also holds positions in various social organisations and local communities in Kluang, Johor. He is also the Head of Communications of 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 one of BCB's subsidiary.

He is deemed in conflict of interest with the Company by virtue of his interests and directorship 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. He attended four (4) of five (5) Board Meetings held in the financial year ended 30 June 2009.

TAN LAY KIM

Executive Director

Ms Tan Lay Kim, aged 47, 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. She attended five (5) of five (5) Board Meetings held in the financial year ended 30 June 2009.

TAN LAY HIANG

Executive Director

Ms Tan Lay Hiang, aged 41, 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 development firms in Kluang. She also holds directorships in BCB's subsidiaries. She attended four (4) of five (5) Board Meetings held in the financial year ended 30 June 2009.

TAN LINDY

Executive Director

Ms Tan Lindy, aged 25, a Malaysian, was appointed to the Board on 22 May 2008. She is with BCB since 2005 and is responsible for business development, marketing and conveyancing for the Group. She holds a Bachelor of Commerce (Accounting & Finance) from University of Melbourne, Australia. She also holds directorships in BCB's subsidiaries. She attended four (4) of five (5) Board Meetings held in the financial year ended 30 June 2009.

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)

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

In the event of any vacancy in the Committee resulting in the non-compliance of the Main Market Listing Requirements of the Exchange pertaining to the composition of audit committee, the Board of Directors shall, within three (3) months of that event fill the vacancy.

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.

Upon the request of the external auditor, the Chairman of the Committee shall convene a meeting of the Committee to consider any matter the external auditor believes should be brought to the attention of the Directors or shareholders.

ii) Quorum

To form a quorum, the majority of members present must be independent directors.

iii) Secretary

The Company Secretary shall be the secretary of the Committee or in his absence, another person authorised by the Chairman of the Committee.

iv) Attendance

The Financial Director, the Head of Internal Audit (where such a function exists) and a representative of the external auditor shall normally be invited to attend meetings. Other Directors and employees may attend any particular meeting only at the Committee's invitation, specific to the relevant meeting.

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.

vii) Reporting Procedure

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

4) AUTHORITY OF THE AUDIT COMMITTEE

The Committee in performing its duties shall in accordance with a procedure to be determined by the Board of Directors. It shall have:

- i) authority to investigate any matter within its terms of reference and report to the Board with their recommendations.
- ii) the resources which are required to perform its duties;
- iii) full and unrestricted access to any information pertaining to the Company and its subsidiary companies;
- iv) direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any);
- v) be able to obtain independent professional or other advice; and
- vi) be able to convene meetings with external auditors, internal auditors or both, excluding the attendance of the other directors and employees, whenever deemed necessary.

5) FUNCTIONS OF THE AUDIT COMMITTEE

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

- i) To review:
 - (a) The quarterly results and year-end financial statements, prior to the approval by the Board of Directors, focusing particularly on:
 - 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.

Report of the Audit Committee

5) FUNCTIONS OF THE AUDIT COMMITTEE (Cont'd)

- (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;
 - (d) to inform of any resignation of internal audit staff member and provide the resigning staff member an opportunity to submit his reasons for resigning; and
 - (e) to review any appraisal or assessment of the performance of members of the internal audit function

- 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 2009. Details of the attendance of the meetings by the Committee Members are as follows:

Members	No. of Meetings attended	%
Dato' Ismail Bin Yusof	4/5	80
Ash'ari Bin Ayub	5/5	100
Sofian Bin Arshad	5/5	100

7) ACTIVITIES UNDERTAKEN BY THE AUDIT COMMITTEE

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

- i) reviewed and approved the risk management policy and framework appraised by the appointed company of internal auditors;
- ii) reviewed the internal auditors' audit plan and programme for the year;
- iii) reviewed 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) reviewed the external auditors' scope of work and audit plan for the financial year ended 30 June 2009;
- v) reviewed the external auditors' reports, management letter and management's response;
- vi) Reviewed 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;

7) ACTIVITIES UNDERTAKEN BY THE AUDIT COMMITTEE (Cont'd)

- vii) reviewed the proposal on shareholders' mandate for recurrent related party transactions of a revenue or trading nature; and
- viii) reviewed the Company's compliance, in particular the quarterly and year end financial statements with the Main Market 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 programmes; 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) areas of the Group; namely

- Construction Division - Project management
- Hotel Division - Procurement of food and beverages;
- Construction Division - Procurement of building materials

In addition to that, the Internal Audit also reviewed procedures for the recurrent related party transactions.

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.

During the year, the costs incurred for the internal audit function was RM55,000.

Statement of CORPORATE GOVERNANCE

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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. The terms of reference of the Board Committees clearly state that all the committees have the authority to act on behalf of the Board or to examine a particular issue and report back to the Board with recommendation.

The composition, the terms of reference and activities of the Audit Committee are separately set out in the Audit Committee Report of this Annual Report 2009.

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 is appointed 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. Prior to each Board Meeting, every director is given an agenda and a set of Board Papers for each agenda item to be deliberated. The Group Managing Director will lead the presentation of Board Papers and provide comprehensive explanation of pertinent issues. 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.

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

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Board Meetings (Cont'd)

The proceedings of the meeting including all issues raised, discussions, deliberations, substance of enquiry and response, suggestions, decisions and conclusions made at the Board and Board Committee Meetings are recorded in the Minutes of the Board and Board Committee respectively.

All Directors have access to the advice and services of the Company Secretary, who are 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 2009:

Name of Director	Designation	No. of Meetings attended	%
Dato' Ismail Bin Yusof	Chairman, Independent Non-Executive Director	4/5	80
Dato' Tan Seng Leong	Group Managing Director	5/5	100
Tan Lay Kim	Executive Director	5/5	100
Tan Lay Hiang	Executive Director	4/5	80
Tan Lindy	Executive Director	4/5	80
YAM Tunku Zabedah Aminah Maimunah Iskandariah	Independent Non-Executive Director	3/5	60
Sofian Bin Arshad	Independent Non-Executive Director	5/5	100
Ash'ari Bin Ayub	Independent Non-Executive Director	5/5	100
Tuan Syed Abdullah Bin A Hamid	Independent Non-Executive Director	4/5	80

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.

To further enhance the Directors' knowledge in relation to the business of the Group, the Directors have made site visits to the housing projects undertaken by the Group. During such visits, the Directors obtained better understanding of the business operations of the Group.

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

Directors	Seminars / Trainings
Dato' Ismail Bin Yusof	Tax & Corporate Seminar
Dato' Tan Seng Leong	The Inside Story of the Annual Report: What You Need To Know
YAM Tunku Zabedah Aminah Maimunah Iskandariah	The Inside Story of the Annual Report: What You Need To Know
Ash'ari Bin Ayub	Business Continuity Awareness
Sofian Bin Arshad	-Tax & Corporate Seminar -Implementing Performance Management System -Understanding Financial Reporting for Directors and Senior Management
Tan Lay Kim	Managing Your Changing Environment
Tan Lay Hiang	Managing Your Changing Environment
Tan Lindy	Business Continuity Awareness
Tuan Syed Abdullah Bin A Hamid	Briefing on Accounting Standards and Listing Requirements updates.

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BOARD OF DIRECTORS (Cont'd)

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 provides 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.

Dato' Ismail Bin Yusof, Dato' Tan Seng Leong, Tan Lay Kim shall retire by rotation at the forthcoming Annual General Meeting and, being eligible, offers themselves for re-election.

Nomination & Remuneration Committee

The Committee comprises the following Independent Non-Executive Directors:

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. The Committee makes recommendation to the Board on the candidates for directorship of the Company Board. In addition, the Committee also assesses the effectiveness of the Board, Board Committees and contributions of each individual Director.

The Committee also reviews annually and recommend to the Board the structure, size, balance and composition of the Board and Committees.

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 2009 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 2009, is disclosed as follows:

	Number of Directors	
	Executive	Non-Executive
Range of Remuneration		
RM1 to RM50,000	-	4
RM50,001 to RM100,000	-	1
RM150,001 to RM200,000	3	-
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.

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.

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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.

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.

The Audit Committee met with the external auditors once without the presence of the Group Managing Director, Executive Directors and the management.

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 2008	1,000	0.445	0.445	0.445	486
February 2009	1,000	0.370	0.370	0.370	411
	2,000				897

Note: Inclusive of brokerage and other charges.

During the financial year ended 30 June 2009, all the shares purchased by the Company were retained as Treasury Shares. As at 30 June 2009, the cumulative total number of shares held as Treasury Shares was 4,390,600 shares. None of the Treasury Shares were resold or cancelled during the financial year.

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ADDITIONAL COMPLIANCE INFORMATION (Cont'd)

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 2009:

Services :-	Amount Paid (RM)
Professional services in respect of tax compliance	14,700
Professional services in respect of review Housing Development Account (HDA)	12,000
Professional services in respect of review on the Statement of 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.

Contracts relating to loans

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

Revaluation of landed properties

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

RECURRENT RELATED PARTY TRANSACTIONS ("RRPT")

Details of the transaction with related parties are disclosed in Note 33 to the audited financial statements in this Annual Report.

At the Annual General Meeting of the Company held on 18 December 2008, 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 26 November 2008, 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.

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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 Datin Lim Sui Yong ^e Tan Vin Sern ^f Chang Shao-Yu ^g	Building construction services.	2,236
BCB Road Builder Sdn Bhd ("BRBSB")	MPD	Dato' Tan Seng Leong ^a Tan Lindy ^b Tan Lay Hiang ^c Tan Lay Kim ^d Datin Lim Sui Yong ^e Tan Vin Sern ^f Chang Shao-Yu ^g	Road and pavement construction services.	-
BCB Management Sdn Bhd ("BMSB")	MPD	Dato' Tan Seng Leong ^a Tan Lindy ^b Tan Lay Hiang ^c Tan Lay Kim ^d Datin Lim Sui Yong ^e Tan Vin Sern ^f Chang Shao-Yu ^g	Project management services and sales & marketing services.	275
BCB Berhad ("BCB")	Ju-Ichi Enterprise Sdn Bhd ("JIE")	Dato' Tan Seng Leong ^a Tan Lindy ^b	Provision of maintenance and security charges for shopping complex	202

Nature of relationships of BCB Group with the Interested Related Parties

^a Dato' Tan Seng Leong is a director of BCB 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 and Tan Lindy. Datin Lim Sui Yong and Tan Vin Sern are the directors and 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, BCSB, BRBSB, BMSB, MPD and JIE. She is the daughter of Dato' Tan Seng Leong and Datin Lim Sui Yong.

^c Tan Lay Hiang is a director of BCB, BCSB, BRBSB and BMSB. She is the sister-in-law to Datin Lim Sui Yong, who is the director and major shareholder of MPD.

^d Tan Lay Kim is a director of BCB, BCSB and BRBSB. She is the sister-in-law to Datin Lim Sui Yong, who is the director and major shareholder of MPD.

^e Datin Lim Sui Yong is a major shareholder of BCB and MPD.

^f Tan Vin Sern is the son of Dato' Tan Seng Leong and brother of Tan Lindy. He is a director and major shareholder of MPD.

^g Chang Shao-Yu is a director of MPD. He is the spouse of Tan Lindy and son-in-law of Dato' Tan Seng Leong.

Statement on INTERNAL CONTROL

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Introduction

The Malaysian Code on Corporate Governance stipulates that the Board of Directors ('The Board') of listed companies should maintain a sound system of internal control to safeguard shareholders' investments and Group's assets. Paragraph 15.26(b) of the Listing Requirements of Bursa Malaysia Securities Berhad ('BMSB') requires the Board of Directors of listed companies to include an Internal Control Statement in their Annual Report on the state of the internal controls.

The Board is pleased to present hereinafter the annual update on the Group's state of internal controls and work performed for the period under review.

Board Responsibilities

The Board acknowledges its responsibility in maintaining a sound system of internal controls to safeguard shareholders' investments and the Group's assets, and for reviewing the adequacy and integrity of the systems. The systems of internal control are utilized to mitigate as much of principal risks as possible in achieving the corporate objectives or goals of the Group. It should be noted, however, that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board believes that the Group's system of internal control, financial or otherwise, should provide reasonable assurance regarding the achievement of business objectives ensuring effectiveness and efficiency of operations, reliability and transparency of financial information and compliance with laws and regulations.

Risk Management

The Board regards risk management as an integral part of the business operations. The Managing Director reports to the Board on significant changes in the business and the external environment which affects significant risks. The Board confirms that there is an ongoing process for identifying, evaluating, monitoring and managing the significant risks affecting the achievement of its business objectives throughout the period.

Internal Audit

The Group internal audit function has been outsourced to a reputable professional consultancy firm, BDO Governance Advisory Sdn Bhd. The internal audit team independently reviews the risk identification procedures and control processes implemented by the management. Results of the ongoing reviews of the internal audit function are reported regularly to the audit committee. The work of the internal audit function is focused on area of priorities as identified by risk analysis and is in accordance with an annual audit plan approved by the Audit Committee. The Audit Committee holds regular meetings to deliberate on the findings and recommendations for improvement on the state of internal control system.

Internal control weaknesses were identified during the financial period under review, all of which have been or are being addressed by the management. None of these weaknesses have resulted in any material loss that would require disclosure in the Group's financial statements. The Internal Audit team has highlighted to the executive and operational management on areas of improvement, provided recommendations and subsequently reviewed the extent to which their recommendations have been implemented.

Other Key Elements of Internal Control

Apart from the above, the other key elements of the Group's internal control system are described as follows:

- Responsibilities are clearly defined and delegated to the committees of the Board;
- Adequate internal control procedures are in place to ensure key processes are properly governed;
- Regular internal audit visits which monitor compliance with procedures and assessment of the integrity of the financial information have been carried out throughout the period;
- Regular information is provided to the Board, covering financial performance and key business indicators;
- Quarterly and annual financial statements with detailed analysis of financial results are reviewed by the Audit Committee who had then recommended to the Board for approval prior to submission to BMSB;
- Regular visits to operation sites by the Managing Director and Senior Management to observe and monitor the progress of the projects; and
- Maintaining an experienced human capital function to oversee the Group's operations.

Conclusion

The Board is satisfied that the process of identifying, evaluating, and managing significant risks that may affect the achievement of the Group's business objectives is in place to provide reasonable assurance. And, the weaknesses and deficiencies are identified on a timely basis and dealt with appropriately.

The Board remains committed towards operating a sound system of internal control and therefore recognize that the system must continuously evolve to support the type of business and size of operations of the Group. As such the Board will, when necessary, put in place appropriate action plans to further enhance the Group's system of internal control.

This Statement was made in accordance with a resolution of the Board.



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Directors'

REPORT

For the financial year ended 30 June 2009

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Annual Report 2009

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 financial year ended 30 June 2009.

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 trading of building materials.

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

FINANCIAL RESULTS

	Group RM	Company RM
Profit for the financial year	3,605,725	3,397,522

DIVIDENDS

No dividends have been paid or declared by the Company since 30 June 2008.

The Directors do not recommend the payment of any dividend for the financial year ended 30 June 2009.

RESERVES AND PROVISIONS

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

TREASURY SHARES

During the financial year, the Company repurchased 2,000 (2008: 25,000) of its issued share capital from the open market on Bursa Malaysia Securities Berhad for RM898 (2008: RM12,791). The average price paid for the shares repurchased was RM0.45 (2008: RM0.50) per share.

Details of the treasury shares are set out in Note 23 to the financial statements.

DIRECTORS

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

Dato' Ismail bin Yusof
Dato' Tan Seng Leong
Y.A.M. Tunku Zabedah Aminah Maimunah Iskandariah
Tan Lay Kim
Tan Lay Hiang
Tan Lindy
Ash'ari bin Ayub
Sofian bin Arshad
Syed Abdullah bin A. Hamid

In accordance with the Company's Articles of Association, Dato' Ismail bin Yusof, Dato' Tan Seng Leong and Tan Lay Kim 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:

Shareholdings in the name of the Director	Number of ordinary shares of RM1.00 each in the Company			
	At 1.7.2008	Bought	Sold	At 30.6.2009
Dato' Tan Seng Leong	63,575,500	-	-	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 in the Company, Dato' Tan Seng Leong, 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 financial year did not hold any interest in shares and options over shares in the Company or shares, options over shares and debentures of its related corporations during the financial year.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the income statements and balance sheets 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.

Directors' Report

For the financial year ended 30 June 2009

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STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (Cont'd)

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 financial 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 financial 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 financial year.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements 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 financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) there has not arisen in the interval between the end of the 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 financial year in which this report is made.

AUDITORS

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

Signed on behalf of the Board of Directors in accordance with their resolution dated 15 October 2009.

DATO' TAN SENG LEONG
Group Managing Director

TAN LINDY
Executive Director

Statement by **DIRECTORS**

Pursuant to Section 169 (15) of the Companies Act, 1965

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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 32 to 73 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 2009 and of the results and cash flows of the Group and of the Company for the financial year ended on that date in accordance with the provisions of the Companies Act, 1965 and the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities.

Signed on behalf of the Board of Directors in accordance with their resolution dated 15 October 2009.

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 32 to 73 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 15 October 2009.

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)

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BCB BERHAD

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REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of BCB Berhad, which comprise the balance sheets as at 30 June 2009, of the Group and of the Company and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 32 to 73.

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 MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities 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 judgement, 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 entity'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 entity'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 MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities 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 2009 and of their financial performance and cash flows for the financial year then ended.

Independent Auditors' Report

To the Members of BCB Berhad

Annual Report 2009

BCB BERHAD

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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 members 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

15 October 2009

LIM TEONG KEAN

(No. 2499/12/09 (J))
Chartered Accountant

Income STATEMENTS

For the financial year ended 30 June 2009

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BCB BERHAD

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	Note	Group		Company	
		2009 RM	2008 RM	2009 RM	2008 RM
Revenue	5	93,078,611	108,221,063	48,294,666	64,220,717
Cost of sales	6	(58,840,260)	(73,323,743)	(24,894,818)	(25,768,841)
Gross profit		34,238,351	34,897,320	23,399,848	38,451,876
Other operating income		1,952,542	1,638,780	2,685,402	2,137,189
Administrative expenses		(11,306,334)	(10,333,939)	(4,673,894)	(8,958,405)
Marketing expenses		(5,790,834)	(5,900,448)	(5,206,014)	(4,644,095)
Other operating expenses		(6,394,277)	(6,244,794)	(4,877,693)	(5,437,880)
Finance income	7	106,796	181,189	197,131	302,047
Finance costs	7	(6,650,016)	(7,181,645)	(5,895,759)	(6,304,462)
Profit before tax	8	6,156,228	7,056,463	5,629,021	15,546,270
Tax expenses	12	(2,550,503)	(3,779,031)	(2,231,499)	(7,250,317)
Profit for the financial year		3,605,725	3,277,432	3,397,522	8,295,953
Earnings per share attributable to ordinary equity holders of the Company (sen)					
- Basic	13	1.79	1.62		
- Diluted		Not applicable	Not applicable		

Balance SHEETS

As at 30 June 2009

Annual Report 2009

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	Note	Group		Company	
		2009 RM	2008 RM	2009 RM	2008 RM
NON-CURRENT ASSETS					
Property, plant and equipment	14	48,680,300	49,131,978	41,969,766	41,956,354
Investment properties	15	27,417,436	19,482,436	18,762,436	18,762,436
Prepaid land lease payment	16	3,055,384	3,091,758	3,055,384	3,091,758
Land held for property development	17	61,879,838	61,501,013	8,510,355	8,488,004
Investment in subsidiaries	18	-	-	10,500,012	10,500,012
		141,032,958	133,207,185	82,797,953	82,798,564
CURRENT ASSETS					
Property development costs	19	171,993,242	192,309,253	98,294,608	105,633,718
Inventories	20	54,091,251	55,403,486	25,005,811	30,246,589
Tax recoverable		1,595,405	1,165,285	740,507	839,778
Trade and other receivables	21	81,479,483	80,555,028	174,740,068	162,195,422
Cash and bank balances	22	3,997,706	10,444,627	1,416,933	2,001,894
		313,157,087	339,877,679	300,197,927	300,917,401
TOTAL ASSETS		454,190,045	473,084,864	382,995,880	383,715,965
CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY					
Share capital	23	206,250,000	206,250,000	206,250,000	206,250,000
Treasury shares	23	(2,252,313)	(2,251,415)	(2,252,313)	(2,251,415)
Revaluation reserves	24	6,744,035	6,718,863	6,744,035	6,718,863
Retained earnings		112,263,706	108,657,981	85,016,856	81,619,334
		323,005,428	319,375,429	295,758,578	292,336,782
NON-CURRENT LIABILITIES					
Borrowings	25	25,489,357	36,904,312	18,012,735	21,796,244
Deferred tax liabilities	27	2,447,419	2,658,609	3,019,518	2,904,690
		27,936,776	39,562,921	21,032,253	24,700,934
CURRENT LIABILITIES					
Trade and other payables	28	26,816,523	37,960,048	6,678,114	6,905,321
Borrowings	25	39,043,918	39,967,603	24,943,884	25,806,354
Bank overdrafts	26	37,316,066	35,322,595	34,583,051	33,966,574
Current tax payables		71,334	896,268	-	-
		103,247,841	114,146,514	66,205,049	66,678,249
TOTAL LIABILITIES		131,184,617	153,709,435	87,237,302	91,379,183
TOTAL EQUITY AND LIABILITIES		454,190,045	473,084,864	382,995,880	383,715,965

Consolidated Statement OF CHANGES IN EQUITY

For the financial year ended 30 June 2009

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	Note	— Attributable to equity holders of the Company —				Total RM
		Share capital RM	Treasury shares RM	Revaluation reserves RM	Retained earnings RM	
At 1 July 2007		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	24	-	-	210,189	-	210,189
Income recognised directly into equity		-	-	210,189	-	210,189
Profit for the financial year		-	-	-	3,277,432	3,277,432
Total recognised income for the financial year		-	-	210,189	3,277,432	3,487,621
Purchase of treasury shares	23	-	(12,791)	-	-	(12,791)
At 30 June 2008		206,250,000	(2,251,415)	6,718,863	108,657,981	319,375,429
At 1 July 2008		206,250,000	(2,251,415)	6,718,863	108,657,981	319,375,429
Reversal of deferred tax liabilities in respect of hotel properties	24	-	-	25,172	-	25,172
Income recognised directly into equity		-	-	25,172	-	25,172
Profit for the financial year		-	-	-	3,605,725	3,605,725
Total recognised income for the financial year		-	-	25,172	3,605,725	3,630,897
Purchase of treasury shares	23	-	(898)	-	-	(898)
At 30 June 2009		206,250,000	(2,252,313)	6,744,035	112,263,706	323,005,428

Company Statement OF CHANGES IN EQUITY

For the financial year ended 30 June 2009

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	Note	Share capital RM	— Non-Distributable — Treasury shares RM	Revaluation reserves RM	Distributable Retained earnings RM	Total RM
At 1 July 2007		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	24	-	-	210,189	-	210,189
Income recognised directly into equity		-	-	210,189	-	210,189
Profit for the financial year		-	-	-	8,295,953	8,295,953
Total recognised income for the financial year		-	-	210,189	8,295,953	8,506,142
Purchase of treasury shares	23	-	(12,791)	-	-	(12,791)
At 30 June 2008		206,250,000	(2,251,415)	6,718,863	81,619,334	292,336,782
At 1 July 2008		206,250,000	(2,251,415)	6,718,863	81,619,334	292,336,782
Reversal of deferred tax liabilities in respect of hotel properties	24	-	-	25,172	-	25,172
Income recognised directly into equity		-	-	25,172	-	25,172
Profit for the financial year		-	-	-	3,397,522	3,397,522
Total recognised income for the financial year		-	-	25,172	3,397,522	3,422,694
Purchase of treasury shares	23	-	(898)	-	-	(898)
At 30 June 2009		206,250,000	(2,252,313)	6,744,035	85,016,856	295,758,578

Cash Flow

STATEMENTS

For the financial year ended 30 June 2009

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BCB BERHAD

Annual Report 2009

	Note	Group		Company	
		2009 RM	2008 RM	2009 RM	2008 RM
OPERATING ACTIVITIES					
Profit for the financial year		3,605,725	3,277,432	3,397,522	8,295,953
Adjustments :					
Dividend income		-	-	(6,500,000)	(22,972,973)
Property, plant and equipment:					
- depreciation	8	2,027,692	1,904,536	1,456,754	1,144,189
- written off	8	354,320	31,413	291,759	1,647
- gain on disposals	8	(647,370)	(534,547)	(273,149)	-
Amortisation on prepaid land lease payment		36,374	36,374	36,374	36,374
Interest income		(106,796)	(181,189)	(197,131)	(302,047)
Interest expenses	7	6,650,016	7,181,645	5,895,759	6,304,462
Impairment of investment in subsidiary		-	-	-	747,000
Tax expenses	12	2,550,503	3,779,031	2,231,499	7,250,317
		14,470,464	15,494,695	6,339,387	504,922
Changes in working capital:					
- property development cost		20,852,534	9,836,667	7,378,305	500,517
- inventories		722,235	7,033,121	5,240,778	5,989,429
- trade and other receivables		(8,269,455)	6,724,529	(12,544,646)	(17,411,538)
- trade and other payables		(10,993,525)	(10,291,609)	(77,207)	582,911
Cash from/(used in) operations		16,782,253	28,797,403	6,336,617	(9,833,759)
Interest received		106,796	181,189	197,131	302,047
Interest paid	7	(7,486,508)	(8,695,021)	(5,934,954)	(6,398,679)
Dividend received		-	-	4,875,000	17,000,000
Tax paid		(4,180,152)	(2,403,688)	(517,228)	(600,000)
Tax refunded		38,577	295,102	-	-
Net cash flow from operating activities		5,260,966	18,174,985	4,956,566	469,609
INVESTING ACTIVITIES					
Purchase of property, plant and equipment	14	(869,562)	(2,049,272)	(749,776)	(2,018,110)
Proceeds from disposals of property, plant and equipment		796,598	920,430	338,000	389
Additions to land held for property development		(78,856)	(5,704,000)	(22,351)	(12,856)
Net cash flow used in investing activities		(151,820)	(6,832,842)	(434,127)	(2,030,577)

Cash Flow Statements

For the financial year ended 30 June 2009 (Cont'd)

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BCB BERHAD

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	Note	Group		Company	
		2009 RM	2008 RM	2009 RM	2008 RM
FINANCING ACTIVITIES					
Purchase of treasury shares	23	(898)	(12,791)	(898)	(12,791)
Proceeds from bank borrowings		68,627,286	49,460,112	45,599,855	44,969,112
Repayments of bank borrowings		(81,723,564)	(59,863,887)	(51,026,345)	(48,277,564)
Finance lease principal payments		(452,362)	(357,034)	(296,489)	(176,482)
Net cash flow used in financing activities		(13,549,538)	(10,773,600)	(5,723,877)	(3,497,725)
Net (decrease)/increase in cash and cash equivalents		(8,440,392)	568,543	(1,201,438)	(5,058,693)
Cash and cash equivalents at beginning of the financial year		(24,877,968)	(25,446,511)	(31,964,680)	(26,905,987)
Cash and cash equivalents at end of the financial year	30	(33,318,360)	(24,877,968)	(33,166,118)	(31,964,680)

Non-cash transactions

The principal non-cash transactions during the financial year are as follows:

- (i) acquisition of certain property, plant and equipment by means of finance leases (Note 14).
- (ii) acquisition of investment properties in a subsidiary by the setting off of trade receivables in lieu of cash (Note 15).

Notes to the FINANCIAL STATEMENTS

For the financial year ended 30 June 2009

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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 trading of building materials.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market 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.

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 Company have been prepared in accordance with the provisions of the Companies Act, 1965 and the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities.

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

The preparation of financial statements in conformity with the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities 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 financial year. It also requires Directors to exercise their judgement in the process of applying the Group's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement 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 applicable to the Group and Company and are effective.

There are no new accounting standards, amendments to published standards and interpretations to existing standards effective for the Group's and Company's financial year ended 30 June 2009 and applicable to the Group and Company.

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

The new standard that is applicable to the Group, but which the Group has not early adopted, is as follows:

- FRS 8 "Operating Segments" (effective for annual period beginning on or after 1 July 2009). FRS 8 replaces FRS 114₂₀₀₄ Segment Reporting. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The Group will apply this standard from financial period beginning on 1 July 2009.

The following new standards will be effective for annual period beginning on or after 1 January 2010. The Group and Company will apply these standards from financial period beginning on 1 July 2010.

- FRS 123 "Borrowing Costs" which replaces FRS 123₂₀₀₄ requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed.
- IC Interpretation 9 "Reassessment of Embedded Derivatives" requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract, in which case reassessment it required.
- IC Interpretation 10 "Interim Financial Reporting and Impairment" prohibits the impairment losses recognised in an interim period on goodwill and investments in equity instruments and in financial assets carried at cost to be reversed at a subsequent balance sheet date.

Notes to the Financial Statements

For the financial year ended 30 June 2009

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BCB BERHAD

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3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(a) Basis of preparation (Cont'd)

- (ii) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and Company but not yet effective. (continued)
- The Group and Company have applied the transitional provision in the respective standards which exempts entities from disclosing the possible impact arising from the initial application of the standard on the financial statements of the Group and Company.
 - FRS 139 "Financial Instruments: Recognition and Measurement"
 - FRS 7 "Financial Instruments : Disclosures"
- (iii) Standards, amendments to published standards and interpretations to existing standards that are not yet effective and are not relevant to the Group and Company.
- Amendments to FRS 2 "Share-based Payment: Vesting Conditions and Cancellations" clarify that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. These features would need to be included in the grant date fair value for transactions with employees and others providing similar services; they would not impact the number of awards expected to vest or valuation thereof subsequent to grant date. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment.
 - Amendments to FRS 1 "First-time Adoption of Financial Reporting Standards" and FRS 127 "Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate" allow first-time adopters to use a deemed cost of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements. The amendment also removes the definition of the cost method from IAS 27 and replaces it with a requirement to present dividends as income in the separate financial statements of the investor.
 - IC Interpretation 11 "FRS 2 Group and Treasury Share Transactions" provides guidance on whether share-based transactions involving treasury shares or involving group entities (for example, options over a parent's shares) should be accounted for as equity-settled or cash-settled share-based payment transactions in the stand-alone financial statements of the parent and group companies.
 - IC Interpretation 13 "Customer Loyalty Programmes" clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement and the revenue in respect of the consideration receivable from the customer is allocated between the components of the arrangement using fair values.
 - IC Interpretation 14 "FRS 119 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" provides guidance on assessing the limit in FRS 119 on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement.

Notes to the Financial Statements

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3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(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.

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.

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3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

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.

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
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 are 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.

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's 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).

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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 and 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.

(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.

(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.

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3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

The Group contributes to the Employees Provident Fund, the national defined contribution plan. The contributions are 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.

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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 the 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 is 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 tax and discounts.
- Revenue from hotel operations comprises letting of hotel rooms, sales of food and beverages and other hotel related income, and is recognised upon delivery of products, customer acceptance and performance of services, net of service and sales taxes and discounts.

(ii) Other revenue earned by the Group and the Company is recognised on the following basis:

- Interest income is recognised on time proportion basis, taking into account 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.

(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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(s) Share capital

(i) Classification

Ordinary shares are classified as equity.

Distribution to holders of a financial instrument classified as an equity 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 purchases its 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 right 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 cost 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.

(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.

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3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(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 risks and returns 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.

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4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the process of applying the Group's accounting policies, management makes judgements and estimates that can significantly affect the amounts recognised in the financial statements. Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. These judgements and estimates include:

(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 Group evaluates based on past experience, external economic factors and by relying on the work of specialists.

(iii) Taxation

Significant judgement is required in determining certain tax treatments during the estimation of the provision for income taxes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which the estimation is made.

5 REVENUE

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Property development	53,477,858	69,768,171	14,937,704	20,258,415
Completed properties	16,729,955	7,583,490	13,039,385	6,834,371
Project management services	921,543	1,737,925	-	-
Hotel operations revenue	9,884,689	10,697,675	9,884,689	10,697,675
Sales of goods	1,024,838	7,387,575	-	-
Construction contracts	6,759,402	6,936,564	-	-
Rental income	4,280,326	4,109,663	3,932,888	3,457,283
Dividend income from subsidiaries	-	-	6,500,000	22,972,973
	93,078,611	108,221,063	48,294,666	64,220,717

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6 COST OF SALES

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Property development costs (Note 19)	41,150,612	54,752,324	12,846,282	16,725,907
Hotel operation costs	3,024,639	2,938,700	3,024,638	2,938,700
Cost of completed properties sold	11,754,922	6,708,162	9,023,898	6,104,234
Cost of inventories sold	376,734	6,912,752	-	-
Construction contract costs	2,533,353	2,011,805	-	-
	58,840,260	73,323,743	24,894,818	25,768,841

7 FINANCE INCOME AND COSTS

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Finance income				
- interest income	106,796	181,189	197,131	302,047
Finance cost				
Interest expense:				
- term loans/bridging loans	3,182,241	4,083,563	2,099,466	2,444,641
- short term borrowings	4,076,429	4,368,118	3,641,473	3,753,977
- finance leases	65,186	41,150	50,161	16,398
- others	162,652	202,190	143,854	183,663
	7,486,508	8,695,021	5,934,954	6,398,679
Less interest expense capitalised:				
- land held for property development (Note 17)	(299,969)	(568,603)	-	-
- property development costs (Note 19)	(536,523)	(944,773)	(39,195)	(94,217)
	6,650,016	7,181,645	5,895,759	6,304,462
Net finance cost	6,543,220	7,000,456	5,698,628	6,002,415

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8 PROFIT BEFORE TAX

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

	Note	Group		Company	
		2009 RM	2008 RM	2009 RM	2008 RM
Auditors' remuneration	9	154,900	169,698	89,700	103,100
Directors' remuneration	11	2,387,818	1,932,489	610,601	903,234
Hiring charges of machinery		167,918	121,542	-	-
Inventories written off		109,512	50,055	-	-
Impairment of investment in a subsidiary		-	-	-	747,000
Material costs		12,145,822	22,109,884	-	-
Net foreign exchange (gain)/losses		(3,774)	32,509	(3,685)	3,044
Property, plant and equipment:					
- depreciation		2,027,692	1,904,536	1,456,754	1,144,189
- written off		354,320	31,413	291,759	1,647
- gain on disposals		(647,370)	(534,547)	(273,149)	-
Amortisation on prepaid land lease payments		36,374	36,374	36,374	36,374
Investment properties					
- rental income		(2,114,294)	(1,913,397)	(2,035,994)	(1,885,897)
- direct operating expenses		50,153	86,865	49,201	85,413
Rental of premises		370,730	269,213	312,000	192,000
Staff costs	10	7,919,961	8,507,378	5,199,166	5,068,464
Subcontractors' costs		14,422,926	14,670,711	-	-
Write back of allowance for obsolete stocks		-	(10,183)	-	-
Write down of inventories		235,761	250,193	-	-
Bad debts written off		187,592	95,213	187,592	-
Waiver of debts due from subsidiary		-	-	-	5,032,455

9 AUDITORS' REMUNERATION

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Statutory audit (Note 8):				
Current financial year	123,200	123,040	58,000	56,700
Under accrual in prior financial year	-	258	-	-
	123,200	123,298	58,000	56,700
Other services:				
Current financial year:				
- tax compliance work	14,700	14,700	14,700	14,700
- other non-audit services	17,000	17,000	17,000	17,000
	31,700	31,700	31,700	31,700
Under accrual in prior financial year				
- tax compliance work	-	14,700	-	14,700
	31,700	46,400	31,700	46,400
Total remuneration	154,900	169,698	89,700	103,100

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10 STAFF COSTS

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Wages, salaries and bonus	6,563,391	7,246,952	4,164,178	4,217,332
Defined contribution plan	664,030	747,861	405,809	425,153
Other employee benefits	692,540	512,565	629,179	425,979
	7,919,961	8,507,378	5,199,166	5,068,464

The staff costs exclude directors' remuneration.

11 DIRECTORS' REMUNERATION

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

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Non-executive Directors:				
- fees	204,000	175,500	204,000	175,500
Executive Directors:				
- basic salaries and bonus	1,843,000	1,476,846	355,540	611,926
- defined contribution plan	340,818	280,143	51,061	115,808
	2,387,818	1,932,489	610,601	903,234

The estimated money value of benefits in kind paid to Directors of the Group and the Company during the financial year amounted to RM61,429 (2008: RM66,986).

12 TAX EXPENSES

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Current tax	2,736,521	3,640,766	2,091,499	7,043,429
Deferred tax (Note 27)	(186,018)	138,265	140,000	206,888
	2,550,503	3,779,031	2,231,499	7,250,317
Current tax				
- current financial year	2,554,697	2,557,170	1,963,000	5,972,973
- under accrual in prior financial years	181,824	1,083,596	128,499	1,070,456
Deferred tax				
- origination and reversal of temporary differences	(219,528)	124,506	108,230	190,503
- under accrual in prior financial years	33,510	13,759	31,770	16,385
	2,550,503	3,779,031	2,231,499	7,250,317

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12 TAX EXPENSES (Cont'd)

Numerical reconciliation between the average effective tax rate:

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Malaysia income tax rate	25	26	25	26
Tax effects of:				
- different tax rates apply to different levels of taxable income	-	(1)	-	-
- income not subject to tax	(2)	(3)	(2)	(1)
- utilisation of investment tax allowance	-	(3)	-	(1)
- deferred tax assets not recognised	1	1	-	-
- expenses not deductible for tax purposes	13	20	14	17
- under accrual in prior years	4	15	3	7
- change in tax rate	-	(1)	-	(1)
Average effective tax rate	41	54	40	47

Under the single-tier tax system which came into effect from the year of assessment 2009, 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 opt to disregard the Section 108 credits to pay single-tier dividends under the special transitional provisions of the Finance Act 2007.

As at the balance sheet date, the Group and the Company did not opt to disregard the Section 108 tax credits, and the Group and the Company may utilise the Section 108 tax credit balance which standing as at 31 December 2007 to frank dividend payments during the 6-year transitional period. As at 30 June 2009, 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 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 financial year by the weighted average number of ordinary shares in issue during the financial year, excluding ordinary shares purchased by the Company and held as treasury shares (Note 23).

	Group	
	2009	2008
Profit for the financial year (RM)	3,605,725	3,277,432
Weighted average number of ordinary shares in issue	201,860,150	201,877,567
Basic earnings per share (sen)	1.79	1.62

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14 PROPERTY, PLANT AND EQUIPMENT GROUP

GROUP

2009	Hotel properties 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 2008	-	5,443,757	14,179,924	3,401,582	7,503,047	4,932,238	7,807,803	4,038,596	47,306,947
At valuation	28,632,058	-	-	-	-	-	-	-	28,632,058
Additions	-	-	-	6,398	1,407,159	81,701	492,109	92,195	2,079,562
Disposals	-	-	-	(346,020)	(1,579,110)	(17,398)	(81,639)	-	(2,024,167)
Written off	-	-	-	(295,913)	(38,000)	(135,668)	(769,327)	(133,123)	(1,372,031)
At 30 June 2009	28,632,058	5,443,757	14,179,924	2,766,047	7,293,096	4,860,873	7,448,946	3,997,668	74,622,369
Accumulated depreciation									
At 1 July 2008	658,209	-	2,277,378	3,301,010	6,406,289	4,294,632	6,492,905	3,376,604	26,807,027
Charge for the financial year	329,104	-	286,926	34,875	659,290	189,228	374,547	153,722	2,027,692
Disposals	-	-	-	(344,438)	(1,475,611)	(8,890)	(46,329)	-	(1,875,268)
Written off	-	-	-	(290,650)	(18,266)	(59,750)	(631,225)	(17,491)	(1,017,382)
At 30 June 2009	987,313	-	2,564,304	2,700,797	5,571,702	4,415,220	6,189,898	3,512,835	25,942,069
Net book value									
At 30 June 2009	27,644,745	5,443,757	11,615,620	65,250	1,721,394	445,653	1,259,048	484,833	48,680,300

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14 PROPERTY, PLANT AND EQUIPMENT (Cont'd)

GROUP

2008	Hotel properties 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 financial 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

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14 PROPERTY, PLANT AND EQUIPMENT (Cont'd)

COMPANY

2009	Hotel properties 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 2008	-	2,256,097	11,442,406	1,249,107	3,577,195	4,417,361	5,404,441	4,038,596	32,385,203
At valuation	28,632,058	-	-	-	-	-	-	-	28,632,058
Additions	-	-	-	-	1,223,089	70,703	440,788	92,196	1,826,776
Disposals	-	-	-	-	(1,159,112)	-	(22,830)	-	(1,181,942)
Written off	-	-	-	(77,025)	-	(98,077)	(283,275)	(133,123)	(591,500)
At 30 June 2009	28,632,058	2,256,097	11,442,406	1,172,082	3,641,172	4,389,987	5,539,124	3,997,669	61,070,595
Accumulated depreciation									
At 1 July 2008	658,209	-	1,967,613	1,186,422	3,253,365	3,913,367	4,705,327	3,376,604	19,060,907
Charge for the financial year	329,104	-	228,848	15,885	352,174	151,124	225,897	153,722	1,456,754
Disposals	-	-	-	-	(1,103,287)	-	(13,804)	-	(1,117,091)
Written off	-	-	-	(77,025)	-	(27,583)	(177,643)	(17,490)	(299,741)
At 30 June 2009	987,313	-	2,196,461	1,125,282	2,502,252	4,036,908	4,739,777	3,512,836	19,100,829
Net book value									
At 30 June 2009	27,644,745	2,256,097	9,245,945	46,800	1,138,920	353,079	799,347	484,833	41,969,766

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14 PROPERTY, PLANT AND EQUIPMENT (Cont'd)

COMPANY

2008	Hotel properties 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 financial 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

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14 PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Net book value of motor vehicle under finance lease	1,356,879	770,514	1,138,918	323,828
Net book value of assets pledged as security for bank borrowings (Note 25):				
- freehold land	5,494,939	5,690,779	1,924,502	1,924,502
- buildings	10,233,973	10,592,051	8,180,629	8,383,755
- hotel properties	30,700,131	31,065,608	30,700,131	31,065,608
	46,429,043	47,348,438	40,805,262	41,373,865

During the financial year, the Group and Company acquired property, plant and equipment with an aggregate cost of RM2,079,562 (2008: RM2,049,272) and RM1,826,776 (2008: RM2,018,110) respectively, of which RM1,210,000 (2008: RM110,000) for the Group and RM1,077,000 (2008: RM Nil) for the Company were acquired by means of finance leases. Cash payments of RM869,562 (2008: RM1,939,272) and RM749,776 (2008: RM2,018,110) were made to purchase the assets for the Group and Company respectively.

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

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

Net book value of revalued hotel properties, had these assets been carried at cost less accumulated depreciation is RM22,242,076 (2008: RM22,506,863).

15 INVESTMENT PROPERTIES

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Investment properties				
At beginning of the financial year	19,482,436	19,482,436	18,762,436	18,762,436
Additions	7,935,000	-	-	-
At end of the financial year	27,417,436	19,482,436	18,762,436	18,762,436
Investment properties pledged as security for borrowings (Note 25)	27,417,436	19,482,436	18,762,436	18,762,436

The fair value of the properties approximated their carrying values based on valuations performed during the financial year 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.

The investment properties were acquired by a subsidiary during the financial year (RM7,345,000) by the setting off of trade receivables in lieu of cash.

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16 PREPAID LAND LEASE PAYMENT

	Group and Company	
	2009	2008
	RM	RM
At beginning of the financial year	3,091,758	3,128,132
Amortisation	(36,374)	(36,374)
At end of the financial year	3,055,384	3,091,758
Cost	3,128,132	3,128,132
Accumulated amortisation	(72,748)	(36,374)
Net book value	3,055,384	3,091,758

17 LAND HELD FOR PROPERTY DEVELOPMENT

	Group		Company	
	2009	2008	2009	2008
	RM	RM	RM	RM
Freehold land including improvements, at cost:				
At beginning of the financial year	61,501,013	55,228,410	8,488,004	8,475,148
Additions	378,825	6,272,603	22,351	12,856
At end of the financial year	61,879,838	61,501,013	8,510,355	8,488,004
Land held for property development is pledged as security for borrowings (Note 25)	48,891,181	48,560,329	564,320	564,320

Borrowing costs of the Group amounting to RM299,969 (2008: RM568,603) arising on funds borrowed generally for property development activities, were capitalised during the financial year by applying a capitalisation rate of 6.9% (2008: 7.6%) per annum and are included in additions of land held for property development during the financial year (Note 7).

18 INVESTMENT IN SUBSIDIARIES

	Company	
	2009	2008
	RM	RM
Unquoted shares, at cost	15,500,012	15,500,012
Accumulated impairment losses	(5,000,000)	(5,000,000)
	10,500,012	10,500,012

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18 INVESTMENT IN SUBSIDIARIES (Cont'd)

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
	2009 %	2008 %	
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	Manufacturing of furniture
*BCB Greens Sdn. Bhd.	100	100	Provision of landscaping services
#BCB Development 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.

* These subsidiaries had ceased operations.

These subsidiaries have not commenced operations.

19 PROPERTY DEVELOPMENT COSTS

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
At beginning of the financial year:				
- land, at cost	73,320,650	69,782,432	30,204,876	30,293,444
- cumulative development costs	282,278,096	269,453,170	109,275,548	93,915,529
	355,598,746	339,235,602	139,480,424	124,208,973
Movements:				
Costs incurred during the financial year	32,181,641	46,760,824	9,393,859	16,319,607
Reversal of completed projects	(70,786,166)	(29,497,286)	(9,754,936)	(1,048,156)
Unsold units transferred to inventories	(11,347,040)	(900,394)	(3,886,687)	-
	305,647,181	355,598,746	135,232,660	139,480,424
Accumulated costs charged to income statement:				
At beginning of the financial year	(163,289,493)	(138,034,455)	(33,846,706)	(18,168,955)
- additions (Note 6)	(41,150,612)	(54,752,324)	(12,846,282)	(16,725,907)
- reversal of completed projects	70,786,166	29,497,286	9,754,936	1,048,156
At end of the financial year	(133,653,939)	(163,289,493)	(36,938,052)	(33,846,706)
Property development Costs	171,993,242	192,309,253	98,294,608	105,633,718

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19 PROPERTY DEVELOPMENT COSTS (Cont'd)

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
At end of the financial year:				
- land, at cost	60,730,907	73,320,650	29,013,014	30,204,876
- development costs	244,916,278	282,278,096	106,219,646	109,275,548
- accumulated cost charged to income statement	(133,653,939)	(163,289,493)	(36,938,052)	(33,846,706)
	171,993,242	192,309,253	98,294,608	105,633,718
Property development cost pledged as securities for borrowings (Note 25)	104,439,358	122,353,957	48,038,579	49,003,386

Borrowing costs of the Group and of the Company amounting to RM536,523 and RM39,195 (2008: RM944,773 and RM94,217) respectively, arising on funds borrowed generally for property development activities, were capitalised during the financial year by applying a capitalisation rate of 6.2% (2008: 7.6%) and 7.2% (2008: 7.7%) per annum for the Group and of the Company respectively and are included in development cost incurred during the financial year (Note 7).

20 INVENTORIES

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Completed development units	53,406,986	54,671,194	24,800,232	29,969,521
Raw materials	107,983	134,789	-	-
Work in progress	50,660	56,673	-	-
Finished goods	18,317	17,440	-	-
Food and beverages	129,826	205,279	129,826	205,279
General supplies	75,753	71,789	75,753	71,789
Consumable stocks	301,726	246,322	-	-
	54,091,251	55,403,486	25,005,811	30,246,589
Inventories pledged as securities for borrowings (Note 25)	17,751,375	19,299,922	14,444,181	15,992,728

21 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Trade receivables	62,862,610	61,894,518	14,149,136	7,637,767
Amounts due from customers on contracts (Note 31)	4,996,189	6,684,733	-	-
Accrued billings in respect of property development	-	980,171	-	980,171
Other receivables	5,111,071	4,851,627	1,924,885	2,539,675
Deposits	1,942,433	2,033,647	1,220,398	1,309,654
Prepayments	447,739	285,848	383,830	205,480
Amounts due from fellow subsidiaries	-	-	157,061,819	149,522,675
Amounts due from related parties	6,119,441	3,824,484	-	-
	81,479,483	80,555,028	174,740,068	162,195,422

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

All receivable balances are denominated in Ringgit Malaysia.

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21 TRADE AND OTHER RECEIVABLES (Cont'd)

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.

The amounts due from related parties and fellow subsidiaries are interest free and unsecured. The related parties are companies in which certain Directors of the Company are directors.

22 CASH AND BANK BALANCES

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Cash and bank balances (Note 30)	3,997,706	10,444,627	1,416,933	2,001,894

Included in bank and cash balances of the Group and Company are amounts of RM1,291,347 (2008: RM2,495,271) and RM203,873 (2008: RM993,182) 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 earn no interest.

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Weighted average effective interest rate at balance sheet date (%):				
- Housing Development Accounts	1.0	2.1	1.0	2.1

The cash and bank balances are denominated in Ringgit Malaysia.

23 SHARE CAPITAL

	Group and Company	
	2009 RM	2008 RM
Authorised:		
Ordinary shares of RM1 each		
At beginning/end of the financial year	500,000,000	500,000,000
Issued and fully paid:		
Ordinary shares of RM1 each		
At beginning/end of the financial year	206,250,000	206,250,000

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23 SHARE CAPITAL (Cont'd)

TREASURY SHARES

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

During the financial year, the Company repurchased 2,000 (2008: 25,000) of its issued share capital from the open market on Bursa Malaysia Securities Berhad for RM898 (2008: RM12,791). The average price paid for the shares repurchased was RM0.45 (2008: RM0.50) 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 have been sold as at 30 June 2009.

At the balance sheet date, the number of outstanding shares in issue after setting treasury shares off against equity is 201,859,400 (2008: 201,861,400).

24 REVALUATION RESERVES

	2009 RM	2008 RM
Group and Company		
<u>Hotel properties</u>		
At 1 July 2008/2007	6,718,863	6,508,674
Reversal of deferred tax liabilities	25,172	210,189
At 30 June 2009/2008	6,744,035	6,718,863

25 BORROWINGS

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
CURRENT				
Secured:				
Bridging loans	-	2,801,182	-	2,801,182
Term loans	10,932,609	8,706,134	4,252,067	2,874,521
Finance lease liabilities (Note 29)	303,977	258,273	245,485	117,637
Revolving credits	4,401,000	4,401,000	4,401,000	4,401,000
Bankers' acceptances	23,406,332	23,801,014	16,045,332	15,612,014
	39,043,918	39,967,603	24,943,884	25,806,354
NON-CURRENT				
Secured:				
Term loans	24,693,479	36,820,368	17,321,854	21,758,026
Finance lease liabilities (Note 29)	795,878	83,944	690,881	38,218
	25,489,357	36,904,312	18,012,735	21,796,244

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25 BORROWINGS (Cont'd)

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
TOTAL				
Bridging loans	-	2,801,182	-	2,801,182
Term loans	35,626,088	45,526,502	21,573,921	24,632,547
Finance lease liabilities	1,099,855	342,217	936,366	155,855
Revolving credits	4,401,000	4,401,000	4,401,000	4,401,000
Bankers' acceptances	23,406,332	23,801,014	16,045,332	15,612,014
	64,533,275	76,871,915	42,956,619	47,602,598
Term loans are repayable as follows:				
- not later than 1 year	10,932,609	8,706,132	4,252,067	2,874,520
- later than 1 year and not later than 2 years	5,847,835	17,527,986	2,793,499	3,050,735
- later than 2 years and not later than 5 years	11,571,194	7,553,825	8,658,721	7,924,559
- later than 5 years	7,274,450	11,738,559	5,869,634	10,782,733
	35,626,088	45,526,502	21,573,921	24,632,547

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 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 and supported by way of personal guarantees from certain Directors.

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.

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Weighted average effective interest rates at balance sheet date:				
- bridging loans	-	6.7	-	6.5
- term loans	6.3	7.6	6.5	7.8
- revolving credits	7.2	7.6	7.2	7.6
- bankers' acceptances	4.7	5.1	5.5	5.6

The borrowing balances are denominated in Ringgit Malaysia.

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

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Carrying amount	35,626,088	45,526,502	21,573,920	24,632,547
Fair value	33,510,347	43,322,422	20,706,117	23,199,972

Notes to the Financial Statements

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26 BANK OVERDRAFTS

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

	Group		Company	
	2009 %	2008 %	2009 %	2008 %
Weighted average effective interest rate at balance sheet date	6.6	8.2	6.8	8.2

The bank overdraft balances are denominated in Ringgit Malaysia.

27 DEFERRED TAX

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

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Deferred tax liabilities	(6,891,429)	(6,839,078)	(7,152,958)	(7,085,159)
Deferred tax assets	4,444,010	4,180,469	4,133,440	4,180,469
	(2,447,419)	(2,658,609)	(3,019,518)	(2,904,690)

	Group (Restated)		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
At beginning of the financial year	(2,658,609)	(2,730,533)	(2,904,690)	(2,907,991)
Credited/(charged) to income statement (Note 12)				
- property, plant and equipment	515	88,571	5,963	79,479
- investment tax allowance	(47,029)	(394,307)	(47,029)	(394,307)
- others	232,532	167,471	(98,934)	107,940
	186,018	(138,265)	(140,000)	(206,888)
Credited to equity	25,172	210,189	25,172	210,189
At end of the financial year	(2,447,419)	(2,658,609)	(3,019,518)	(2,904,690)
Deferred tax assets (prior to offsetting)				
- investment tax allowance	4,133,440	4,180,469	4,133,440	4,180,469
- others	775,979	541,653	11,628	110,562
	4,909,419	4,722,122	4,145,068	4,291,031
Offsetting	(4,909,419)	(4,722,122)	(4,145,068)	(4,291,031)
Deferred tax assets (after offsetting)	-	-	-	-
Deferred tax liabilities (prior to offsetting)				
- property, plant and equipment	(7,356,838)	(7,380,731)	(7,164,586)	(7,195,721)
Offsetting	4,909,419	4,722,122	4,145,068	4,291,031
Deferred tax liabilities (after offsetting)	(2,447,419)	(2,658,609)	(3,019,518)	(2,904,690)

Notes to the Financial Statements

For the financial year ended 30 June 2009

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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	
	2009 RM	2008 RM	2009 RM	2008 RM
Deductible temporary differences	228,367	260,736	-	-
Tax losses	3,469,616	3,213,749	-	-
	3,697,983	3,474,485	-	-

28 TRADE AND OTHER PAYABLES

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Trade payables	14,836,971	20,588,341	1,464,810	1,500,154
Amounts due to fellow subsidiaries	-	-	350,808	362,267
Amounts due to related parties	243,412	733,583	-	-
Amounts due to customers on contracts (Note 31)	5,354,397	8,632,304	-	-
Progress billings in respect of property development	400,000	446,988	400,000	400,000
Other payables	3,247,117	4,640,488	2,151,594	2,213,552
Accrued expenses	671,447	1,013,754	322,950	631,341
Payroll liabilities	468,566	566,098	397,439	459,515
Deposits received	1,594,613	1,338,492	1,590,513	1,338,492
	26,816,523	37,960,048	6,678,114	6,905,321

All payable balances are denominated in Ringgit Malaysia.

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

The amounts due to a related parties and fellow subsidiaries are interest free and unsecured. The related parties are companies in which certain Directors of the Company are directors.

Notes to the Financial Statements

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29 FINANCE LEASE LIABILITIES

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Minimum lease payments:				
- not later than 1 year	349,238	278,472	281,977	128,112
- later than 1 year and not later than 2 years	281,099	91,610	238,404	43,574
- later than 2 years and not later than 5 years	569,047	-	496,654	-
	1,199,384	370,082	1,017,035	171,686
Future finance charges	(99,529)	(27,865)	(80,669)	(15,831)
Present value of finance lease liabilities	1,099,855	342,217	936,366	155,855
Current (Note 25)	303,977	258,273	245,485	117,637
Non-current (Note 25)	795,878	83,944	690,881	38,218
	1,099,855	342,217	936,366	155,855
Present value of finance lease liabilities:				
- not later than 1 year	303,977	258,273	245,485	117,637
- later than 1 year and not later than 2 years	252,167	83,944	690,881	38,218
- later than 2 year and not later than 5 years	543,711	-	-	-
	1,099,855	342,217	936,366	155,855
Weighted average effective interest rate at the balance sheet date	4.7	7.3	4.2	6.8
Fair value at the balance sheet date	993,021	313,856	852,062	147,621

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

30 CASH AND CASH EQUIVALENTS

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Cash and bank balances (Note 22)	3,997,706	10,444,627	1,416,933	2,001,894
Bank overdrafts	(37,316,066)	(35,322,595)	(34,583,051)	(33,966,574)
	(33,318,360)	(24,877,968)	(33,166,118)	(31,964,680)

Notes to the Financial Statements

For the financial year ended 30 June 2009

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31 CONSTRUCTION CONTRACTS

	Group	
	2009 RM	2008 RM
Aggregate costs incurred to date	60,369,785	168,244,161
Add: Estimated attributable profits	6,676,459	16,530,922
Less: Recognised losses	(508,549)	(2,534,569)
	66,537,695	182,240,514
Less: Progress billings	(66,895,903)	(184,188,085)
	(358,208)	(1,947,571)
Represented by:		
Amounts due from customers on contracts (Note 21)	4,996,189	6,684,733
Amounts due to customers on contracts (Note 28)	(5,354,397)	(8,632,304)
	(358,208)	(1,947,571)
Retention sum on contracts	15,351,227	13,814,326

32 CONTINGENT LIABILITIES

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Unsecured				
Corporate guarantees for trade credits granted to subsidiaries	-	-	1,755,452	1,513,069
Claim by a third party	5,276,807	5,276,807	5,276,807	5,276,807
	5,276,807	5,276,807	7,032,259	6,789,876
Secured				
Corporate guarantees for borrowing facilities granted by financial institutions to subsidiaries	-	-	20,915,830	35,882,739
	5,276,807	5,276,807	27,948,089	42,672,615

On 10 June 1995, the Company entered into an Agreement 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 January 1999, a Supplemental Agreement ("SA") was signed between the Company and Sime Hock in essence to finalise Sime Hock's entitlement to 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 for the late delivery of the entitled units.

There is at present an on-going litigation initiated by Sime Hock to revoke both the Agreement and the SA due to the late delivery of the balance of the 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 the SA entered into 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.

Notes to the Financial Statements

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33 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	
	2009 RM	2008 RM
Interest income receivable from a subsidiary:		
- Johbase Development Sdn. Bhd.	118,632	141,359
Progress billings by subsidiaries:		
- BCB Construction Sdn. Bhd.	7,255,954	13,819,408
- BCB Road Builder Sdn. Bhd.	276,451	195,549
Purchase of goods from subsidiaries:		
- BCB Trading Sdn. Bhd.	361	-
- BCB Concrete Sdn. Bhd.	1,489	750
- BCB Furniture Sdn. Bhd.	-	362,268
Management fees receivable from subsidiaries:		
- BCB Construction Sdn. Bhd.	840,000	840,000
- BCB Resources Sdn. Bhd.	360,000	360,000
- Johbase Development Sdn. Bhd.	240,000	240,000
Hiring charges payable to a subsidiary:		
- BCB Road Builders Sdn. Bhd.	134,158	139,681
Rental income from subsidiaries:		
- BCB Construction Sdn. Bhd.	12,000	12,000
- BCB Furniture Sdn. Bhd.	-	60,000
Dividend income from subsidiaries:		
- Johbase Development Sdn. Bhd.	-	6,756,757
- BCB Construction Sdn. Bhd.	1,875,000	5,405,405
- BCB Resources Sdn. Bhd.	4,625,000	6,756,757
- BCB Management Sdn. Bhd.	-	2,702,703
- BCB Road Builder Sdn. Bhd.	-	1,351,351

(b) Office rental paid to:

	Company	
	2009 RM	2008 RM
Ju-Ichi Enterprise Sdn. Bhd. ("JIE")	192,000	192,000

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

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33 SIGNIFICANT RELATED PARTY DISCLOSURES (Cont'd)

(c) Project management services to:

	Group	
	2009 RM	2008 RM
- Marvel Plus Development Sdn. Bhd. ("MPD")	150,000	353,199

(d) Sales of goods to:

	Group	
	2009 RM	2008 RM
- Marvel Plus Development Sdn. Bhd. ("MPD")	2,442,369	2,250,496

MPD is a related party by virtue of the directorship of Tan Lindy and Dato' Tan Seng Leong's spouse and son, namely Datin Lim Sui Yong and Tan Vin Sern respectively in MPD. Both Datin Lim Sui Yong and Tan Vin Sern are also major shareholders of MPD.

(e) Key management personnel compensation

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Short-term employee benefits	2,387,818	1,756,989	1,932,489	727,734

34 CAPITAL COMMITMENTS

Capital commitments contracted but not provided for in the financial statements are as follows:

	Group	
	2009 RM	2008 RM
Purchase of freehold land	41,147,416	41,147,416
Less: deposit paid	(317,416)	(317,416)
	40,830,000	40,830,000
Infrastructure development costs on freehold land	6,685,258	12,000,000
Less: consideration sums paid	(5,000,000)	(5,000,000)
	1,685,258	7,000,000
	42,515,258	47,830,000

On 13 November 2007, in relation to the purchase of 370 acres of freehold land in Batu Pahat, Johor, a subsidiary, Johbase Development Sdn Bhd ("JDSB") entered into a Sales and Purchase Agreement ("SPA") with Focal Remedy Sdn Bhd ("FRSB"), and a Cost Share Agreement ("CSA") with FRSB and Pelangi Homes Sdn Bhd ("PHSB"). On the same date, a Power of Attorney was given by FRSB to JDSB to execute the terms of the SPA and a Letter of Indemnity was given by the Company to PHSB to secure the due performance of JDSB in respect of the terms of the CSA.

Notes to the Financial Statements

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34 CAPITAL COMMITMENTS (Cont'd)

On 1 January 2009, JDSB gave notice through its solicitors to terminate the SPA, due to a breach of one of the conditions precedent by FRSB. The termination was carried out in accordance to the clauses as stipulated in the SPA.

On 20 January 2009, JDSB served another notice through its solicitors to terminate the CSA entered between JDSB, FRSB and PHSB, in relation to the infrastructure developments in accordance to the clauses as stipulated in the CSA, as a result of the termination of the SPA.

FRSB and PHSB have filed a writ of summons on 16 February 2009 to seek the continuation of the SPA and CSA, interest on the balance of purchase consideration and other relevant claims. JDSB has filed in a Statement of Defence and Counter Claim on 20 March 2009 to request for the refund of the deposit sum paid of RM317,416 plus liquidated damage of RM317,416 as provided in the SPA and the refund of the consideration sum paid of RM5,000,000 as provided in the CSA.

All the parties have filed their respective suits in Court and the above matters are pending for court hearing at the end of financial year.

Subsequent to financial year end, on 19 August 2009, JDSB, PHSB and FRSB agreed to enter into a set of fresh agreements i.e SPA and CSA as well as a Settlement Agreement ("SA") pertaining to the acquisition of the same properties. The purchase price of the freehold land remained at RM41,147,416, whilst the consideration sum of the CSA has been revised to RM6,685,258 from the previous amount of RM12,000,000.

The SA agreement stated that FRSB and PHSB agreed with JDSB that within 7 days of the execution of the fresh SPA and CSA, FRSB, PHSB and JDSB shall file a Notice of Discontinuance of the Writ of Summons (dated 16 February 2009) and Statement of Defence and Counter Claim (dated 20 March 2009) respectively with liberty to file afresh, at the own cost and expenses of each party.

JDSB ceased to be liable in respect of the Writ of Summons (dated 16 February 2009) upon the Notice of Discontinuance of the Writ of Summons filed by FRSB and PHSB on 28 August 2009.

35 FAIR VALUE

The carrying amounts of financial assets and liabilities with maturity of less than one year are assumed to approximate their fair values except as disclosed in Note 25 and 29 where 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.

36 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 the property development and management activities segment.
- sales of building materials and furniture to the property development, 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.

Notes to the Financial Statements

For the financial year ended 30 June 2009

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36 SEGMENTAL REPORTING (Cont'd)

Primary Reporting Format - Business Segments

GROUP 2009	Property development and management activities RM	Construction and related activities RM	Hotel operations RM	Others RM	Elimination RM	Total RM
REVENUE						
External sales	73,730,787	9,073,335	10,274,489	-	-	93,078,611
Inter-segment sales	2,500,000	25,527,891	120,000	-	(28,147,891)	-
Total revenue	76,230,787	34,601,226	10,394,489	-	(28,147,891)	93,078,611
RESULTS						
Segment results	13,072,758	1,666,588	356,658	(106,018)	-	14,989,986
Unallocated costs						(2,290,538)
Finance income						106,796
Finance cost						(6,650,016)
Tax						(2,550,503)
Profit for the financial year						3,605,725
OTHER INFORMATION						
Segment assets	510,723,585	119,101,110	33,934,155	399,903	(211,564,114)	452,594,639
Unallocated assets						1,595,406
Total assets						454,190,045
Segment liabilities	158,744,658	101,967,889	14,909,305	74,851	(211,564,114)	64,132,589
Unallocated liabilities						67,052,028
Total liabilities						131,184,617
Capital expenditure	1,487,756	43,068	548,738	-	-	2,079,562
Depreciation	825,841	470,994	729,940	917	-	2,027,692
Amortisation	-	-	36,374	-	-	36,374
Non-cash items	(255,956)	(321,487)	283,784	609	-	(293,050)

Notes to the Financial Statements

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36 SEGMENTAL REPORTING (Cont'd)

Primary Reporting Format - Business Segments (Cont'd)

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 financial 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)

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).

37 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 15 October 2009.

Shareholdings

STATISTICS

As at 30 October 2009

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Authorised share capital	:	RM500,000,000
Issued and paid-up capital	:	RM206,250,000 (inclusive of 4,391,600 as Treasury Shares)
Types of shares	:	Ordinary shares of RM1.00 each
No. of shareholders	:	4,358
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	454,500	0.23	496	11.38
1,001 to 10,000 shares	12,031,081	5.96	3,203	73.50
10,001 to 100,000 shares	15,347,400	7.60	567	13.01
100,001 to less than 5% of issued shares	108,260,700	53.63	83	1.90
5% and above of issued shares	65,764,500	32.58	4	0.09
Company Total	201,858,400	100.00	4,358	100.00

LIST OF THIRTY LARGEST SHAREHOLDERS AS AT 30 OCTOBER 2009 (AS PER RECORD OF DEPOSITORS)

No.	Name	Shares Held	%
1.	Effective Strategy Sdn Bhd	19,304,500	9.56
2.	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for 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	5,770,300	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.	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Tan Chin Ee	3,814,500	1.89
10.	Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Seng Leong	3,750,000	1.86
11.	Tan Chin Ee	3,607,000	1.79

Shareholdings Statistics

As at 30 June 2009

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No.	Name	Shares Held	%
12.	Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lai Chee Hoong	3,330,500	1.65
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 Tan Seng Leong	3,078,000	1.52
15.	Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Haven Venture Sdn Bhd	2,906,800	1.44
16.	EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Tan Vin Sern	2,534,500	1.26
17.	Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Dato' Tan Seng Leong	2,410,500	1.19
18.	Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lasercoin (M) Sdn Bhd	2,306,700	1.14
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.	Puncak Angkasa Sdn Bhd	2,000,000	0.99
22.	Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hon Lai Yin	1,971,000	0.98
23.	Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Abd Manap Bin Hussain	1,925,000	0.95
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 Tan Seng Leong	1,884,000	0.93
26.	RHB Nominees (Tempatan) Sdn Bhd Amara Investment Management Sdn Bhd for Tan Seng Leong	1,839,200	0.91
27.	RHB Nominees (Tempatan) Sdn Bhd RHB Investment Management Sdn Bhd for Tan Seng Leong	1,764,300	0.87
28.	Berjaya Assets 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

As at 30 June 2009

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SUBSTANTIAL SHAREHOLDERS AS AT 30 OCTOBER 2009 (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	31.50	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 (31.50%); 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 30 OCTOBER 2009 (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	31.50	* 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

Annual Report 2009

BCB BERHAD

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The details of the BCB Group's properties as at 30 June 2009 are as follows:

Location	Description	Tenure	Age of building	Size (acre)	Net book value/Cost as at 30 June 2009 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	30,700	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	23/3/2004 *
PTD 49840 No. 1, Jalan 6, Taman Sri Kluang, 86000 Kluang, Johor.	Single storey hypermarket	Freehold	9 years	1.44	4,747	24/6/1998
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	2,549	27/6/1998
PTD 50047 - 50049 No. 29-33, Jalan 20, Taman Sri Kluang, 86000 Kluang, Johor.	3 units industry factory	Freehold	7.5 years	3.29	4,206	12/1/2000
GRN 183520, 183519,183834,183832,183814 242950,242949,243046,243049,183 521 & PTD 102771,10772,141018- 141024 Mukim Pulai, Johor Bahru, Johor.	19 units of Shop Offices	Freehold	1 year	0.7	7,345	2/1/2009 & 16/3/2009
Lot 6806 & 6808 Mukim of Kluang District of Kluang, Johor	Being developed as Taman Sri Kluang	Freehold	N/A	67.05	41,301	12/1/1996
Lot 1574 Mukim of Kluang District of Kluang, Johor	Proposed residential & commercial development	Freehold	N/A	17.97	564	25/1/1991

List of Landed Properties

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BCB BERHAD

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Location	Description	Tenure	Age of building	Size (acre)	Net book value/Cost as at 30 June 2009 RM'000	Date of acquisition/ * revaluation
KLUANG, JOHOR (Cont'd)						
Lot 4562 Mukim of Kluang District of Kluang, Johor	Proposed residential development	Freehold	N/A	2.99	823	25/5/1996
Lot 321 & Lot 440 Mukim of Kluang District of Kluang, Johor	Being developed as Taman Kluang Baru 2	Freehold	N/A	10.83	3,010	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	15/4/1993
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	17,291	7/12/1994
Lot 559, 2954-2959, 2656 & 2660	Being developed as Taman Bukit Perdana III	Freehold	N/A	18.54	12,920	7/12/1994
Lot 2664-2666 Mukim of Simpang Kanan, District of Batu Pahat, Johor	Being developed as Taman Bukit Perdana II	Freehold	N/A	21.04	6,862	27/6/1994
Lot 3131 Mukim of Simpang Kanan, District of Batu Pahat, Johor	Proposed residential development	Freehold	N/A	4.05	259	6/9/1994
Lot 8096 Mukim of Sri Gading District of Batu Pahat, Johor	Proposed residential development	Freehold	N/A	2	454	13/12/2006
Lot 8097 Mukim of Sri Gading District of Batu Pahat, Johor	Proposed residential development	Freehold	N/A	2	456	13/12/2006
Lot 708 Mukim of Sri Gading District of Batu Pahat, Johor	Proposed residential development	Freehold	N/A	3	863	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	29/3/2000

List of Landed Properties

Annual Report 2009

BCB BERHAD

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Location	Description	Tenure	Age of building	Size (acre)	Net book value/Cost as at 30 June 2009 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	2,129	20/3/2001
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	89,557	6/2/2002
Lot 4207 Mukim of Simpang Kanan, District of Batu Pahat, Johor	Proposed residential & commercial development	Freehold	N/A	35	5,915	23/9/2003
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	4,660	19/11/2007
H.S.(D) 43069-43075 P.T.D. No.18607-18613 Mukim of Linau, District of Batu Pahat, Johor	Being developed as Bandar Putera Indah	Freehold	N/A	370	43	13/11/2007
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	6/7/1999
PONTIAN, JOHOR						
Lot 4681, Mukim of Pontian District of Pontian, Johor	Being developed as Taman Megah	Freehold	N/A	26.83	23,025	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	6,318	15/7/1994
					<u>230,516</u>	

Notice of ANNUAL GENERAL MEETING

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BCB BERHAD

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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, 17 December 2009 at 10.30 a.m., for the following purposes:

AGENDA

1. To receive the Statutory Financial Statements for the financial year ended 30 June 2009 together with the Reports of the Directors and Auditors thereon.
2. To approve the payment of the Directors' fees amounting to RM204,000 for the financial year ended 30 June 2009.
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) Dato' Tan Seng Leong
 - (b) Dato' Ismail Bin Yusof
 - (c) Ms. Tan Lay Kim
4. To re-appoint Messrs. PricewaterhouseCoopers as Auditors and to authorise the Directors to fix their remuneration.
 5. To transact any other ordinary business of which due notice shall be given.

Resolution 1

Resolution 2

Resolution 3

Resolution 4

Resolution 5

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**

Resolution 6

"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."

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

Resolution 7

"THAT subject to the Main Market 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 25 November 2009 ("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;
- (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."

Notice of Annual General Meeting

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BCB BERHAD

Annual Report 2009

Resolution 8

8. Proposed Renewal of Share Buy-Back Authority

“THAT subject always to compliance with the Companies Act, 1965 (“the Act”), the Articles of Association of the Company, the Main Market 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 for the time being;
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing its shares shall not exceed the total retained earnings and share premium if any 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;

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 Main Market 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.”

BY ORDER OF THE BOARD

YEAP KOK LEONG (MAICSA No. 0862549)
TAN BEE HWEE (MAICSA No. 7021024)
Company Secretaries

25 November 2009

Notice of Annual General Meeting

Annual Report 2009

BCB BERHAD

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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 Ordinary Business/ Special Business

- 1. Explanatory Note for Item 1 of the Agenda*

To receive the Statutory Financial Statements for the Financial Year Ended 30 June 2009

This Agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Statutory Financial Statements. Hence, this Agenda item is not put forward for voting.

- 2. Explanatory note for Ordinary Resolution No. 6*

Section 132D of the Companies Act, 1965

Resolution pursuant to Section 132D of the Companies Act 1965. The Ordinary Resolution proposed under agenda 6 is proposed to seek for a renewal of general authority pursuant to Section 132D of the Companies Act, 1965. If passed, it 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 purpose as the Directors consider would be in the best interest of the Company. This authority will, unless revoked or varied by the shareholders of the Company in General Meeting, expire at the next Annual General Meeting.

The general mandate for issue of shares is a renewal. As at the date of notice of meeting, no shares have been issued pursuant to the general mandate granted at the last Annual General Meeting of the Company.

The general mandate sought will enable the Directors of the Company to issue and allot shares, including but not limited for further placing of shares for purpose of funding investment(s), working capital and/or acquisitions, at any time to such persons in their absolute discretion without convening a general meeting as it would be both costs and time-consuming to organize a general meeting.

Notice of Annual General Meeting

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BCB BERHAD

Annual Report 2009

3. *Explanatory note for Ordinary Resolution No. 7*

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.

4. *Explanatory note for Ordinary Resolution No. 8*

Proposed Renewal of Share Buy-Back Authority

Resolution pursuant to the proposed renewal of Share Buy-Back Authority. 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.

The details relating to Ordinary Resolution No. 7 and Ordinary Resolution No. 8 are set out in the Circular to Shareholders and Share Buy Back Statement dated 25 November 2009.

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, 17 December 2009 at 10.30 a.m. and at any adjournment thereof.

My/our proxy is to vote as indicated below:

ITEM	AGENDA	RESOLUTION	FOR	AGAINST
1.	To receive the Statutory Financial Statements for the financial year ended 30 June 2009.			
2.	To approve the payment of Directors' fees for the financial year ended 30 June 2009.	1		
3.	To re-elect the following Directors who retire in accordance with the Company's Articles of Association: Dato' Tan Seng Leong (Article 105)	2		
	Dato' Ismail Bin Yusof (Article 105)	3		
	Ms. Tan Lay Kim (Article 105)	4		
4.	To re-appoint Messrs. PricewaterhouseCoopers as Auditors.	5		
5.	Authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965.	6		
6.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions.	7		
7.	Proposed Renewal of Share Buy-Back.	8		

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.

Signature/Common Seal
Number of shares held :
Date :

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

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AFFIX
STAMP
HERE

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.

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