



BCB
BERHAD





Annual Report 2012

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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* ***2012.

OVERVIEW

The Malaysian economy is expected to grow between 4.5% and 5.0% in 2012, slightly lower than in 2011 (5.1%). 2011 was a year of steady growth despite the deteriorating global economic scenario, namely the Euro zone crises and the US Federal Government Budget crises. Despite a general expectation of a slowdown in 2011, the property market defied such pessimism and went on to register much improved performance compared to 2010.

The 2012 growth is expected to be fuelled mainly by domestic demand, with private and government consumption continuing to be key drivers. The Economic Transformation Programme (ETP) as well as major infrastructure development in the Klang Valley such as the Mass Rapid Transit (MRT) and Greater KL will spur more demand for properties covering these vicinities. The prevailing low interest rate and attractive financing packages will continue to sustain and drive the growth of the sector.

Moving forward, with the unveiling of Budget 2013, key worries that the government might increase the real properties gains tax (RPGT) from 10% back to 30% for properties held and sold within the first two years did not materialise as the increase was only a minimal 5% from 10% to 15%. Thus, the property market in Malaysia is spared a dampening effect and is expected to continue registering decent growth in 2013.

FINANCIAL REVIEW

The Group posted a turnover of RM123.89 million compared with RM118.56 million achieved in the previous year. Group profit before tax increased to RM12.30 million compared with RM9.91 million achieved in the previous year while Group profit after tax increased to RM7.73 million compared with RM5.98 million achieved in the previous year.

REVIEW OF OPERATIONS

Property Development

The Group experienced better sales for its products in a generally more competitive market environment.

New development phases in the Group's flagship development projects in Batu Pahat, Johor - Taman Bukit Perdana, Evergreen Heights and Bandar Putera Indah continue to generate interest from home buyers. These three townships are strategically sited close to public amenities and they continue to provide value to home buyers in terms of better/attractive designs, quality finishes, superb landscaping, excellent infrastructures, and competitive pricing.

On July 7, 2012, the Group officially launched its maiden project, Concerto Kiara – a 440 units of high-end condominium project sited on 5 acres of land at North Kiara, in the vicinity of Mont' Kiara in the Klang Valley. This project will have a gross development value (GDV) of about RM525 million.

In the next few months, the Group will launch its other prestigious project in the Klang Valley, in the vicinity of Kota Kemuning, Selangor. This project will have 521 units of high-end bungalows and 49 units of shop houses sited on 151 acres of land. This project will have a GDV of about RM1.8 billion.

The Group expects these two Klang Valley projects to contribute generously to the Group's earnings in the near term.

Batu Pahat

a) Taman Bukit Perdana

This 400 acres mixed development township is located 1.5km from Batu Pahat town centre and continue to record strong sales during the year.

To date, over 4,000 units have been sold for a total sales value of about RM600 million. As at to-date, this township is almost fully developed.

b) Evergreen Heights

This 400 acres 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 and is distinct as it emphasises quality living set amidst natural surroundings.

Its development is architecturally attractive with beautifully landscaped terrain. There is also a 12 acres park and lake for family recreational purposes.

To date, over 3,000 units have been sold for a total sales value of about RM1.0 billion. This township is currently 70% developed with another 120 acres of undeveloped land. 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.

c) Bandar Putera Indah

This 390 acres mixed development township is located in the vicinity of Tongkang Pecah, about 11km north-east of Batu Pahat town centre. This entire project will have a GDV of about RM1.1 billion.

The concept here emphasises quality living set amidst natural surroundings with architecturally attractive designs and beautifully landscaped terrain.

Since its maiden launching in 2011, the take-up rate has been very encouraging with phase 1 encompassing 20 acres of land almost fully sold. These 20 acres of land is currently in various stages of development.

In July 2012, Phase 2 was launched and again the take-up rate was encouraging.

We are confident of its future contribution to the Group's earnings.

Klang Valley

a) Taman Yarl, Kuala Lumpur

The Group has obtained the development order from the authorities to construct 3 units of high-end 3 and 4 storey bungalows. Construction works has commenced recently.

b) Concerto Kiara, Kuala Lumpur

On July 7, 2012, the Group officially launched this 440 units of high-end condominium project with 3 tower blocks. The project is sited on 5 acres of land and named Concerto Kiara at North Kiara, in the vicinity of Mont' Kiara in the Klang Valley.

Phase 1, with 162 units located in a 27 storey tower block is about 80% sold with total sales of more than RM120 million done as at the time of this report. The Group intends to launch Phase 2, also with 162 units and located in a similar 27 storey tower block in October 2012.

This project will have a total GDV of about RM525.0 million and is targeted for completion in about 3 years time.

c) Vicinity of Kota Kemuning, Shah Alam, Selangor

A new layout comprising 521 units of high-end bungalows, 49 units of shop houses and 520 units of mixed low and medium-cost apartments was approved by the council (MBSA) in July 2012. As at

the date of this report, the Group is in the process of submitting the building plans to the relevant authorities for approval.

The Group expects to launch this project in the coming months.

This development will be jointly developed by the Group and Land Shine Limited, an affiliate of a reputable property developer in Xiamen, China. It will focus strongly on security and be gated and guarded. As it is fronting 3.5km of the Klang River, it will be designed to harmonise with nature and have club houses, jogging tracks, an esplanade and observation decks along the water front.

The whole development project will have a GDV of about RM1.8 billion and is targeted for completion in about 4 years time.

Others

Existing developments which have not been fully launched are as follows:

- Taman Sri Kluang (Kluang, Johor)
- Taman Berlian Biru II (Kluang, Johor)
- Taman Megah (Pontian, Johor)

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 in the vicinity of Skudai town. Similarly in Kluang, the Group is managing Taman Saujana which is offering gated security features.

a) Taman Pulai Utama

This 500 acres township is located in the vicinity of Skudai town, about 2km 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.

b) Taman Saujana

This 250 acres 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. Consolidated revenue of this division was RM 8.89 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 product 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 RM 8.84 million during the financial year.

The average occupancy rate is 70% and the performance of this division is laudable in view of current declining occupancy rates experienced by the whole 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.

As at the date of this report, the Group is in the process of completing a new 89 rooms boutique hotel beside Prime City Hotel to capitalise on the growing budget travelling group.

CORPORATE DEVELOPMENTS

Share Buy Back

During the financial year, 2,000 ordinary shares were bought back from the open market for RM1,018.00 or an average price of RM0.51 per share. As at 30 June 2012, 6,011,600 ordinary shares have been bought back and retained as treasury shares in the company.

Appointment and Resignation of Directors

On September 30, 2012, Tan Lay Kim tendered her resignation as an Executive Director of the Company. The Management wishes to thank her for serving the Board well.

On March 1, 2012, Tan Vin Shyan was appointed as Executive Director of the Company.

PROSPECTS

Property developers will continue to face challenging times ahead in the face of growing pessimism that the global financial turmoil would hit Malaysia's economy. Notwithstanding, the property market is expected to remain buoyant for the next financial year.

On this optimism, the Group will endeavor to continue its efforts in enhancing operational efficiency and effectiveness by putting in place stronger cost control measures, product quality controls and more innovative building designs.

The Group is currently launching and developing its land banks in the Klang Valley. The Group is optimistic that these projects as well as existing ones in Johor 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 years and I look forward to their support in the future.

DATUK SERI ISMAIL BIN YUSOF
Chairman

CORPORATE SOCIAL RESPONSIBILITY

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 and observing 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.
- Its Hotel in Kluang, Johor, Prime City is also practicing recycling of daily waste materials.
- The Group also strives to promote more energy-efficient houses to its customers through innovative designs.
- The Group will emphasise more on landscapes to promote better ambience and connection with nature.
- For its new 151 acres development project in the vicinity of Kota Kemuning township in the Klang Valley which is fronting 3.5km of the Klang river, the Group intends to beautify and clean up its stretch of the river as well as perform dredging works on its own expense. The Group will build an esplanade with observation points as well as jogging tracks along its part of the river bank.

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 about RM100,000 to various schools and charitable causes in sports, cultural and social welfare activities.

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.

DELIVERING
Sustainable Value

Commitment

TOWARDS the development of a ***community***. We make the ***MOST*** of our **TIME**, to make yours ***better***.

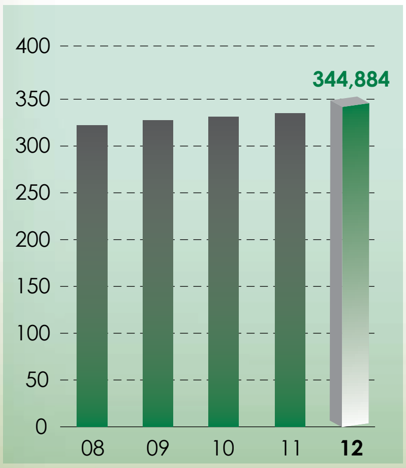
FIVE YEARS' FINANCIAL HIGHLIGHTS

Consolidated Balance Sheets as at 30 June of the financial year

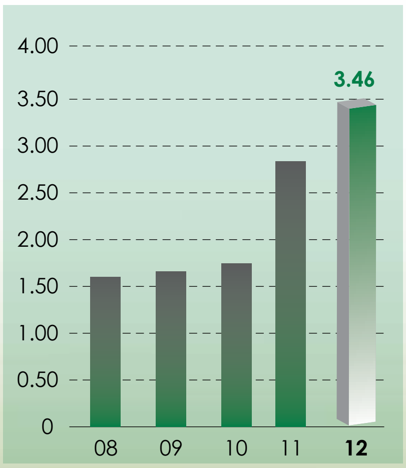
	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000	2012 RM'000
Share Capital	206,250	206,250	206,250	206,250	206,250
Treasury Shares	(2,251)	(2,252)	(2,299)	(3,113)	(3,114)
Non-Distributable Reserve	6,719	6,744	6,769	6,788	6,788
Retained Earnings	108,658	112,264	114,384	120,366	128,442
NCI					6,518
Shareholders' Equity	319,376	323,006	325,104	330,291	344,884
Represented by:					
Property, Plant and Equipment	49,132	48,680	48,640	51,621	50,021
Investment Properties	19,483	27,417	27,417	27,417	35,294
Land Held for Development	61,501	61,880	106,856	113,423	47,264
Other Non-Current Assets	3,092	3,056	3,019	118	195
Current Asset	339,878	313,157	301,497	371,870	581,683
Current Liabilities	(114,147)	(103,248)	(88,037)	(126,306)	(207,458)
	225,731	209,909	213,460	245,564	374,225
Non Current Liabilities	(39,563)	(27,936)	74,288	107,852	162,115
	319,376	323,006	325,104	330,291	344,884
Total Assets	473,086	454,190	487,429	564,449	714,457
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)	1.55	1.57	1.58	2.74	3.46

@ 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.

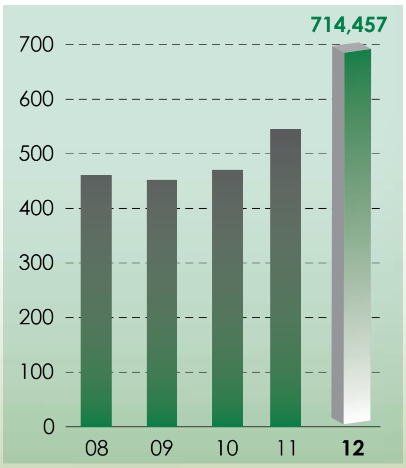
Shareholders' Equity
RM'000



Net Assets Per Share
RM'000



Total Assets
RM'000

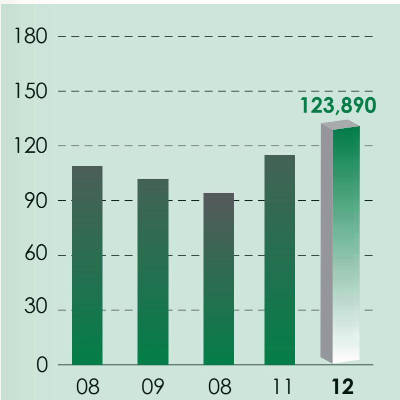


Consolidated Income Statements as at 30 June of the financial year

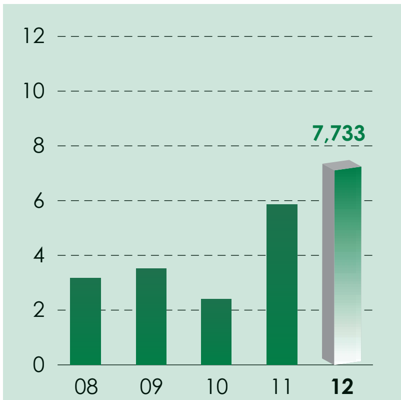
	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000	2012 RM'000
Revenue	108,211	93,079	91,074	118,560	123,890
Profit Before Charging Depreciation and Interest Expenses	16,143	14,834	11,278	19,532	23,326
Depreciation	(1,905)	(2,028)	(1,847)	(2,041)	(2,033)
Interest Expenses	(7,182)	(6,650)	(5,806)	(7,580)	(8,993)
Profit Before Taxation	7,056	6,156	3,625	9,911	12,300
Taxation	(3,779)	(2,551)	(1,504)	(3,929)	(4,567)
Profit After Taxation	3,277	3,605	2,121	5,982	7,733
Adjusted Weighted Average Number of Shares in Issue	201,878	201,860	201,847	201,058	201,058
Basic EPS (sen)	1.62	1.79	1.05	2.98	3.84
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.

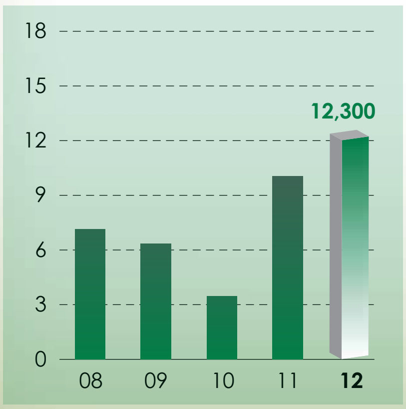
Revenue
RM'000



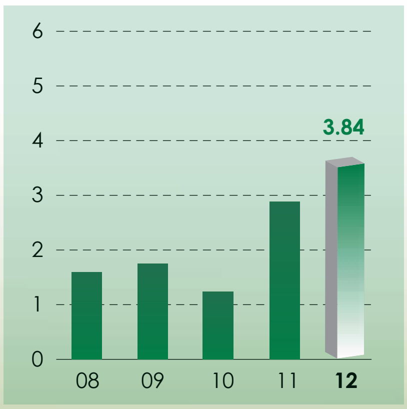
Profit After Taxation
RM'000



Profit Before Taxation
RM'000



Basic EPS
Sen



CORPORATE INFORMATION

Board of Directors

Datuk Seri Ismail Bin Yusof
Chairman
Independent Non-Executive Director

Dato' Tan Seng Leong
Group Managing Director

Tan Lay Hiang
Executive Director

Tan Lindy
Executive Director

Ash'ari Bin Ayub
Independent Non-Executive Director

Tan Vin Sern
Executive Director

M Arif Bin Kataman
Independent Non-Executive Director

Tan Vin Shyan
(Appointed on 01.03.2012)
Executive Director

Tan Lay Kim
(Resigned on 30.09.2012)
Executive Director

Audit Committee

Datuk Seri Ismail Bin Yusof
Chairman

Ash'ari Bin Ayub
Member

M Arif Bin Kataman
Member

Nomination & Remuneration Committee

Ash'ari Bin Ayub
Chairman

Datuk Seri Ismail Bin Yusof
Member

M Arif Bin Kataman
Member

Company Secretaries

Yeap Kok Leong, ACIS
(MAICSA No. 0862549)

Tan Bee Hwee, ACIS
(MAICSA No. 7021024)

Auditors

BDO (AF 0206)
Chartered Accountants
Suite 18-04 Level 18 Menara Zurich
15 Jalan Dato' Abdullah Tahir
80300 Johor Bahru
Johor Darul Takzim
Tel: 07-331 9815
Fax: 07-331 9817

Registered Office

No. 4B, 2nd & 3rd Floor,
Jalan Sentol South Wing
- Kluang Parade
86000 Kluang, Johor
Tel: 07-776 0089 (5 lines)
Fax: 07-772 0089

Share Registrar

Tricor Investor Services Sdn Bhd
Level 17,
The Gardens North Tower
Mid Valley City,
Lingkaran Syed Putra
59200 Kuala Lumpur,
Malaysia
Tel: 03-2264 3883
Fax: 03-2282 1886

Principal Bankers

Malayan Banking Berhad

United Overseas Bank
(Malaysia) Bhd

Public Bank Berhad

Stock Exchange Listing

Main Market of Bursa Malaysia
Securities Berhad

Stock Number: BCB 6602

BCB BERHAD
(172003-W)

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
- 70%
  BCB Development Sdn Bhd
  Property development
- 86.19%
  Global Earnest Sdn Bhd
  Property development and letting of properties

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%
  Golden Power Construction Sdn Bhd
  (Formerly Known As BCB Greens Sdn Bhd)
- 100%
  BCB Technologies Sdn Bhd
- 100%
  Luna Starcity Sdn Bhd
- 100%
  Laser Lagun Sdn Bhd

BOARD OF DIRECTORS' PROFILES

DATUK SERI ISMAIL BIN YUSOF
Chairman
Independent Non-Executive Director
Chairman of Audit Committee
Member of Nomination and Remuneration Committee

Datuk Seri Ismail Bin Yusof, aged 68, 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 six (6) of six (6) Board Meetings held in the financial year ended 30 June 2012.

DATO' TAN SENG LEONG
Group Managing Director

Dato' Tan Seng Leong, aged 56, 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.

He attended five (5) of six (6) Board Meetings held in the financial year ended 30 June 2012.

ASH'ARI BIN AYUB
Independent Non-Executive Director
Member of Audit Committee
Chairman of Nomination and Remuneration Committee

Encik Ash'ari Bin Ayub, aged 70, 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 Globaltec Formation Berhad and Metrod Holdings Berhad. He attended six (6) of six (6) Board Meetings held in the financial year ended 30 June 2012.

TAN LAY HIANG
Executive Director

Ms Tan Lay Hiang, aged 45, 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 three (3) of six (6) Board Meetings held in the financial year ended 30 June 2012.

TAN LINDY
Executive Director

Ms Tan Lindy, aged 28, 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 is deemed in conflict of interest with the Company by virtue of her 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.

She attended six (6) of six (6) Board Meetings held in the financial year ended 30 June 2012.

TAN VIN SERN
Executive Director

Mr Tan Vin Sern, aged 29, a Malaysian, was appointed to the Board on 25 May 2010 and is responsible for property development of the Group. He is the eldest son of Dato' Tan Seng Leong and holds a Bachelor of Commerce (Accounting & Finance) from University of Melbourne, Australia. He also holds directorships in BCB's subsidiaries.

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.

He attended six (6) of six (6) Board Meetings held in the financial year ended 30 June 2012.

M ARIF BIN KATAMAN
Independent Non-Executive Director
Member of Audit Committee
Member of Nomination and Remuneration Committee

Encik M Arif Bin Kataman, aged 59, a Malaysian, was appointed to the Board on 23 August 2010. He is currently the Ketua Whip, Ahli Mesyuarat, Majlis Perbandaran Kluang. He was previously with LLN/TNB as an Electrical Engineer for 32 years. During this period, he holds various positions such as Consumer Engineer, Distribution Engineer, Maintenance and Operation Engineer, Senior District Manager, State Project Engineer, Regional Safety and Quantity Engineer, Special Assistant to Chairman TNB and Senior Project Director. He has gathered vast experiences from various positions and departments in LLN/TNB. He attended five (5) of six (6) Board Meetings held in the financial year ended 30 June 2012.

TAN VIN SHYAN
Executive Director

Mr Tan Vin Shyan, aged 23, a Malaysian, was appointed to the Board on 1 March 2012 and is responsible for property development of the Group. He is the youngest son of Dato' Tan Seng Leong and holds a Bachelor of Applied Science (Majoring in Property Valuation) from University of RMIT, Australia. He also holds directorships in BCB's subsidiaries.

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.

He attended one (1) of two (2) Board Meetings held in the financial year ended 30 June 2012.

Other Information
- Dato' Tan Seng Leong and Ms Tan Lay Hiang are siblings.
- Ms Tan Lindy, Mr Tan Vin Sern and Mr Tan Vin Shyan are the children 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.

MEMBERS

The Audit Committee comprises the following members:

Chairman : Datuk Seri Ismail Bin Yusof (Chairman / Independent Non-Executive Director)

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

M Arif Bin Kataman (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 the Board and the external auditors.

iii) Enhance 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) Ensure integrity in management, adequacy of corporate disclosure and accountability to the Company's shareholders.

v) Undertake any duties as may be deemed appropriate and necessary to assist the Board in discharging its duties.

vi) Ensuring compliance with 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 the 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 authorized 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.

vi) Reporting Procedure

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

4) AUTHORITY OF THE AUDIT COMMITTEE

The Committee in performing its duties shall in accordance with procedures determined by the Board of Directors. It has:

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) authority to obtain independent professional or other advice; and

vi) authority 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.

(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 ; and

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 six (6) meetings during the financial year ended 30 June 2012. Details of the attendance of the meetings by the Committee Members are as follows:

Members	No. of Meetings attended	%
Y. Bhg. Datuk Seri Ismail Bin Yusof	6/6	100
Ash'ari Bin Ayub	6/6	100
M Arif Bin Kataman	5/6	83

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 2012;

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;

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. TT Governance Sdn Bhd ("TTG"). 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. TTG 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.

Two (2) internal audit assignments were completed during the financial year on two (2) areas of the Group; namely

- Hotel Division – Receivable, cash management and credit control monitoring

- Construction Division – Procurement and Progress Billings (Kluang)

In addition to that, the Internal Audit will also be reviewing procedures for the recurrent related party transactions in the month of October 2012.

Internal audit reports were issued to the Committee and the Board and tabled at the Committee's meetings. The Audit reports incorporated TTG's findings, recommendations for improvements and follow-up on the implementation of the recommendations and Management's improvement actions.

During the year, the costs incurred for the internal audit function was RM68,000.

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 stated 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 on the Audit Committee Report of this Annual Report 2012.

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 eight (8) members, of whom three (3) are Independent Non-Executive Directors. The Board has within its members drawn from varied backgrounds; bringing in-depth and diversity in experience and perspectives to the Group's business operations. The Directors' profiles are 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.

Y. Bhg. Datuk Seri Ismail Bin Yusof, the Independent Non-Executive Chairman as the Senior Independent Non-Executive Director of the Board to whom concerns on issues affecting the Group may be conveyed.

Supply of Information

The board has full and unrestricted access to timely and accurate information pertaining to the Group's business and affairs in furtherance of their duties. Prior to each Board Meeting, every director is given an 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 six times, where 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.

The proceedings of the meeting including all issues raised, discussions, deliberations, substance of enquiry and response, suggestions, decisions and conclusion 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 2012:

Name of Director	Designation	No. of Meetings attended	%
Y. Bhg. Datuk Seri Ismail Bin Yusof	Chairman, Independent Non-Executive Director	6/6	100
Dato' Tan Seng Leong	Group Managing Director	5/6	83
Tan Lay Kim (Resigned on 30.09.2012)	Executive Director	4/6	67
Tan Lay Hiang	Executive Director	3/6	50
Tan Vin Sern	Executive Director	6/6	100
Tan Lindy	Executive Director	6/6	100
Ash'ari Bin Ayub	Independent Non-Executive Director	6/6	100
M Arif bin Kataman	Independent Non-Executive Director	5/6	83
Tan Vin Shyan (Appointed on 01.03.2012)	Executive Director	1/2	50

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 15.08 of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad. The Board continues to monitor the needs of the Directors' training.

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

Directors	Seminars / Trainings
Datuk Seri Ismail Bin Yusof Dato' Tan Seng Leong	Investor Relations and Financial Communications FTSE Bursa Malaysia Index Series Liquidity Rule Enhancement Key Performance Indicators (KPIs) & Key Result Area (KRAs)
Ash'ari Bin Ayub	MIA-AFA Conference 2011
Tan Lay Kim (Resigned on 30.09.2012)	Business Sustainability- Making a Different in Performance
Tan Lay Hiang	Business Sustainability- Making a Different in Performance
Tan Lindy	Business Sustainability- Making a Different in Performance
Tan Vin Sern	Property Management Time Bomb Seminar 2011 "Excellent Property Management - The Way Forward"
M Arif Bin Kataman	Business Sustainability- Making a Different in Performance
Tan Vin Shyan	Mandatory Accreditation Programme (MAP) for Directors of Public Listed Companies* * He only attended the MAP scheduled on 29 August 2012 but did not complete the MAP due to his tight schedule on the Concerto Project. He will apply for extension of time to Bursa Malaysia Securities Berhad to re-attend the MAP.

Re-election

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

Nomination & Remuneration Committee

The Committee comprises the following Independent Non-Executive Directors:
En.Ash'ari Bin Ayub (Chairman)
Y. Bhg. Datuk Seri Ismail Bin Yusof
En.M Arif Bin Kataman

The Committee ordinarily meets once a year with additional meetings convened when necessary to make its recommendations on the candidates for any appointments to the Board. In addition, the Committee also 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 2012 are disclosed under Note 31(i) 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 2012, is disclosed as follows:

	Number of Director	
Range of Remuneration	**Executive**	**Non-Executive**
RM1 to RM50,000	-	2
RM50,001 to RM100,000	1	1
RM100,001 to RM200,000	3	-
RM200,001 to RM300,000	1	-
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 Securities Berhad from time to time.

The Annual General Meeting ("AGM") 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.

The Company also maintains a website www.bcbbhd.com.my for access by the public and shareholders.

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 meets with the external auditors at least once a year without the presence of the Group Managing Director, Executive Directors and the management.

COMPLIANCE TO THE CODE

The Group endeavors, 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 2011	1,000	0.525	0.525	0.566	566.16
February 2012	1,000	0.41	0.41	0.451	451.13
	2,000			0.509	1,017.29

* Note: Inclusive of brokerage and other charges.

During the financial year ended 30 June 2012, all the shares purchased by the Company were retained as Treasury Shares. As at 30 June 2012, the cumulative total number of shares held as Treasury Shares was 6,011,600 shares. None of the Treasury Shares were resold or cancelled during the financial year.

Non-audit fees

Other as disclosed, there were no non-audit fees paid to the external auditors, Messrs BDO for the financial year ended 30 June 2012:

Services :-	Amount Paid (RM)
Professional services in respect of tax compliance	25,000
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.

Utilisation of Proceeds

No proceeds were raised by the Company from any corporate proposal during the financial year.

DEVIATION IN FINANCIAL RESULTS

There was a variance of RM 1.791 million between the audited profit after tax of RM 7.733 million in the Audited Financial Statements for the year ended 30 June 2012 as compared with RM 5.942 million previously announced in the Unaudited 4th Quarterly Results.

The variation was due to reclassification of the fair value gain arising from the investment properties from the other comprehensive income to other income in the consolidated financial statements. However, the Company wishes to highlight that there is no deviation in the audited Total Comprehensive Income as compared to the unaudited Total Comprehensive Income.

The reconciliation is detailed as below:

BCB Group	Audited results RM'000	Announced Unaudited 4th Quarterly Results RM'000	Deviation RM'000	Deviation %
Profit before tax *(N1)*	12,300	10,509	1,791	17
Taxation	4,567	4,567	-	-
Profit after tax	7,733	5,942	1,791	30
Other comprehensive income	-	1,791	(1,791)	100
Total comprehensive income	7,733	7,733	-	-

N1 : Being reclassification of accounts of fair value gain on investment properties.

Profit Guarantee

There was no profit guarantee given by the Company during the financial year.

RECURRENT RELATED PARTY TRANSACTIONS ("RRPT")

Details of the transaction with related parties are disclosed in Note 31 to the audited financial statements in this Annual Report.

At the Annual General Meeting of the Company held on 15 December 2011, 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 23 November 2011, which are necessary for its day-to-day operations and in the ordinary course of its business.

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

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

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

BCB BHD/ Companies within the BCB BHD Group	**Related party**	**Interested parties and nature of relationship**	**Nature of transactions**	**Value of transactions RM' 000**
BCB Construction Sdn Bhd ("BCSB")	Marvel Plus Development Sdn Bhd ("MPD")	Dato' Tan Seng Leong [a] Tan Lindy [b] Tan Lay Hiang [c] Tan Lay Kim [d] Datin Lim Sui Yong [e] Tan Vin Sern [f] Chang Shao-Yu [g]	Building construction services. Hiring of machinery	4,181 71
BCB Road Builder Sdn Bhd ("BRBSB")	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]	Road and pavement construction services	25
BCB Construction Sdn Bhd ("BCSB")	Ju-Ichi Enterprise Sdn Bhd ("JIE")	Dato' Tan Seng Leong [a] Tan Lindy [b] Tan Vin Shyan [h]	Building construction services.	3815
BCB Berhad ("BCB")	Ju-Ichi Enterprise Sdn Bhd ("JIE")	Dato' Tan Seng Leong [a] Tan Lindy [b] Tan Vin Shyan [h]	Office rental Car park maintenance	300 28

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. 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, Tan Lindy and Tan Vin Shyan. Datin Lim Sui Yong and Tan Vin Sern are the directors and Major Shareholders of MPD; whilst Tan Lindy is the directors of MPD. Dato' Tan Seng Leong is also a director of JIE.

[b] Tan Lindy is a director of BCB,BCSB,BRBSB,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 and BRBSB. 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 director and major shareholder of MPD.

[f] Tan Vin Sern is the son of Dato' Tan Seng Leong and brother of Tan Lindy. He is a director of BCB, BCSB, BRBSB and also 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 and Datin Lim Sui Yong.

[h] Tan Vin Shyan is a director of Ju-ichi. He is the son of Dato' Tan Seng Leong and Datin Lim Sui Yong and brother of Tan Lindy and Tan Vin Sern.

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 internal control.

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 utilised 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 is outsourced to an independent Consultants, TT Governance 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 findings and recommendations for improvement on the state of internal control system.

During the financial year under review, the Internal Auditors carried out review on the Group's Construction and Hotel Divisions and certain observations on the enhancement of Internal Control had been recommended. The Management had addressed on the recommendations. 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 then recommends 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 recognise that the system shall 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

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2012.

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of investment holding, property development and hotel operations. The principal activities of the subsidiaries are set out in Note 10 to the financial statements.

There have been no significant changes in the nature of these activities for the Group and Company during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Profit/(Loss) for the financial year	7,732,976	(2,352,424)
Attributable to:		
Owners of the parent	7,992,058	(2,352,424)
Non-controlling interest	(259,082)	-
	7,732,976	(2,352,424)

DIVIDENDS

No dividends have been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend any dividend in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

There were no issues of any new shares or debentures during the financial year.

TREASURY SHARES

During the financial year, the Company repurchased 2,000 (2011: 1,487,000) of its issued share capital from the open market on Bursa Malaysia Securities Berhad for RM1,018 (2011: RM813,700). The average price paid for the shares repurchased was RM0.51 (2011: RM0.55) per share. Details of the treasury shares are set out in Note 16 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS

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

Dato' Tan Seng Leong
Tan Lay Hiang
Tan Lindy
Ash'ari Bin Ayub
Datuk Seri Ismail Bin Yusof
Tan Vin Sern
M Arif Bin Kataman
Tan Vin Shyan (Appointed on 1 March 2012)
Tan Lay Kim (Resigned 30 September 2012)

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 30 June 2012 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 in Malaysia were as follows:

	← Number of ordinary shares of RM1.00 each →			
Shares in the Company	**Balance as at 1.7.2011**	**Bought**	**Sold**	**Balance as at 30.6.2012**
Direct interests:				
Dato' Tan Seng Leong	63,035,500	-	-	63,035,500
Tan Lay Hiang	491,100	-	-	491,100
Tan Vin Sern	2,534,500	-	-	2,534,500
Tan Lay Kim	5,375,700	-	-	5,375,700
Indirect interests:				
Dato' Tan Seng Leong	2,665,500	-	-	2,665,500

By virtue of his interests in the ordinary shares in the Company, Dato' Tan Seng Leong is also deemed to be interested in the ordinary shares of all the subsidiaries to the extent that the Company has an interest.

None of the other Directors holding office at the end of the financial year held any interest in the ordinary shares in or debentures of the Company or of its related corporations.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which the Director has a substantial financial interest except for any benefits which may be deemed to have been derived by virtue of those transactions as disclosed in Note 31 to the financial statements.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts have been written off and that provision need not be made for doubtful debts; and

(ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

(b) In the opinion of the Directors, except for the fair value adjustment on investment properties as disclosed in Note 26 to the financial statements, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

(c) The Directors are not aware of any circumstances:

(i) which would render the amounts written off for bad debts or necessitate the making of provision for doubtful debts in the financial statements of the Group and of the Company; and

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (cont'd)

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT (cont'd)

(d) In the opinion of the Directors:

(i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and

(ii) 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 will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

(e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.

(f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.

(g) The Directors are not aware of any circumstances not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

AUDITORS

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

Signed on behalf of the Board in accordance with a resolution of the Directors.

Dato' Tan Seng Leong
Group Managing Director

Tan Lindy
Executive Director

Kluang
23 October 2012

STATEMENT BY DIRECTORS

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

In the opinion of the Directors, the financial statements set out on pages 34 to 104 have been drawn up in accordance with applicable approved Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2012 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Dato' Tan Seng Leong
Group Managing Director

Tan Lindy
Executive Director

Kluang
23 October 2012

STATUTORY DECLARATION

Pursuant to Section 169 (16) of the Companies Act, 1965

I, Dato' Tan Seng Leong, being the Director primarily responsible for the financial management of BCB Berhad, do solemnly and sincerely declare that the financial statements set out on pages 34 to 104 are, to the best of my knowledge and belief, 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 at)
Kluang, Johor this)
23 October 2012)

Before me:

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of BCB Berhad, which comprise the statements of financial position as at 30 June 2012 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 34 to 103.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with applicable approved Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia, and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 about 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 of the financial statements that give a true and fair view 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 applicable approved Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2012 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

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 proposes.

(c) The 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 REPORTING RESPONSIBILITIES

The information set out in Note 37 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ('MIA Guidance') and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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.

BDO
AF: 0206
Chartered Accountants

Se Kuo Shen
2949/05/14 (J)
Chartered Accountant

Johor Bahru
23 October 2012

STATEMENTS OF FINANCIAL POSITION
As at 30 June 2012

	Note	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
NON-CURRENT ASSETS					
Property, plant and equipment	7	50,021,037	51,621,174	44,567,533	45,805,903
Investment properties	8	35,294,061	27,417,436	20,553,436	18,762,436
Land held for property development	9	47,263,912	113,423,117	13,040,795	12,956,007
Investments in subsidiaries	10	-	-	50,200,010	11,200,010
Deferred tax assets	11	195,116	117,600	-	-
		132,774,126	192,579,327	128,361,774	88,724,356
CURRENT ASSETS					
Property development costs	12	436,256,155	207,246,420	154,306,363	145,607,039
Inventories	13	70,320,318	39,278,964	11,207,263	13,084,006
Current tax assets		1,216,649	867,775	306,326	-
Trade and other receivables	14	52,142,051	116,216,595	201,781,124	195,434,062
Cash and cash equivalents	15	21,747,529	8,260,604	5,917,568	3,897,501
		581,682,702	371,870,358	373,518,644	358,022,608
TOTAL ASSETS		714,456,828	564,449,685	501,880,418	446,746,964
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT					
Share capital	16	206,250,000	206,250,000	206,250,000	206,250,000
Treasury shares	16	(3,114,273)	(3,113,255)	(3,114,273)	(3,113,255)
Revaluation reserves	17	6,788,088	6,788,088	6,788,088	6,788,088
Retained earnings	18	128,441,638	120,366,489	80,759,407	83,111,831
		338,365,453	330,291,322	290,683,222	293,036,664
Non-controlling interest		6,518,522	-	-	-
TOTAL EQUITY		344,883,975	330,291,322	290,683,222	293,036,664

The accompanying notes form an integral part of the financial statements.

		Group		Company	
		2012	2011	2012	2011
	Note	RM	RM	RM	RM
NON-CURRENT LIABILITIES					
Borrowings	19	158,346,826	104,496,521	50,511,767	67,106,455
Deferred tax liabilities	11	3,768,096	3,355,260	4,122,026	3,641,849
		162,114,922	107,851,781	54,633,793	70,748,304
CURRENT LIABILITIES					
Trade and other payables	20	60,484,942	35,954,734	41,983,607	5,202,253
Borrowings	19	145,979,592	89,769,589	114,579,796	77,379,396
Current tax liabilities		993,397	582,259	-	380,347
		207,457,931	126,306,582	156,563,403	82,961,996
TOTAL LIABILITIES		369,572,853	234,158,363	211,197,196	153,710,300
TOTAL EQUITY AND LIABILITIES		714,456,828	564,449,685	501,880,418	446,746,964

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME
For the financial year ended 30 June 2012

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Revenue	23	123,890,327	118,560,386	41,589,647	49,218,438
Cost of sales	24	(81,932,122)	(77,834,182)	(23,427,355)	(27,961,521)
Gross profit		41,958,205	40,726,204	18,162,292	21,256,917
Other operating income		7,958,675	1,580,108	3,818,286	1,900,369
Administrative expenses		(23,251,640)	(11,153,095)	(15,083,276)	(5,193,936)
Marketing expenses		(2,084,559)	(1,753,878)	(1,182,968)	(841,054)
Other operating expenses		(3,348,313)	(11,976,580)	-	(11,602,159)
Finance income	25	60,434	68,210	4,891	159,510
Finance costs	25	(8,992,521)	(7,580,292)	(7,574,174)	(6,439,006)
Profit/(Loss) before tax	26	12,300,281	9,910,677	(1,854,949)	(759,359)
Tax expenses	27	(4,567,305)	(3,928,944)	(497,475)	(1,030,717)
Profit/(Loss) for the financial year		7,732,976	5,981,733	(2,352,424)	(1,790,076)
Other comprehensive income:					
Reversal of deferred tax liabilities in respect of revaluation surplus		-	18,881	-	18,881
Total comprehensive income/(loss)		7,732,976	6,000,614	(2,352,424)	(1,771,195)
Profit/(Loss) attributable to:					
Owners of the parent		7,992,058	6,000,614	(2,352,424)	(1,771,195)
Non-controlling interests		(259,082)	-	-	-
		7,732,976	6,000,614	(2,352,424)	(1,771,195)
Earnings per share attributable to owners of the parent		Sen	Sen		
- Basic	29	3.84	2.98		

The accompanying notes form an integral part of the financial statements.

Group	Note	Share capital RM	Non-distributable Treasury shares RM	Non-distributable Revaluation reserves RM	Distributable Retained earnings RM	Non-controlling interests RM	Total RM
At 1 July 2010		206,250,000	(2,299,555)	6,769,207	114,384,756	-	325,104,408
Profit for the financial year		-	-	-	5,981,733	-	5,981,733
Reversal of deferred tax liabilities in respect of revaluation surplus		-	-	18,881	-	-	18,881
Total comprehensive income for the financial year		-	-	18,881	5,981,733	-	6,000,614
Transaction with owners							
Purchase of treasury shares	16	-	(813,700)	-	-	-	(813,700)
At 30 June 2011		206,250,000	(3,113,255)	6,788,088	120,366,489	-	330,291,322
At 1 July 2011		206,250,000	(3,113,255)	6,788,088	120,366,489	-	330,291,322
Profit/(loss) for the financial year		-	-	-	7,992,058	(259,082)	7,732,976
Total comprehensive income/(loss) for the financial year		-	-	-	7,992,058	(259,082)	7,732,976
Transactions with owners							
Additional non-controlling interest arising on business combination	33	-	-	-	-	6,560,695	6,560,695
Dilution of equity interest in a subsidiary		-	-	-	83,091	216,909	300,000
Purchase of treasury shares	16	-	(1,018)	-	-	-	(1,018)
		-	(1,018)	-	83,091	6,777,604	6,859,677
At 30 June 2012		206,250,000	(3,114,273)	6,788,088	128,441,638	6,518,522	344,883,975

The accompanying notes form an integral part of the financial statements.

Company	Note	Share capital RM	Non-distributable Treasury shares RM	Non-distributable Revaluation reserves RM	Distributable Retained earnings RM	Total RM
At 1 July 2010		206,250,000	(2,299,555)	6,769,207	84,901,907	295,621,559
Loss for the financial year		-	-	-	(1,790,076)	(1,790,076)
Reversal of deferred tax liabilities in respect of revaluation surplus		-	-	18,881	-	18,881
Total comprehensive income/(loss) for the financial year		-	-	18,881	(1,790,076)	(1,771,195)
Transaction with owners						
Purchase of treasury shares	16	-	(813,700)	-	-	(813,700)
At 30 June 2011		206,250,000	(3,113,255)	6,788,088	83,111,831	293,036,664
At 1 July 2011		206,250,000	(3,113,255)	6,788,088	83,111,831	293,036,664
Loss for the financial year		-	-	-	(2,352,424)	(2,352,424)
Total comprehensive loss for the financial year		-	-	-	(2,352,424)	(2,352,424)
Transaction with owners						
Purchase of treasury shares	16	-	(1,018)	-	-	(1,018)
At 30 June 2012		206,250,000	(3,114,273)	6,788,088	80,759,407	290,683,222

The accompanying notes form an integral part of the financial statements.

	Note	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before tax		12,300,281	9,910,677	(1,854,949)	(759,359)
Adjustments :					
Bad debts written off		301,342	722,598	299,082	722,598
Bargain purchase arising from acquisition of a subsidiary		(1,946,151)	-	-	-
Depreciation of property, plant and equipment	7	2,033,282	2,040,572	1,753,443	1,752,516
Fair value adjustment on investment properties	8	(1,791,000)	-	(1,791,000)	-
Gain on disposal of property, plant and equipment		(390,647)	(194,083)	(49,384)	(63,792)
Interest income	25	(60,434)	(68,210)	(4,891)	(159,510)
Interest expenses	25	8,992,521	7,580,292	7,574,174	6,439,006
Property, plant and equipment written off	7	6,332	2,757	-	-
Operating profit before working capital changes		19,445,526	19,994,603	5,926,475	7,931,459
Changes in working capital:					
Property development costs		(157,625,079)	(52,389,402)	(6,795,666)	(57,032,241)
Inventories		(31,041,354)	6,897,329	1,876,743	7,656,975
Trade and other receivables		63,773,202	(26,032,559)	(45,646,144)	(8,584,750)
Trade and other payables		25,126,666	7,478,138	36,781,354	(36,451)
Cash used in operations		(80,321,039)	(44,051,891)	(7,857,238)	(50,065,008)
Interest received		60,434	68,210	4,891	159,510
Tax paid		(4,502,801)	(2,900,317)	(703,971)	(434,062)
Tax refunded		625,364	966,813	-	333,813
Net cash used in operating activities		(84,138,042)	(45,917,185)	(8,556,318)	(50,005,747)
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of additional interest in a subsidiary		-	-	-	(699,998)
Acquisition of a subsidiary, net of cash acquired	33 (c)	1,090,611	-	-	-
Proceeds from disposals of:					
- investment properties		4,485,500	-	-	-
- property, plant and equipment		1,068,619	221,792	146,500	91,500
Additions to land held for property development		(84,788)	(6,567,183)	(84,788)	(4,407,067)
Purchase of:					
- investment properties		(10,571,125)	-	-	-
- property, plant and equipment	7	(844,704)	(1,446,645)	(612,189)	(1,430,399)
Net cash used in investing activities		(4,855,887)	(7,792,036)	(550,477)	(6,445,964)

STATEMENTS OF CASH FLOWS (cont'd)
For the financial year ended 30 June 2012

	Note	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Net drawdown of bank borrowings		110,413,802	28,713,189	20,930,195	30,686,587
Purchase of treasury shares	16	(1,018)	(813,700)	(1,018)	(813,700)
Ordinary share capital contributed by non-controlling interests of a subsidiary		6,777,604	-	-	-
Interest paid	25	(14,133,184)	(9,378,513)	(9,477,832)	(7,661,572)
Fixed deposits pledged to a licensed bank		(629,905)	(1,500,000)	-	(1,500,000)
Repayments to hire purchase creditors		(409,704)	(422,882)	(308,697)	(396,863)
Net cash from financing activities		102,017,595	16,598,094	11,142,648	20,314,452
Net increase/(decrease) in cash and cash equivalents		13,023,666	(37,111,127)	2,035,853	(36,137,259)
Cash and cash equivalents at beginning of financial year		(47,239,501)	(10,128,374)	(49,702,259)	(13,565,000)
Cash and cash equivalents at end of financial year	15(c)	(34,215,835)	(47,239,501)	(47,666,406)	(49,702,259)

The accompanying notes form an integral part of the financial statements.

1. CORPORATE INFORMATION

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

The principal place of business and the registered office of the Company are located at No. 4B, 2nd & 3rd Floor, Jalan Sentol, South Wing - Kluang Parade, 86000, Kluang, Johor.

The financial statements are presented in Ringgit Malaysia ('RM'), which is also the Company's functional currency.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 23 October 2012.

2. PRINCIPAL ACTIVITIES

The principal activities of the Company consist of investment holding, property development and hotel operations. The principal activities of the subsidiaries are set out in Note 10 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with applicable approved Financial Reporting Standards ('FRSs') and the provisions of the Companies Act, 1965 in Malaysia. However, Note 37 has been prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ('MIA Guidance') and the directive of Bursa Malaysia Securities Berhad.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The preparation of financial statements requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgment in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 6 to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates

4.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries. Subsidiaries are entities (including special purposes entities) over which the Company has the power to govern the financial operating policies, generally accompanied by a shareholding giving rise to the majority of the voting rights, as to obtain benefits from their activities.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.2 Basis of consolidation (cont'd)

Intragroup balances, transactions, income and expenses are eliminated on consolidation. Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the other entities in the Group.

Non-controlling interests represents the equity in subsidiaries that are not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

The Group has applied the revised FRS 3 *Business Combinations* in accounting for business combinations from 1 July 2010 onwards. The change in accounting policy has been applied prospectively in accordance with the transitional provisions provided by the Standard.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to owners of the parent.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 139 *Financial Instruments: Recognition and Measurement* or, where applicable, the cost on initial recognition of an investment in associate or jointly controlled entity.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.3 Business combinations

Business combinations from 1 July 2010 onwards

Business combinations are accounted for by applying the acquisition method of accounting.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date, except that:

(a) deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 112 Income *Taxes* and FRS 119 *Employee Benefits* respectively;

(b) liabilities or equity instruments related to the replacements by the Group of an acquiree's share-based payment awards are measured in accordance with FRS 2 *Share-based Payment*; and

(c) assets (or disposal groups) that are classified as held for sale in accordance with FRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration payable is recognised at fair value at the acquisition date. Measurement period adjustments to contingent consideration are dealt with as follows:

(a) If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity.

(b) Subsequent changes to contingent consideration classified as an asset or liability that is a financial instrument within the scope of FRS 139 are recognised either in profit or loss or in other comprehensive income in accordance with FRS 139. All other subsequent changes are recognised in profit or loss.

In a business combination achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profits or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Business combinations before 1 July 2010

Under the purchase method of accounting, the cost of business combination is measured at the aggregate of fair values at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued plus any costs directly attributable to the business combination.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.3 Business combinations (cont'd)

Business combinations before 1 July 2010 (cont'd)

At the acquisition date, the cost of business combination is allocated to identifiable assets acquired, liabilities assumed and contingent liabilities in the business combination which are measured initially at their fair values at the acquisition date. The excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill. If the cost of business combination is less than the interest in the net fair value of the identifiable assets, liabilities and contingent liabilities, the Group will:

(a) reassess the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the business combination; and

(b) recognise immediately in profit or loss any excess remaining after that reassessment.

When a business combination includes more than one exchange transaction, any adjustment to the fair values of the subsidiary's identifiable assets, liabilities and contingent liabilities relating to previously held interests of the Group is accounted for as a revaluation.

4.4 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit and loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has different useful life, is depreciated separately.

After initial recognition, property, plant and equipment except for freehold land and buildings are stated at cost less any accumulated depreciation and any accumulated impairment losses. The freehold land and buildings are stated at valuation, which is the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The freehold land and buildings are revalued with sufficient regularity to ensure that carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting date. The surplus arising from such revaluations is credited to shareholders' equity as a revaluation reserve and any subsequent deficit is offset against such surplus to the extent of a previous increase for the same property. In all other cases, the deficit will be charged to profit or loss. For a revaluation increase subsequent to a revaluation deficit of the same asset, the surplus is recognised as income to the extent that it reverses the deficit previously recognised as an expense with the balance of increase credited to revaluation reserve.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

Depreciation is calculated to write off the cost or valuation of the assets to their estimated residual values on a straight line basis over their estimated useful lives. The principal annual depreciation periods and rates are as follows:

	Years
Leasehold land	86 - 99
Hotel properties	87 - 99
Buildings	50
Plant and machinery	5
Motor vehicles	5
Renovation	6.67 - 50
Furniture, fittings, office and site equipment	5 -10
Electrical and kitchen equipment	10

Freehold land has unlimited useful life and is not depreciated.

At the end of each reporting period, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 4.7 to the financial statements on impairment of non-financial assets).

The residual values, useful life and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amounts is included in profit or loss and the revaluation surplus related to those assets, if any, is transferred directly to retained earnings.

4.5 Leases and hire purchase

(a) Finance leases and hire purchase

Assets acquired under finance leases and hire purchase which transfer substantially all the risks and rewards of ownership to the Group are recognised initially at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the leases, if this is practicable to determine; if not, the Group's incremental borrowing rate is used. Any initial direct costs incurred by the Group are added to the amount recognised as an asset. The assets are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. The property, plant and equipment capitalised are depreciated on the same basis as owned assets.

The minimum lease payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charges are recognised in profit or loss over the period of the lease term so as to give a constant periodic rate of interest on the remaining lease and hire purchase liabilities.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.5 Leases and hire purchase (cont'd)

(b) Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term.

(c) Leases of land and buildings

For leases of land and buildings, the land and buildings elements are considered separately for the purpose of lease classification and these leases are classified as operating or finance leases in the same way as leases of other assets.

The minimum lease payments including any lump-sum upfront payments made to acquire the interest in the land and building are allocated between the land and the buildings elements in proportion to the relative fair values of the leasehold interests in the land element and the buildings element of the leave at the inception of the lease.

For a lease of land and buildings in which the amount that would initially be recognised for the land element is immaterial, the land and buildings are treated as a single unit for the purpose of lease classification and is accordingly classified as a finance or operating lease. In such a case, the economic life of the buildings is regarded as the economic life of the entire leased asset.

4.6 Investments in subsidiaries

A subsidiary is an entity in which the Group and the Company have power to control the financial and operating policies so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group and the Company have such power over another entity.

An investment in subsidiary, which is eliminated on consolidation, is stated in the Company's separate financial statements at cost less impairment losses, if any. Investments accounted for at cost shall be accounted for in accordance with FRS 5 Non-current Assets Held for Sale and Discontinued Operations when they are classified as held for sale in accordance with FRS 5.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the Group would derecognise all assets, liabilities and non-controlling interests at their carrying amount and to recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss in profit or loss.

4.7 Impairment of non-financial assets

The carrying amounts of assets, except for financial assets (excluding investments in subsidiaries), inventories, assets arising from construction contracts, property development costs, investment properties measured at fair value and deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.7 Impairment of non-financial assets (cont'd)

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ('CGU') to which the asset belongs. Goodwill acquired in a business combination is from the acquisition date, allocated to each of the Group's CGU or groups of CGU that are expected to benefit from the synergies of the combination giving rise to the goodwill irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating the value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in the statement of comprehensive income when the carrying amount of the asset or the CGU, including the goodwill, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated, first, to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU.

The impairment loss is recognised in profit or loss immediately except for the impairment on a revalued asset where the impairment loss is recognised directly against the revaluation reserve account to the extent of the surplus credited from the previous revaluation for the same asset with the excess of the impairment loss charged to profit or loss.

An impairment loss for other assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Such reversals are recognised as income immediately in profit or loss except for the reversal of an impairment loss on a revalued asset where the reversal of the impairment loss is treated as a revaluation increase and credited to the revaluation reserve accounts of the same asset. However, to the extent that an impairment loss on the same revalued asset was previously recognised in profit or loss, a reversal of that impairment loss is also recognised in profit or loss.

4.8 Investment properties

Investment properties are properties which are held to earn rental yields or for capital appreciation or for both and are not occupied by the Group. Investment properties also include properties that are being constructed or developed for future use as investment properties. Investment properties are initially measured at cost, which includes transaction costs. After initial recognition, investment properties are stated at fair value.

The fair value of investment properties are the prices at which the properties could be exchanged between knowledgeable, willing parties in an arm's length transaction. The fair value of investment properties reflect market conditions at the end of the reporting period, without any deduction for transaction costs that may be incurred on sale or other disposal.

Fair values of investment properties are arrived at by reference to market evidence of transaction prices for similar properties. It is performed by registered independent valuers with appropriate recognised professional qualification and has recent experience in the location and category of the investment properties being valued.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.8 Investment properties (cont'd)

A gain or loss arising from a change in the fair value of investment properties is recognised in profit or loss for the period in which it arises.

Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset is recognised in profit or loss in the period of the retirement or disposal.

4.9 Property development activities

(a) Land held for property development

Land held for property development is stated at cost less impairment losses, if any. Such land is classified as non-current asset when no significant development work has been carried out or where development activities are not expected to be completed within the normal operating cycle.

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.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(b) Property development costs

Property development costs comprise all cost that are directly attributable to the development activities or that can be allocated on a reasonable basis to such activities. They comprised the cost of land under development, construction costs and other related development costs common to the whole project including professional fees, stamp duties, commissions, conversion fees and other relevant levies as well as borrowing costs.

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

When revenue recognised in profit or loss exceeds progress billings to purchasers, the balance is classified as accrued billings under current assets. When progress billings exceed revenue recognised in profit or loss, the balance is classified as progress billings under current liabilities.

4.10 Construction contracts

Contract costs comprise costs related directly to the specific contract and those that are attributable to the contract activity in general and can be allocated to the contract and such other costs that are specifically chargeable to the customer under the terms of the contract.

When the total costs incurred on construction contracts plus recognised profits (less recognised losses), exceeds progress billings, the balance is classified as amount due from customers for contract work. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is classified as amount due to customers for contract work.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.11 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined using the first-in, first out formula. Cost of completed development properties comprises proportionate land and development expenditure determined on the specific identification basis. Cost of food and beverages and consumable stocks comprises the purchase price and other directly attributable cost determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

4.12 Financial instruments

A financial instrument is any contract that gives rise to 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, an equity instrument of another enterprise, a contractual right to receive cash on another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Group.

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

Financial instruments are recognised on the statement of financial position when the Group has become a party to the contractual provisions of the instrument. At initial recognition, a financial instrument is recognised at fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of the financial instrument.

An embedded derivative is separated from the host contract and accounted for as a derivative if, and only if the economic characteristics and risks of the embedded derivative is not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative meets the definition of a derivative, and the hybrid instrument is not measured at fair value through profit or loss.

(a) Financial assets

A financial asset is classified into the following four categories after initial recognition for the purpose of subsequent measurement:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise financial assets that are held for trading (i.e. financial assets acquired principally for the purpose of resale in the near term), derivatives (both, freestanding and embedded) and financial assets that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial assets classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as at fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial assets classified as at fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.12 Financial instruments (cont'd)

(a) Financial assets (cont'd)

(i) Financial assets at fair value through profit or loss (cont'd)

However, derivatives that is linked to and must be settled by delivery of unquoted equity instruments that do not have a quoted market price in an active market are recognised at cost.

(ii) Held-to-maturity investments

Financial assets classified as held-to-maturity comprise non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity.

Subsequent to initial recognition, financial assets classified as held-to-maturity are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as held-to-maturity are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

(iii) Loans and receivables

Financial assets classified as loans and receivables comprise non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Subsequent to initial recognition, financial assets classified as loans and receivables are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as loans and receivables are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

(iv) Available-for-sale financial assets

Financial assets classified as available-for-sale comprise non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Subsequent to initial recognition, financial assets classified as available-for-sale are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised directly in other comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised, at which time the cumulative gains or losses previously recognised in other comprehensive income are recognised in profit or loss. However, interest calculated using the effective interest method is recognised in profit or loss whilst dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payment is established.

Cash and cash equivalents include cash and bank balances, bank overdrafts, deposits and other short term, highly liquid investments with original maturities of three (3) months or less, which are readily convertible to cash and are subject to insignificant risk of changes in value.

A financial asset is derecognised when the contractual right to receive cash flows from the financial asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised directly in other comprehensive income shall be recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.12 Financial instruments (cont'd)

(a) Financial assets (cont'd)

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or marketplace convention.

(b) Financial liabilities

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. A financial liability is classified into the following two categories after initial recognition for the purpose of subsequent measurement:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprise financial liabilities that are held for trading, derivatives (both, freestanding and embedded) and financial liabilities that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial liabilities classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial liabilities classified as at fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial liabilities classified as at fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

(ii) Other financial liabilities

Financial liabilities classified as other financial liabilities comprise non-derivative financial liabilities that are neither held for trading nor initially designated as at fair value through profit or loss.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains or losses on other financial liabilities are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.12 Financial instruments (cont'd)

(b) Financial liabilities (cont'd)

The Group designates corporate guarantees given to banks for credit facilities granted to subsidiaries as insurance contracts as defined in FRS 4 Insurance Contracts. The Group recognises these insurance contracts as recognised insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

At the end of every reporting period, the Group shall assess whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If this assessment shows that the carrying amount of the insurance liabilities is inadequate, the entire deficiency shall be recognised in profit or loss.

Recognised insurance liabilities are only removed from the statement of financial position when, and only when, it is extinguished via a discharge, cancellation or expiration.

(c) Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Group and Company after deducting all of its liabilities. Ordinary shares are classified as equity instruments.

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

Interim dividends to shareholders are recognised in equity in the period in which they are declared. Final dividends are recognised upon the approval of shareholders in a general meeting.

The Group measures a liability to distribute non-cash assets as a dividend to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at each reporting date and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Group recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

If the Company reacquires its own equity instruments, the consideration paid, including any attributable transaction costs is deducted from equity as treasury shares until they are cancelled. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Where such shares are issued by resale, the difference between the sales consideration and the carrying amount is shown as a movement in equity.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.13 Impairment of financial assets

The Group assesses whether there is any objective evidence that a financial asset is impaired at the end of each reporting period.

(a) Loans and receivables

The Group collectively considers factors such as the probability of bankruptcy or significant financial difficulties of the receivable, and default or significant delay in payments to determine whether there is objective evidence that an impairment loss on loans and receivables has occurred. Other objective evidence of impairment include historical collection rates determined on an individual basis and observable changes in national or local economic conditions that are directly correlated with the historical default rates of receivables.

If any such objective evidence exists, the amount of impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of loans and receivables is reduced through the use of an allowance account.

If in a subsequent period, the amount of the impairment loss decreases and it objectively relates to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of impairment reversed is recognised in profit or loss.

4.14 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualified asset is capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are complete, after which such expense is charged to profit or loss. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on the borrowing during the period less any investment income on the temporary investment of the borrowing.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4.15 Income tax

Income taxes include all domestic taxes on taxable profit. Taxes in the statements of comprehensive income comprise current tax and deferred tax.

(a)Current tax

Current tax expenses are determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon the taxable profits and real property gains taxes payable on disposal of properties.

(b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statement of financial position and its tax base.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.15 Income tax (cont'd)

(b) Deferred tax (cont'd)

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable profits will be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset will be reduced accordingly. When it becomes probable that sufficient taxable profits will be available, such reductions will be reversed to the extent of the taxable profits.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to either:

(i) the same taxable entity; or

(ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax will be recognised as income or expense and included in profit or loss for the period unless the tax relates to items that are credited or charged, in the same or different period, directly to equity, in which case the deferred tax will be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and laws that have been enacted or substantively enacted by the end of reporting period.

4.16 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The Group designates corporate guarantees given to banks for credit facilities granted to subsidiaries as insurance contracts. The Group recognises these insurance contracts as recognised insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the effect of the time value of money is material, the amount of a provision will be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision will be reversed.

Provisions are not recognised for future operating losses. If the Group has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.17 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the 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 extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the 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.

In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any non-controlling interest.

4.18 Employee benefits

4.18.1 Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as expenses in the financial year when employees have rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

4.18.2 Defined contribution plans

The Company and its subsidiaries incorporated in Malaysia make contributions to a statutory provident fund. The contributions are recognised as a liability after deducting any contributions already paid and as an expense in the period in which the employees render their services.

4.19 Foreign currencies

4.19.1 Functional and presentation currency

Item included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entities operate ('the functional currency'). The consolidated financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.19 Foreign currencies (cont'd)

4.19.2 Foreign currency transactions and balances

Transactions in foreign currencies are converted into Ringgit Malaysia at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the reporting date are translated into Ringgit Malaysia at rates of exchange ruling at that date. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in profit or loss in the period in which they arise. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition, and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.

4.20 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable net of discounts and rebates.

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Group, and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be reliably measured and specific recognition criteria have been met for each of the Group's activities as follows:

(a) Property development

Property development revenue is recognised in respect of all development units that have been sold. Revenue recognition commences when the sale of the development unit is effected, upon the commencement of development and construction activities and when the financial outcome can be reliably estimated. The attributable portion of property development cost is recognised as an expense in the period in which the related revenue is recognised. The amount of such revenue and expenses recognised is determined by reference to the stage of completion of development activity at the end of the reporting period. 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 financial outcome of a development activity cannot be reliably estimated, the property development revenue is recognised only to the extent of property development costs incurred that is probable to be recoverable and the property development costs on the development units sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project is recognised as an expense immediately, including costs to be incurred over the defects liability period.

(b) Hotel operations income

Hotel operations income 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.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.20 Revenue recognition

(c) Construction contracts

Profit from contract works are recognised on a percentage of completion method. Percentage of completion is measured by reference to the survey of work performed.

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

When the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that is probable will be recoverable and contract cost are recognised as an expense in the period in which they are incurred.

(d) Rental income

Rental income is recognised on an accrual basis unless collectability is in doubt.

(e) Sale of goods

Revenue from sale of goods is recognised when significant risk and rewards of ownership of the goods has been transferred to the customer and where the Group retains neither continuing managerial involvement over the goods, which coincides with delivery of goods and acceptance by customers.

(f) Project management fees

Management fee in respect of rendering of management and consultation services is recognised in the statement of comprehensive income when services are rendered.

(g) Dividend income

Dividend income is recognised when the right to receive payment is established.

(h) Interest income

Interest income is recognised as it accrues, using the effective interest method.

4.21 Operating segments

Operating segments are defined as components of the Group that:

(a) engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);

(b) whose operating results are regularly reviewed by the Group's chief operating decision maker in making decisions about resources to be allocated to the segment and assessing its performance; and

(c) for which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenues.

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds:

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.21 Operating segments (cont'd)

(a) Its reported revenue, including both sales to external customers and intersegment sales or transfers, is ten (10) per cent or more of the combined revenue, internal and external, of all operating segments.

(b) The absolute amount of its reported profit or loss is ten (10) per cent or more of the greater, in absolute amount of:

(i) the combined reported profit of all operating segments that did not report a loss; and

(ii) the combined reported loss of all operating segments that reported a loss.

(c) Its assets are ten (10) per cent or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Total external revenue reported by operating segments shall constitute at least seventy five (75) percent of the Group's revenue. Operating segments identified as reportable segments in the current financial year in accordance with the quantitative thresholds would result in a restatement of prior period segment data for comparative purposes.

4.22 Earnings per share

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

(b) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

5. ADOPTION OF NEW FRS AND AMENDMENTS TO FRS

5.1 New FRSs adopted during the current financial year

Title	Effective Date
Amendments to FRS 1 *Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters*	1 January 2011
Amendments to FRS 1 *Additional Exemptions for First-time Adopters*	1 January 2011
Amendments to FRS 2 *Group Cash-settled Share-based Payment Transactions*	1 January 2011
Amendments to FRS 7 *Improving Disclosures about Financial Instruments*	1 January 2011
IC Interpretation 4 *Determining Whether an Arrangement Contains a Lease*	1 January 2011
IC Interpretation 18 *Transfers of Assets from Customers*	1 January 2011
Improvements to FRSs (2010)	1 January 2011
Amendments to IC Interpretation 14 FRS *119 – Prepayments of a Minimum Funding Requirement*	1 July 2011
IC Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments*	1 July 2011

There is no impact upon adoption of the above new FRSs, Amendments to FRSs and IC Interpretations during the current financial year other than the following:

(i) Amendments to FRS 7 *Improving Disclosures about Financial Instruments* are mandatory for annual periods beginning on or after 1 January 2011.

These amendments require enhanced disclosures of fair value of financial instruments based on the fair value hierarchy, including the disclosure of significant transfers between Level 1 and Level 2 of the fair value hierarchy as well as reconciliations for fair value measurements in Level 3 of the fair value hierarchy.

There is no financial impact upon adoption of these amendments during the financial year other than the additional disclosures in Note 36 to the financial statements.

(ii) Improvements to FRSs (2010) are mandatory for annual periods beginning on or after 1 January 2011.

Amendments to FRS 7 *Financial Instruments: Disclosures* clarify that quantitative disclosures of risk concentrations are required if the disclosures made in other parts of the financial statements are not readily apparent. The disclosure on maximum exposure to credit risk is not required for financial instruments whose carrying amount best represents the maximum exposure to credit risk. The Group has incorporated these disclosures on maximum exposure to credit risk in Note 36 to the financial statements.

5. ADOPTION OF NEW FRS AND AMENDMENTS TO FRS (cont'd)

5.2 New FRSs that have been issued, but not yet effective and not yet adopted

Title	Effective Date
FRS 124 *Related Party Disclosures*	1 January 2012
Amendments to FRS 1 *Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*	1 January 2012
Amendments to FRS 7 *Disclosures – Transfers of Financial Assets*	1 January 2012
Amendments to FRS 112 *Deferred tax: Recovery of Underlying Assets*	1 January 2012
Mandatory Effective Date of FRS 9 and Transition Disclosures	1 March 2012
Amendments to FRS 101 Presentation of Items of Other Comprehensive Income	1 July 2012
FRS 10 *Consolidated Financial Statements*	1 January 2013
FRS 11 *Joint Arrangements*	1 January 2013
FRS 12 *Disclosure of Interests in Other Entities*	1 January 2013
FRS 13 *Fair Value Measurement*	1 January 2013
FRS 119 *Employee Benefits*	1 January 2013
FRS 127 *Separate Financial Statements*	1 January 2013
FRS 128 *Investments in Associates and Joint Ventures*	1 January 2013
Amendments to FRS 1 *First-time Adoption of Financial Reporting Standards – Government Loans*	1 January 2013
Amendments to FRS 7 *Disclosures – Offsetting Financial Assets and Financial Liabilities*	*1 January 2013*
Improvements to FRSs (2012)	1 January 2013
Amendments to FRS 10, FRS 11 and FRS 12 *Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance*	1 January 2013
FRS 3 *Business Combinations* (IFRS 3 *Business Combinations* issued by the IASB in March 2004)	1 January 2013
FRS 127 *Consolidated and Separate Financial Statements* (IAS 27 *Consolidated and Separate Financial Statements revised by the* IASB in December 2003)	1 January 2013
IC Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine*	1 January 2013
Amendments to FRS 132 *Offsetting Financial Assets and Financial Liabilities*	1 January 2014
FRS 9 *Financial Instruments* (IFRS 9 *Financial Instruments* issued by the International Accounting Standards Board (' IASB') in November 2009)	1 January 2015
FRS 9 *Financial Instruments* (IFRS 9 *Financial Instruments issued* by the IASB in November 2010)	1 January 2015

The Group is in the process of assessing the impact of the adoption of these FRSs, Amendments to FRSs and IC Interpretations since the effects would only be observable in the future financial years.

5.3 New Malaysian Financial Reporting Standards ('MFRSs') that have been issued, but not yet effective and not yet adopted, for annual periods beginning on or after 1 January 2014

On 19 November 2011, the Malaysian Accounting Standards Board ('MASB') announced the issuance of the new MFRS framework that is applicable to entities other than private entities. However, based on the MASB announcement on 30 June 2012 that defer the effective date of MFRS framework for transitioning entities (i.e. entities affected by MFRS 141 *Agriculture* and/or IC Interpretation 15 *Agreements for Construction of Real Estate*) from 1 January 2013 to 1 January 2014, the Group has elected for the continued use of FRS for the financial years ending 30 June 2013 and 30 June 2014 as a transitioning entity. The Group would subsequently adopt the MFRS framework for the financial year ending 30 June 2015.

The subsequent adoption of the MFRS framework would result in the Group preparing an opening MFRS statement of financial position as at 1 July 2013, which adjusts for differences between the classification and measurement bases in the existing FRS framework versus that in the new MFRS framework. This would also result in a restatement of the annual and quarterly financial performance for the financial year ending 30 June 2015 in accordance with MFRS, which would form the MFRS comparatives for the annual and quarterly financial performance for the financial year ending 30 June 2015 respectively.

5. ADOPTION OF NEW FRS AND AMENDMENTS TO FRS (cont'd)

5.3 New Malaysian Financial Reporting Standards ('MFRSs') that have been issued, but not yet effective and not yet adopted, for annual periods beginning on or after 1 January 2014 (cont'd)

The MFRSs and IC Interpretations expected to be adopted are as follows:

MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*
MFRS 2 *Share-based Payment*
MFRS 3 *Business Combinations*
MFRS 4 *Insurance Contracts*
MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*
MFRS 6 *Exploration for and Evaluation of Mineral Resources*
MFRS 7 *Financial Instruments: Disclosures*
MFRS 8 *Operating Segments*
MFRS 9 *Financial Instruments*
MFRS 10 *Consolidated Financial Statements*
MFRS 11 *Joint Arrangements*
MFRS 12 *Disclosure of Interests in Other Entities*
MFRS 13 *Fair Value Measurement*
MFRS 101 *Presentation of Financial Statements*
Amendments to MFRS 101 *Presentation of Items of Other Comprehensive Income*
MFRS 102 *Inventories*
MFRS 107 *Statement of Cash Flows*
MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*
MFRS 110 *Events After the Reporting Period*
MFRS 111 *Construction Contracts*
MFRS 112 *Income Taxes*
MFRS 116 *Property, Plant and Equipment*
MFRS 117 *Leases*
MFRS 118 *Revenue*
MFRS 119 *Employee Benefits*
MFRS 119 *Employee Benefits (revised)*
MFRS 120 *Accounting for Government Grants and Disclosure of Government Assistance*
MFRS 121 *The Effects of Changes in Foreign Exchange Rates*
MFRS 123 *Borrowing Costs*
MFRS 124 *Related Party Disclosures*
MFRS 126 *Accounting and Reporting by Retirement Benefit Plans*
MFRS 127 *Consolidated and Separate Financial Statements*
MFRS 127 *Separate Financial Statements (revised)*
MFRS 128 *Investments in Associates*
MFRS 128 *Investments in Associates and Joint Ventures (revised)*
MFRS 129 *Financial Reporting in Hyperinflationary Economies*
MFRS 131 *Interests in Joint Ventures*
MFRS 132 *Financial Instruments: Presentation*
MFRS 133 *Earnings Per Share*
MFRS 134 *Interim Financial Reporting*
MFRS 136 *Impairment of Assets*
MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*
MFRS 138 *Intangible Assets*
MFRS 139 *Financial Instruments: Recognition and Measurement*
MFRS 140 *Investment Property*
MFRS 141 *Agriculture*
Improvements to MFRSs (2008)
Improvements to MFRSs (2009)
Improvements to MFRSs (2010)

5. ADOPTION OF NEW FRS AND AMENDMENTS TO FRS (cont'd)

5.3 New Malaysian Financial Reporting Standards ('MFRSs') that have been issued, but not yet effective and not yet adopted, for annual periods beginning on or after 1 January 2014 (cont'd)

The MFRSs and IC Interpretations expected to be adopted are as follows: (cont'd)

Amendments to MFRS 1 *First-time Adoption of Financial Reporting Standards – Government Loans*
Amendments to MFRS 7 *Disclosures – Offsetting Financial Assets and Financial Liabilities*
Amendments to MFRS 132 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*
Mandatory Effective Date of MFRS 9 Financial Instruments and Transition Disclosures
Amendments to MFRSs *Annual Improvements 2009 - 2011 Cycle*
Amendments to MFRS 10, MFRS 11 and MFRS 12 *Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance*
MFRS 3 *Business Combinations* (as issued by the IASB in March 2004)
MFRS 127 *Consolidated and Separate Financial Statements* (as issued by the IASB in December 2003)
IC Interpretation 1 *Changes in Existing Decommissioning, Restoration and Similar Liabilities*
IC Interpretation 2 *Members' Shares in Co-operative Entities and Similar Instruments*
IC Interpretation 4 *Determining whether an Arrangement Contains a Lease*
IC Interpretation 5 *Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds*
IC Interpretation 6 Liabilities Arising from Participating in a Specific Market – Waste Electrical and Electronic *Equipment*
IC Interpretation 7 *Applying the Restatement Approach under MFRS 129 Financial Reporting in Hyperinflationary Economies*
IC Interpretation 9 *Reassessment of Embedded Derivatives*
IC Interpretation 10 *Interim Financial Reporting and Impairment*
IC Interpretation 12 *Service Concession Arrangements*
IC Interpretation 13 *Customer Loyalty Programmes*
IC Interpretation 14 MFRS 119 *Employee Benefits – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*
IC Interpretation 15 *Agreements for the Construction of Real Estate*
IC Interpretation 16 *Hedges of a Net Investment in a Foreign Operation*
IC Interpretation 17 *Distributions of Non-cash Assets to Owners*
IC Interpretation 18 *Transfers of Assets from Customers*
IC Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments*
IC Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine*
IC Interpretation 107 *Introduction of the Euro*
IC Interpretation 110 *Government Assistance – No Specific Relation to Operating Activities*
IC Interpretation 112 *Consolidation – Special Purpose Entities*
IC Interpretation 113 *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*
IC Interpretation 115 *Operating Leases – Incentives*
IC Interpretation 125 *Income Taxes – Changes in the Tax Status of an Entity or its Shareholders*
IC Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*
IC Interpretation 129 *Service Concession Arrangements: Disclosures*
IC Interpretation 131 *Revenue – Barter Transactions Involving Advertising Services*
IC Interpretation 132 *Intangible Assets – Web Site Costs*

The Group is in the process of assessing the impact on the financial statements arising from the transition from FRSs to MFRSs. However, some of the known effects are described as follows:

MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*

This Standard requires an opening MFRS statement of financial position at the date of transition to reflect the retrospective effects of implementing the MFRS framework for the first time. However, it also provides some exceptions and exemptions to an entity from full retrospective application of MFRSs.

5. ADOPTION OF NEW FRS AND AMENDMENTS TO FRS (cont'd)

5.3 New Malaysian Financial Reporting Standards ('MFRSs') that have been issued, but not yet effective and not yet adopted, for annual periods beginning on or after 1 January 2014 (cont'd)

MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards (cont'd)*

The Group is in the process of assessing the impact of implementing the MFRS framework since the effects would only be observable for the financial year ending 30 June 2015.

IC Interpretation 15 *Agreements for the Construction of Real Estate*

This Interpretation applies to the accounting for revenue and associated expenses by entities undertaking construction or real estate directly or via subcontractors. Within a single agreement, the entity may contract to deliver goods or services in addition to the construction of real estate. Such an agreement shall therefore, be split into separately identifiable components.

An agreement for the construction of real estate shall be accounted for in accordance with MFRS 111 Construction Contracts if the buyer is able to specify the major structural elements of the design of the real estate before construction begins and/or specify major structural changes once construction is in progress. Accordingly, revenue shall be recognised by reference to the stage of completion of the contract.

An agreement for the construction of real estate in which buyers only have limited ability to influence the design of the real estate or to specify only minor variations to the basic designs is an agreement for the sale of goods in accordance with MFRS 118 Revenue. Accordingly, revenue shall be recognised by reference to the criteria in paragraph 14 of MFRS 118 (e.g. transfer of significant risks and rewards, no continuing managerial involvement nor effective control, reliable measurement, etc.).

The Group is in the process of assessing the impact of implementing this Standard since the effects would only be observable for the financial year ending 30 June 2015.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

6.1 Critical judgements made in applying accounting policies

The following are the judgements made by Directors in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

(i) Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on FRS 140 Investment Property in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

6.1 Critical judgements made in applying accounting policies (cont'd)

(ii) Operating lease commitments – the Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out as operating leases.

(iii) Contingent liabilities and assets

The determination of treatment of contingent liabilities and assets is based on Director's view of the expected outcome of the contingencies for matters in the ordinary course of the business.

6.2 Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Income taxes

Judgement is required in determining the capital allowances and deductibility of certain expenses when estimating the provision for income taxes. There were transactions and calculations for which the ultimate tax determination of whether additional tax will be due is uncertain during the ordinary course of business. The Group and the Company recognise tax liabilities based on estimates of additional taxes that will be due. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax in the period in which the outcome is known.

(ii) Recognition of revenue from property development

The Group recognises property development revenue and expenses in profit or loss by using 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.

Significant judgements are required in determining the stage of completion, the extent of the property development costs incurred, 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 and by relying on the work of specialists.

(iii) Recognition of revenue from construction contract

The Group recognises construction contract revenue and expenses in the statements of comprehensive income 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.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

6.1 Critical judgements made in applying accounting policies (cont'd)

(iv) Investments in subsidiaries

The Directors review material investments in subsidiaries for impairment when there is an indication of impairment. The recoverable amounts of the investments in subsidiaries are estimated based on fair value less cost to sell or value-in-use, whichever is higher. Where expectation differ from the estimated recoverable amounts, the difference will impact the carrying amount of the investments in subsidiaries.

(v) Impairment of receivables

The Group makes impairment of receivables based on an assessment of the recoverability of receivables. Impairment is applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses historical bad debt, customer concentration, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of impairment of receivables. Where expectations differ from the original estimates, the differences will impact the carrying amount of receivables.

(vi) Write down for obsolete or slow moving inventories

The Group writes down its obsolete or slow moving inventories based on assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses sales trend and current economic trends when making a judgement to evaluate the adequacy of the write down for obsolete or slow moving inventories. Where expectations differ from the original estimates, the differences will impact the carrying amount of inventories.

(vii) Fair values of borrowings

The fair values of borrowings are estimated by discounting future contractual cash flows at the current market interest rates available to the Group for similar financial instruments. It is assumed that the effective interest rates approximate the current market interest rates available to the Group based on its size and its business risk.

(viii) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profits will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(ix) Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight line basis over the assets' useful lives. Management estimates the useful lives of these property, plant and equipment in accordance with accounting policy stated in Note 4.4 on property, plant and equipment and depreciation. These are common life expectancies applied in this industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised.

7. PROPERTY, PLANT AND EQUIPMENT

GROUP

2012	Freehold land RM	Leasehold land RM	Hotel properties 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/Valuation										
At 1 July 2011	5,350,357	3,128,132	28,632,058	14,117,548	1,500,962	5,382,929	5,698,803	8,481,236	4,846,551	77,138,576
Additions	-	-	-	-	2,480	426,776	183,302	274,195	180,537	1,067,290
Acquisition of a subsidiary (Note 33)	-	-	-	-	-	-	-	137,062	-	137,062
Disposals	(431,248)	-	-	(183,200)	(16,368)	(383,413)	-	(1,200)	-	(1,015,429)
Written off	-	-	-	-	-	-	(50,000)	(229,952)	(6,470)	(286,422)
At 30 June 2012	4,919,109	3,128,132	28,632,058	13,934,348	1,487,074	5,426,292	5,832,105	8,661,341	5,020,618	77,041,077
Accumulated depreciation										
At 1 July 2011	-	145,496	1,645,521	3,112,415	1,465,245	3,973,423	4,492,307	6,857,073	3,825,922	25,517,402
Charge for the financial year	-	-	365,478	281,500	20,455	546,101	245,583	430,644	143,521	2,033,282
Acquisition of a subsidiary (Note 33)	-	-	-	-	-	-	-	87,173	-	87,173
Disposals	-	-	-	(34,576)	(16,358)	(286,293)	-	(500)	-	(337,727)
Written off	-	-	-	-	-	-	(50,000)	(223,738)	(6,352)	(280,090)
At 30 June 2012	-	145,496	2,010,999	3,359,339	1,469,342	4,233,231	4,687,890	7,150,652	3,963,091	27,020,040
Carrying amount										
At 30 June 2012										
- at cost	4,919,109	2,982,636	-	10,575,009	17,732	1,193,061	1,144,215	1,510,689	1,057,527	23,399,978
- at valuation	-	-	26,621,059	-	-	-	-	-	-	26,621,059
	4,919,109	2,982,636	26,621,059	10,575,009	17,732	1,193,061	1,144,215	1,510,689	1,057,527	50,021,037

7. **PROPERTY, PLANT AND EQUIPMENT (cont'd)**

GROUP

2011	Freehold land RM	Leasehold land RM	Hotel properties 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/Valuation										
At 1 July 2010, as restated	5,350,357	3,128,132	28,632,058	14,117,548	1,497,923	5,400,617	5,250,428	8,040,678	4,406,678	75,824,419
Additions	-	-	-	-	3,039	646,341	448,375	495,357	439,873	2,032,985
Disposals	-	-	-	-	-	(664,029)	-	(35,000)	-	(699,029)
Written off	-	-	-	-	-	-	-	(19,799)	-	(19,799)
At 30 June 2011	5,350,357	3,128,132	28,632,058	14,117,548	1,500,962	5,382,929	5,698,803	8,481,236	4,846,551	77,138,576
Accumulated depreciation										
At 1 July 2010, as restated	-	109,122	1,316,417	2,827,950	1,442,256	4,153,098	4,175,815	6,493,011	3,647,523	24,165,192
Charge for the financial year	-	36,374	329,104	284,465	22,989	484,353	316,492	388,396	178,399	2,040,572
Disposals	-	-	-	-	-	(664,028)	-	(7,292)	-	(671,320)
Written off	-	-	-	-	-	-	-	(17,042)	-	(17,042)
At 30 June 2011	-	145,496	1,645,521	3,112,415	1,465,245	3,973,423	4,492,307	6,857,073	3,825,922	25,517,402
Carrying amount										
At 30 June 2011										
- at cost	5,350,357	2,982,636	-	11,005,133	35,717	1,409,506	1,206,496	1,624,163	1,020,629	24,634,637
- at valuation	-	-	26,986,537	-	-	-	-	-	-	26,986,537
	5,350,357	2,982,636	26,986,537	11,005,133	35,717	1,409,506	1,206,496	1,624,163	1,020,629	51,621,174

7. PROPERTY, PLANT AND EQUIPMENT (cont'd)

COMPANY

2012	Freehold land RM	Leasehold land RM	Hotel properties 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/Valuation										
At 1 July 2011	2,256,097	3,128,132	28,632,058	11,442,406	1,172,082	3,706,203	5,284,775	6,593,467	4,846,552	67,061,772
Additions	-	-	-	-	-	147,082	68,219	237,902	158,986	612,189
Disposals	-	-	-	-	-	(219,409)	-	-	-	(219,409)
At 30 June 2012	2,256,097	3,128,132	28,632,058	11,442,406	1,172,082	3,633,876	5,352,994	6,831,369	5,005,538	67,454,552
Accumulated depreciation										
At 1 July 2011	-	145,496	1,645,521	2,654,157	1,156,482	2,476,874	4,110,373	5,241,688	3,825,278	21,255,869
Charge for the financial year	-	-	365,478	228,848	15,600	438,334	235,571	326,739	142,873	1,753,443
Disposals	-	-	-	-	-	(122,293)	-	-	-	(122,293)
At 30 June 2012	-	145,496	2,010,999	2,883,005	1,172,082	2,792,915	4,345,944	5,568,427	3,968,151	22,887,019
Carrying amount										
At 30 June 2012										
- at cost	2,256,097	2,982,636	-	8,559,401	-	840,961	1,007,050	1,262,942	1,037,387	17,946,474
- at valuation	-	-	26,621,059	-	-	-	-	-	-	26,621,059
	2,256,097	2,982,636	26,621,059	8,559,401	-	840,961	1,007,050	1,262,942	1,037,387	44,567,533

7. PROPERTY, PLANT AND EQUIPMENT (cont'd)

COMPANY

2011	Freehold land RM	Leasehold land RM	Hotel properties 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/Valuation										
At 1 July 2010, as restated	2,256,097	3,128,132	28,632,058	11,442,406	1,172,082	3,493,891	4,836,400	6,146,317	4,406,679	65,514,062
Additions	-	-	-	-	-	646,341	448,375	482,150	439,873	2,016,739
Disposals	-	-	-	-	-	(434,029)	-	(35,000)	-	(469,029)
At 30 June 2011	2,256,097	3,128,132	28,632,058	11,442,406	1,172,082	3,706,203	5,284,775	6,593,467	4,846,552	67,061,772
Accumulated depreciation										
At 1 July 2010, as restated	-	109,122	1,316,417	2,425,309	1,140,882	2,528,232	3,811,142	4,966,044	3,647,526	19,944,674
Charge for the financial year	-	36,374	329,104	228,848	15,600	382,671	299,231	282,936	177,752	1,752,516
Disposals	-	-	-	-	-	(434,029)	-	(7,292)	-	(441,321)
At 30 June 2011	-	145,496	1,645,521	2,654,157	1,156,482	2,476,874	4,110,373	5,241,688	3,825,278	21,255,869
Carrying amount										
At 30 June 2011										
- at cost	2,256,097	2,982,636	-	8,788,249	15,600	1,229,329	1,174,402	1,351,779	1,021,274	18,819,366
- at valuation	-	-	26,986,537	-	-	-	-	-	-	26,986,537
	2,256,097	2,982,636	26,986,537	8,788,249	15,600	1,229,329	1,174,402	1,351,779	1,021,274	45,805,903

7. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Carrying amount of motor vehicles under finance lease	1,001,988	1,409,501	737,037	1,229,337
Carrying amount of property, plant and equipment pledged as security for bank borrowings (Note 19):				
- freehold land	4,919,109	5,350,357	2,256,097	2,256,097
- buildings	10,573,799	11,001,206	8,559,401	8,788,250
- hotel properties including leasehold land	29,603,695	29,969,175	29,603,695	29,969,175
	45,096,603	46,320,738	40,419,193	41,013,522

The Group and the Company made the following cash payments to purchase property, plant and equipment:

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Purchase of property, plant and equipment	1,067,290	2,032,985	612,189	2,016,739
Financed by hire purchase	(222,586)	(586,340)	-	(586,340)
Cash payments on purchase of property, plant and equipment	844,704	1,446,645	612,189	1,430,399

The hotel properties of the Group stated at valuation was last revalued in August 2012 by an independent qualified valuer, using a combination of the comparison and investment methods to reflect the fair value.

Carrying amount of revalued hotel properties, had these assets been carried at cost less accumulated depreciation is RM21,347,024 (2011: RM21,712,502).

In the previous financial year, the Company reassessed its leasehold land in accordance with the Amendment to FRS 117 to be finance lease. The classification of prepaid lease payments for land as property, plant and equipment has been accounted for retrospectively in the previous financial year.

8. INVESTMENT PROPERTIES

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
At beginning of the financial year	27,417,436	27,417,436	18,762,436	18,762,436
Additions	10,571,125	-	-	-
Fair value adjustment	1,791,000	-	1,791,000	-
Disposals	(4,485,500)	-	-	-
At end of the financial year	35,294,061	27,417,436	20,553,436	18,762,436
Investment properties pledged as security for borrowings (Note 19)	34,704,061	25,367,436	20,553,436	18,762,436

Investment properties comprise leasehold land, freehold land and buildings.

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

Direct operating expenses arising from investment properties generating rental income during the financial year are as follows:

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Repair and maintenance	29,361	138,241	4,039	138,241
Quit rent and assessment	60,201	55,304	35,096	38,446

Rental income of the Group and of the Company received from letting of investment properties amounted to RM181,152 (2011:RM1,607,144) and RM Nil (2011:RM1,332,718) respectively.

9. LAND HELD FOR PROPERTY DEVELOPMENT

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Freehold land including improvements, at cost:				
At beginning of the financial year	113,423,117	106,855,934	12,956,007	8,548,940
Additions	84,788	6,567,183	84,788	4,407,067
Transfer to property development costs (Note 12)	(66,243,993)	-	-	-
At end of the financial year	47,263,912	113,423,117	13,040,795	12,956,007
Carrying amount of land held for property development pledged as security for borrowings (Note 19)	34,787,437	101,031,420	564,320	564,320

In the previous financial year, borrowing costs of the Group amounted to RM124,948 arose on funds borrowed generally for property development activities, were capitalised during the previous financial year by applying a capitalisation rate of 7.5% per annum were included in additions of land held for property development during the previous financial year (Note 25).

10. INVESTMENTS IN SUBSIDIARIES

	Company	
	2012 RM	2011 RM
Unquoted shares, at cost	55,200,010	16,200,010
Less: Impairment losses	(5,000,000)	(5,000,000)
	50,200,010	11,200,010

10. INVESTMENTS IN SUBSIDIARIES (cont'd)

The details of subsidiaries are as follows:

Name of company	Interest in equity held by the Company 2012	2011	Principal activities
Johbase Development Sdn. Bhd.	100%	100%	Property development and letting of properties
BCB Management Sdn. Bhd.	100%	100%	Provision of project management services
BCB Construction Sdn. Bhd.	100%	100%	Provision of project construction services
BCB Concrete Sdn. Bhd.	100%	100%	Manufacturing of concrete products
BCB Road Builder Sdn. Bhd.	100%	100%	Provision of road construction services
BCB 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
Golden Power Construction Sdn. Bhd. (formerly BCB Greens Sdn. Bhd.)	100%	100%	
Provision of landscaping services			
BCB Development Sdn. Bhd.	70%	100%	Dormant
BCB Technologies Sdn. Bhd.	100%	100%	Dormant
Laser Lagun Sdn. Bhd.	100%	100%	Dormant
Luna Starcity Sdn. Bhd.	100%	100%	Dormant
Global Earnest Sdn. Bhd.	86.19%	-	Property development
BCB Furniture Sdn. Bhd. *	100%	100%	Manufacturing of furniture

All subsidiaries are incorporated in Malaysia and audited by BDO.

* This subsidiary had ceased operations

(a) During the financial year, the Group subscribed 78,000,000 ordinary shares of RM0.50 each representing 89.16% equity interest in Global Earnest Sdn. Bhd. ('GE') as consideration of RM39,000,000 arising from the conversion of debts due from GE as disclosed in Note 33 to the financial statements.

(b) During the financial year, the issued and paid up capital of BCB Development Sdn. Bhd. was increased to RM1,000,000 from RM700,000 and the effective interest in equity held by the Company had been diluted to 70% from 100%.

(c) In the previous financial year, the Group subscribed 699,998 ordinary shares of RM1.00 each at par in BCB Development Sdn. Bhd. for a cash consideration of RM699,998.

11. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
At beginning of the financial year	(3,237,660)	(2,883,509)	(3,641,849)	(3,386,433)
Credited/(Charged) to profit and loss (Note 27)				
- property, plant and equipment	(470,427)	(418,692)	(615,284)	(319,957)
- investment tax allowance	135,107	(2,799)	135,107	(2,799)
- others	-	48,459	-	48,459
	(335,320)	(373,032)	(480,177)	(274,297)
Credited to other comprehensive income	-	18,881	-	18,881
At end of the financial year	(3,572,980)	(3,237,660)	(4,122,026)	(3,641,849)
Deferred tax assets (prior to offsetting)				
- investment tax allowance	3,802,968	3,938,075	3,802,968	3,938,075
- others	195,116	378,680	-	261,080
	3,998,084	4,316,755	3,802,968	4,199,155
Offsetting	(3,802,968)	(4,199,155)	(3,802,968)	(4,199,155)
Deferred tax assets (after offsetting)	195,116	117,600	-	-
Deferred tax liabilities (prior to offsetting)				
- property, plant and equipment	(7,571,064)	(7,554,415)	(7,924,994)	(7,841,004)
Offsetting	3,802,968	4,199,155	3,802,968	4,199,155
Deferred tax liabilities (after offsetting)	(3,768,096)	(3,355,260)	(4,122,026)	(3,641,849)

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 statement of financial position are as follows:

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Deductible temporary differences	-	130,402	-	-
Unabsorbed tax losses	3,519,242	3,367,757	-	-
	3,519,242	3,498,159	-	-

Deferred tax assets have not been recognised in respect of these items as it is not probable that taxable profit of certain subsidiaries will be available against which the deductible temporary differences can be utilised.

12. PROPERTY DEVELOPMENT COSTS

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
At beginning of the financial year:				
- land, at cost	116,899,041	63,358,681	79,580,019	28,402,310
- cumulative development costs	331,477,410	264,207,698	136,662,857	107,416,685
	448,376,451	327,566,379	216,242,876	135,818,995
Movements:				
Costs incurred during the financial year	220,092,112	122,918,564	26,959,759	80,423,881
Transfer from land held for property development (Note 9)	66,243,993	-	-	-
Unsold units transferred to inventories	(31,101,338)	(2,108,492)	(6,858,485)	-
	703,611,218	448,376,451	236,344,150	216,242,876
Accumulated costs charged to statements of comprehensive income:				
At beginning of the financial year	(241,130,031)	(174,507,583)	(70,635,837)	(48,466,763)
- additions (Note 24)	(70,752,562)	(66,622,448)	(18,043,293)	(22,169,074)
- reversal of completed projects	44,527,530	-	6,641,343	-
At end of the financial year	(267,355,063)	(241,130,031)	(82,037,787)	(70,635,837)
Property development costs	436,256,155	207,246,420	154,306,363	145,607,039
At end of the financial year:				
- land, at cost	293,867,225	116,899,041	84,310,006	79,580,019
- development costs	409,743,993	331,477,410	152,034,144	136,662,857
- accumulated costs charged to statements of comprehensive income	(267,355,063)	(241,130,031)	(82,037,787)	(70,635,837)
	436,256,155	207,246,420	154,306,363	145,607,039
Property development costs pledged as securities for borrowings (Note 19)	309,228,940	150,242,843	154,306,363	145,607,039

Borrowing costs of the Group and of the Company amounting to RM5,140,663 and RM1,903,658 (2011: RM1,798,221 and RM1,222,566) respectively, arising on funds borrowed generally for property development activities, were capitalised during the financial year by applying a capitalisation rate of 6.9% (2011: 7.1%) and 7.1% (2011: 7.3%) per annum for the Group and for the Company respectively and are included in property development costs incurred during the financial year (Note 25).

13. INVENTORIES

	Group		Company	
	2012	2011	2012	2011
At cost	RM	RM	RM	RM
Completed development units	69,874,851	38,815,933	11,002,542	12,882,297
Food and beverages	204,721	201,709	204,721	201,709
Consumable stocks	240,746	261,322	-	-
	70,320,318	39,278,964	11,207,263	13,084,006
Inventories pledged as securities for borrowings (Note 19)	19,827,471	13,675,654	10,258,223	11,103,392

14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Trade receivables				
Third parties	25,872,388	63,518,566	6,055,110	12,623,834
Amounts due from customers for contract works (Note 22)	13,816,747	11,644,699	-	-
	39,689,135	75,163,265	6,055,110	12,623,834
Other receivables				
Other receivables	7,957,930	10,728,373	1,639,107	6,659,228
Amounts due from subsidiaries	-	-	192,474,500	163,936,533
Amounts due from related parties	172,791	12,822,904	-	-
	8,130,721	23,551,277	194,113,607	170,595,761
	47,819,856	98,714,542	200,168,717	183,219,595
Deposits and prepayments				
Deposits	3,597,216	12,383,186	1,454,182	11,942,075
Prepayments	724,979	5,118,867	158,225	272,392
	4,322,195	17,502,053	1,612,407	12,214,467
	52,142,051	116,216,595	201,781,124	195,434,062

(a) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group and the Company range from payment in advance to 90 days. They are recognised at their original invoiced amounts, which represent their fair value on initial recognition.

(b) All receivable balances are denominated in Ringgit Malaysia.

14. TRADE AND OTHER RECEIVABLES (cont'd)

(c) The amounts due from related parties and subsidiaries are interest-free, unsecured and payable on demand in cash and cash equivalents.

(d) The ageing analysis of trade receivables (third parties) of the Group and of the Company are as follows:

	Group		Company	
	2012	**2011**	**2012**	**2011**
	RM	**RM**	**RM**	**RM**
Neither past due nor impaired	16,059,568	21,202,659	3,530,664	9,953,447
Past due but not impaired				
under 30 days	2,548,611	3,108,934	423,583	720,587
31 to 60 days	193,305	1,881,917	69,063	916,476
61 days to 120 days	4,678,679	3,327,325	2,031,800	1,033,324
over 120 days	2,392,225	33,997,731	-	-
	9,812,820	42,315,907	2,524,446	2,670,387
Past due and impaired	-	-	-	-
	25,872,388	63,518,566	6,055,110	12,623,834

Trade receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company. Receivables of the Group that are overdue but not impaired are mainly related to the progress billings to be settled by end-buyers financiers.

None of the Group and of the Company's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Trade receivables that are past due but not impaired

Trade receivables of the Group and of the Company that are past due but not impaired are mainly related to the progress billings to be settled by end-buyers financiers.

Trade receivables that are past due but not impaired are unsecured in nature.

Trade receivables that are past due but impaired

Trade receivables of the Group that are individually determined to be impaired at the end of the reporting period relate to those debtors that exhibit significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(e) Included in trade receivables of the Group are retention sums for contract works amounting to RM2,571,723 (2011: RM4,679,385). The retention sums are unsecured, interest-free and are expected to be collected within one year.

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Cash and bank balances	19,617,624	6,760,604	4,417,568	2,397,501
Deposit with a licensed bank	2,129,905	1,500,000	1,500,000	1,500,000
	21,747,529	8,260,604	5,917,568	3,897,501

(a) Included in cash and bank balances of the Group and of the Company are amounts of RM2,608,956 (2011: RM2,045,974) and RM1,047,688 (2011: RM532,207) respectively held under Housing Development Account pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966, as amended by the Housing Developers (Housing Development Account) (Amendment) Regulations, 2002 that can only be used in accordance with the said Act.

(b) Information on financial risks of cash and cash equivalents are disclosed in Note 36 to the financial statements.

(c) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the reporting period:

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Cash and bank balances	19,617,624	6,760,604	4,417,568	2,397,501
Deposits with a licensed bank	2,129,905	1,500,000	1,500,000	1,500,000
Bank overdrafts included in borrowings (Note 19)	(53,833,459)	(54,000,105)	(52,083,974)	(52,099,760)
	(32,085,930)	(45,739,501)	(46,166,406)	(48,202,259)
Less: Deposit pledged to a licensed bank	(2,129,905)	(1,500,000)	(1,500,000)	(1,500,000)
	(34,215,835)	(47,239,501)	(47,666,406)	(49,702,259)

Included in the Group's and Company's deposit with a licensed bank is RM2,129,905 (2011: RM1,500,000) and RM1,500,000 (2011:RM1,500,000) respectively pledged to a bank as security for credit facilities granted to the Group and the Company (Note 19).

(d) The currency profile of cash and cash equivalents are as follows:

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Ringgit Malaysia	21,745,732	8,258,605	5,915,919	3,895,502
Singapore Dollar	330	394	330	394
US Dollar	560	505	412	505
EURO	587	727	587	727
Japanese Yen	320	373	320	373
	21,747,529	8,260,604	5,917,568	3,897,501

16. SHARE CAPITAL

	Group and Company	
	2012	2011
	RM	RM
Ordinary shares of RM1 each		
Authorised:	500,000,000	500,000,000
Issued and fully paid:	206,250,000	206,250,000

The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the Company's residual assets.

At the end of reporting period, the number of outstanding shares in issue after setting treasury shares off against equity is 200,238,400 (2011: 200,240,400).

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.

At the end of the reporting period, a total of 6,011,600 (2011: 6,009,600) treasury shares at cost of RM3,114,273 (2011: RM3,113,255) were held by the Company in accordance with Section 67A (3B) of the Companies Act, 1965 in Malaysia.

During the financial year, the Company repurchased 2,000 (2011: 1,487,000) of its issued share capital from the open market on Bursa Malaysia Securities Berhad for RM1,018 (2011: RM813,700). The average price paid for the shares repurchased was RM0.51 (2011: RM0.55) 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 the Companies Act, 1965 in Malaysia. 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 2012.

17. REVALUATION RESERVES

	Group and Company	
	2012	2011
	RM	RM
Hotel properties		
At 1 July	6,788,088	6,769,207
Reversal of deferred tax liabilities (Note 11)	-	18,881
At 30 June	6,788,088	6,788,088

18. RETAINED EARNINGS

Effective 1 January 2008, the Company is given the option to make an irrevocable election to move to a single tier system or continue to use its tax credit under Section 108 of the Income Tax Act, 1967 for the purpose of dividend distribution until the tax credit is fully utilised or latest, by 31 December 2013.

The Company has decided not to make this election and has sufficient tax exempt account and tax credit under Section 108 of the Income Tax Act, 1967 to frank the payment of dividends out of its entire retained earnings without incurring additional tax liability.

19. BORROWINGS

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Current liabilities				
Secured:				
Bridging loans	710,678	-	-	-
Term loans	50,674,361	7,574,996	45,317,043	6,952,914
Hire purchase creditors (Note 21)	789,484	358,799	699,169	331,033
Revolving credits	18,920,000	3,920,000	3,920,000	3,920,000
Bankers' acceptances	21,051,610	23,915,689	12,559,610	14,075,689
Bank overdrafts	53,833,459	54,000,105	52,083,974	52,099,760
	145,979,592	89,769,589	114,579,796	77,379,396
Non-current liabilities				
Secured:				
Term loans	158,247,810	103,779,972	50,511,767	66,429,622
Hire purchase creditors (Note 21)	99,016	716,549	-	676,833
	158,346,826	104,496,521	50,511,767	67,106,455
Total				
Secured:				
Bridging loans	710,678	-	-	-
Term loans	208,922,171	111,354,968	95,828,810	73,382,536
Hire purchase creditors	888,500	1,075,348	699,169	1,007,866
Revolving credits	18,920,000	3,920,000	3,920,000	3,920,000
Bankers' acceptances	21,051,610	23,915,689	12,559,610	14,075,689
Bank overdrafts	53,833,459	54,000,105	52,083,974	52,099,760
	304,326,418	194,266,110	165,091,563	144,485,851

19. BORROWINGS (cont'd)

(a) 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 Group are secured by way of legal charges over certain investment properties, deposit with a licensed bank, inventories, as well as land and buildings, and jointly and severally guaranteed by certain 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.

The term loans of the Company are secured by way of legal charges over certain investment properties, deposit with a licensed bank, inventories, as well as 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 Group and of the Company as well as certain development properties of the Group and supported by way of personal guarantees from certain Directors.

(b) The borrowings are denominated in Ringgit Malaysia.

20. TRADE AND OTHER PAYABLES

	Group		Company	
	2012 **RM**	**2011** **RM**	**2012** **RM**	**2011** **RM**
Trade payables - third parties	29,131,573	20,368,069	2,574,140	689,393
Amounts due to subsidiaries	-	-	34,444,388	349,708
Amounts due to customers for contract works (Note 22)	9,161,123	8,247,158	-	-
Other payables and accruals	22,023,662	5,923,542	4,965,079	2,873,846
Deposits received	168,584	1,415,965	-	1,289,306
	60,484,942	35,954,734	41,983,607	5,202,253

(a) All payables are denominated in Ringgit Malaysia.

(b) Credit terms of trade payables granted to the Group and Company vary from no credit to 150 days.

(c) The amounts due to subsidiaries are unsecured, interest free and payable upon demand in cash and cash equivalents. The amounts due to subsidiaries represent mainly balance of progress claims, management fee, expenses paid on behalf, contra between sub-contractors and suppliers.

(d) Included in other payables is an amount owing to a related party amounted to RM12,858,278 (2011: Nil), which is unsecured, interest free and payable upon demand in cash and cash equivalents.

21. HIRE PURCHASE CREDITORS

	Group 2012 RM	Group 2011 RM	Company 2012 RM	Company 2011 RM
Minimum hire purchase payments:				
- not later than 1 year	843,486	402,498	742,200	370,116
- later than 1 year but not later than 5 years	99,027	760,800	-	720,787
Total minimum hire purchase payments	942,513	1,163,298	742,200	1,090,903
Less: Future finance charges	(54,013)	(87,950)	(43,031)	(83,037)
Present value of hire purchase payments	888,500	1,075,348	699,169	1,007,866
Repayable as follows:				
Current liabilities:				
- not later than 1 year	789,484	358,799	699,169	331,033
Non-current liabilities:				
- later than 1 year but not later than 5 years	99,016	716,549	-	676,833
	888,500	1,075,348	699,169	1,007,866

22. AMOUNTS DUE FROM/(TO) CUSTOMERS FOR CONTRACT WORKS

	Group 2012 RM	Group 2011 RM
Aggregate costs incurred to date	385,875,852	253,034,107
Add: Attributable profits	38,080,821	30,722,645
Less: Recognised losses	(905,436)	(1,852,926)
	423,051,237	281,903,826
Less: Progress billings	(418,395,613)	(278,506,285)
	4,655,624	3,397,541
Represented by:		
Amounts due from customers for contract works (Note 14)	13,816,747	11,644,699
Amounts due to customers for contract works (Note 20)	(9,161,123)	(8,247,158)
	4,655,624	3,397,541

23. REVENUE

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Property development	98,835,835	88,304,839	26,491,861	30,876,019
Completed properties	4,142,858	9,150,035	3,694,278	5,933,672
Hotel operations	8,841,568	8,705,526	8,841,568	8,705,526
Construction contracts	8,082,521	7,176,926	-	-
Rental income	2,819,631	3,920,997	2,561,940	3,703,221
Sales of goods	805,342	750,129	-	-
Project management services	362,572	551,934	-	-
	123,890,327	118,560,386	41,589,647	49,218,438

24. COST OF SALES

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Property development costs (Note 12)	70,752,562	66,622,448	18,043,293	22,169,074
Cost of completed properties sold	3,418,455	4,648,999	2,784,017	3,259,018
Hotel operation costs	2,600,045	2,533,429	2,600,045	2,533,429
Construction contract costs	4,512,036	3,342,820	-	-
Cost of goods sold	649,024	686,486	-	-
	81,932,122	77,834,182	23,427,355	27,961,521

25. FINANCE INCOME AND COSTS

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Finance income				
- interest income	(60,434)	(68,210)	(4,891)	(159,510)
Finance costs Interest expense:				
- bridging loans	102,063	-	-	-
- term loans	8,265,222	5,211,770	4,467,620	4,373,157
- hire purchases	49,734	42,583	41,016	37,573
- bank overdrafts	4,248,350	-	4,103,710	-
- short term borrowings	1,306,296	3,752,316	753,049	3,074,017
- others	161,519	371,844	112,437	176,825
	14,133,184	9,378,513	9,477,832	7,661,572
Less: Interest expense capitalised				
- property development costs (Note 12)	(5,140,663)	(1,798,221)	(1,903,658)	(1,222,566)
	8,992,521	7,580,292	7,574,174	6,439,006

26. PROFIT/(LOSS) BEFORE TAX

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

		Group		Company	
		2012	2011	2012	2011
	Note	RM	RM	RM	RM
Auditors' remuneration					
- statutory		145,000	135,000	73,500	63,500
- non-statutory		5,000	5,000	5,000	5,000
Bad debts written off		301,342	722,598	299,082	722,598
Bargain purchase arising from acquisition of a subsidiary	33	(1,946,151)	-	-	-
Directors' remuneration:					
- fees		162,000	177,500	150,000	141,500
- emoluments other than fees		2,782,998	2,267,658	912,555	784,965
Fair value adjustment on investment properties	8	(1,791,000)	-	(1,791,000)	-
Interest income		(60,434)	(68,210)	(4,891)	(159,510)
Investment properties					
- rental income		(181,152)	(1,607,144)	-	(1,332,718)
Net foreign exchange (gain)/loss		(1,561)	2,579	(1,561)	2,579
Property, plant and equipment:					
- depreciation	7	2,033,282	2,040,572	1,753,443	1,752,516
- written off	7	6,332	2,757	-	-
- gain on disposals		(390,647)	(194,083)	(49,384)	(63,792)
Rental of premises		452,710	470,400	307,610	422,400
Staff costs		8,259,669	7,100,289	5,745,350	4,667,218

27. TAX EXPENSES

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Current tax				
- current financial year	4,348,763	3,436,396	145,437	631,277
- (over)/under provision in prior years	(116,778)	119,516	(128,139)	125,143
	4,231,985	3,555,912	17,298	756,420
Deferred tax				
- origination and reversal of temporary differences	585,228	369,583	380,378	385,724
- (over)/under provision in prior years	(249,908)	3,449	99,799	(111,427)
	335,320	373,032	480,177	274,297
	4,567,305	3,928,944	497,475	1,030,717

27. TAX EXPENSES (cont'd)

The Malaysian income tax is calculated at the statutory tax rate of 25% (2011: 25%) of the estimated taxable profits for the fiscal year.

The numerical reconciliation between tax expense and the product of accounting profit/(loss) multiplied by applicable tax rate of the Group and of the Company is as follows:

	Group		Company	
	2012 %	2011 %	2012 %	2011 %
Applicable tax rate	25	25	(25)	(25)
Tax effects in respect of:				
Income not subject to tax	-	1	-	-
Utilisation of investment tax allowance	-	(1)	-	-
Deferred tax assets not recognised	(1)	(1)	-	-
Non-allowable expenses	16	15	54	159
	40	39	29	134
(Over)/Under provision in prior years				
- income tax	(1)	1	(7)	17
- deferred tax	(2)	-	5	(15)
Average effective tax rate	37	40	27	136

28. EMPLOYEE BENEFITS

The total employee benefits recognised in the statements of comprehensive income are as follows:

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Wages, salaries and bonus	6,570,865	5,808,185	4,480,937	3,816,145
Defined contribution plan	784,053	553,167	466,423	338,155
Other employee benefits	904,751	738,937	797,990	512,918
	8,259,669	7,100,289	5,745,350	4,667,218

Included in the employee benefits of the Group and the Company are Directors' remuneration which is disclosed in Note 31(i) to the financial statements.

29. EARNINGS PER SHARE

(a) Basic

The basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2012 RM	2011 RM
Profit attributable to owners of the parent	7,732,976	5,981,733

	2012	2011
Weighted average number of ordinary shares in issue	201,057,625	201,058,255

	2012 Sen	2011 Sen
Basic earnings per ordinary share attributable to the equity holders of the parent	3.84	2.98

(b) Diluted

The diluted earnings per ordinary share of the current and the previous financial year is not presented as the Company does not have any outstanding share options or other potentially dilutive financial instruments currently in issue.

30. CONTINGENT LIABILITIES

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Unsecured				
Corporate guarantees for trade credits granted to subsidiaries	-	-	27,800,000	2,272,024
Claim by Sime Hock	-	-	-	-
	-	-	27,800,000	2,272,024
Secured				
Corporate guarantees for borrowing facilities granted by financial institutions to subsidiaries	-	-	110,837,538	47,993,183
	-	-	138,637,538	50,265,207

30. CONTINGENT LIABILITIES (cont'd)

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 Darul Takzim.

On 29 January 1999, a Supplementary Agreement ('SA') was signed between the Company and Sime Hock in essence to finalise Sime Hock's entitlement to the completed units per the SA and the delivery of the units within five (5) years from the SA date. Pursuant to Clause 5 of the SA, Sime Hock is entitled to a 10% per annum liquadated damages for the late delivery of the entitled units.

On 21 October 2004, Sime Hock revoked both the agreement and the SA due to late delivery of the balance of entitled units and it claimed 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.

On 1 June 2010, both the Company and Sime Hock agreed to an out-of-court settlement. The settlement involved the Company handing over 14 units of completed properties and a lump sum cash payment of RM2.0 million.

As at 30 June 2011, the Group had handed over 12 units of completed properties and paid the lump sum cash payment of RM2.0 million to Sime Hock.

On 17 August 2012, the Group had settled the dispute with Sime Hock by handing over the remaining 2 units of properties comprising 1 unit of double storey terrace house and 1 unit of double storey semi detached house with a cash payment of RM25,000.

31. SIGNIFICANT RELATED PARTY DISCLOSURES

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. The related party transactions described below were carried out on mutually agreed terms.

(a) Intercompany transactions

	Company	
	2012	**2011**
	RM	**RM**
Interest income receivable from a subsidiary:		
- Johbase Development Sdn. Bhd.	129,820	131,060
Progress billings by a subsidiary:		
- BCB Construction Sdn. Bhd.	11,595,977	20,911,588
Purchase of goods from subsidiaries:		
- BCB Trading Sdn. Bhd.	16,662	845
Management fees receivable from subsidiaries:		
- BCB Construction Sdn. Bhd.	360,000	360,000
- Johbase Development Sdn. Bhd.	240,000	240,000
- BCB Resources Sdn. Bhd.	840,000	840,000
Rental income from a subsidiary:		
- BCB Construction Sdn. Bhd.	12,000	12,000

31. SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

(b) Office rental paid to:

	Company 2012 RM	Company 2011 RM
- Ju-Ichi Enterprise Sdn. Bhd.	300,000	300,000

(c) Hire of machineries from:

	Group 2012 RM	Group 2011 RM
- Marvel Plus Development Sdn. Bhd.	184,082	314,045

(d) Hiring of machineries to:

	Group 2012 RM	Group 2011 RM
- Marvel Plus Development Sdn. Bhd.	1,014,508	314,045

(e) Maintenance fees to:

	Group 2012 RM	Group 2011 RM
- Ju-Ichi Enterprise Sdn Bhd	27,600	27,600

(f) Road and pavement construction services to:

	Group 2012 RM	Group 2011 RM
- Marvel Plus Development Sdn. Bhd.	-	127,000

(g) Construction contracts to:

	Group 2012 RM	Group 2011 RM
- Ju-Ichi Enterprise Sdn. Bhd.	3,098,250	1,724,750
- Marvel Plus Development Sdn. Bhd.	5,930,559	3,615,743

31. SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

(g) Construction contracts to: (cont'd)

Identities of related parties	Relationship with the Group
Ju-Ichi Enterprise Sdn. Bhd. ('JIE')	A related party by virtue of the directorship of certain Director of the Company, Dato' Tan Seng Leong, Tan Lindy and Syed Abdullah Bin A. Hamid in JIE.
Marvel Plus Development Sdn. Bhd. ('MPD')	A related party by virtue of the directorship of Tan Lindy, Tan Vin Sern and Dato' Tan Seng Leong's spouse, namely Datin Lim Sui Yong in MPD. Both Datin Lim Sui Yong and Tan Vin Sern are also major shareholders in MPD.

(h) Related party balances

Information regarding outstanding balances from related parties as at 30 June 2012 are disclosed in Note 14 and Note 20 to the financial statements.

(i) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of the Group.

The remuneration of key management personnel during the financial year was as follows:

	Group		Company	
	2012 RM	2011 RM	2012 RM	2011 RM
Non-executive Directors:				
- fees	162,000	177,500	150,000	141,500
Executive Directors:				
- salary and bonus	2,339,000	1,907,000	766,780	661,040
- defined contribution plan	443,998	360,658	145,775	123,925
	2,944,998	2,445,158	1,062,555	926,465

The estimated monetary value of benefits in kind paid to Directors of the Group and the Company during the financial year amounted to RM67,775 and RM67,775 (2011: RM76,600 and RM67,800) respectively.

32. CAPITAL COMMITMENTS

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

	Group	
	2012 RM	2011 RM
Purchase of leasehold land	-	108,000,000
Less: deposit paid	-	(10,800,000)
	-	97,200,000
Infrastructure development contribution	4,000,000	5,000,000
	4,000,000	102,200,000

In the previous financial year, the Company entered into a sale and purchase agreement ('SPA') to purchase 151.28 acres of land in Mukim of Klang, Daerah Selangor Darul Ehsan for a consideration of RM108,000,000. The Company had fully consummated the sale and purchase agreement and paid the vendor.

33. ACQUISITION OF A SUBSIDIARY

On 18 April 2011 the Company entered into a debt settlement agreement with Global Earnest Sdn. Bhd. ('GE') to settle an amount of RM39,008,330 owing by GE to the Group as at 31 March 2011.

GE is the developer of the Taman Pulai Utama township in Johor Bahru and owns 2 core assets – 21.8 acres of undeveloped land and 280 unsold completed shop lots and one hypermarket lot located in a double storey shopping complex, with a total gross floor area measuring approximately 145,608 square feet, known as U-Mall located at No. 45, Jalan Pulai 20, Taman Pulai Utama, 81300 Johor Bahru, Johor Darul Ta'zim, of which approximately 85% are currently tenanted.

This amount arose over the years from services provided by the Group to complete the construction of U-Mall, a shopping mall, as well as the provision of property management services.

GE had allotted and issued 78,000,000 new ordinary shares to the Group, being the consideration shares at an issue price of RM0.50 each as partial payment debt settlement agreement while RM8,330 was paid via cash.

On 25 August 2011 (the 'acquisition date'), the corporate exercise was completed and GE became a subsidiary of BCB Berhad which then holds an effective equity interest of 86.19% in GE.

33. ACQUISITION OF A SUBSIDIARY (cont'd)

(a) The fair value of the identifiable assets and liabilities of GE as at the date of acquisition are as follows:

	Group RM
Property, plant and equipment	49,889
Deferred tax assets	108,777
Property development costs	20,539,497
Inventories	31,919,994
Trade and other receivables	14,979,878
Current tax assets	656,511
Cash and bank balances	1,090,611
Total identifiable assets	69,345,157
Trade and other payables	(10,212,516)
Amount due to related companies	(5,111,784)
Borrowings	(6,514,011)
Total identifiable net assets	47,506,846

(b) The consideration transferred for the acquisition of GE is as follows:

	RM
Share consideration	39,000,000
Recognised amount of non-controlling interest	6,560,695
	45,560,695
Less: Value of net identifiable assets	(47,506,846)
Bargain purchase arising from acquisition	(1,946,151)

(c) The effects of the acquisition of GE on cash flows are as follows:

	RM
Total consideration for 86.19% equity interest acquired	39,000,000
Less: Non-cash consideration	(39,000,000)
	-
Less: Cash and cash equivalents of a subsidiary acquired	(1,090,611)
Net cash inflow of the Group on acquisition	(1,090,611)

34. OPERATING SEGMENTS

(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 mutually agreed terms.

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

The accounting policies of operating segments are the same as those described in the summary of significant accounting policies.

The Group evaluates performance on the basis of profit or loss from operations before tax.

Inter-segment revenue is priced along the similar lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current and previous financial years.

Segment assets exclude tax assets and assets used primarily for corporate purposes.

Segment liabilities exclude tax liabilities. Even though loans and borrowings arise from financing activities rather than operating activities, they are allocated to the segments based on relevant factors (e.g. funding requirement).

34. OPERATING SEGMENTS (cont'd)

(c) The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment:

2012	Property development and management activities RM	Construction and related activities RM	Hotel operations RM	Others RM	Total RM
Revenue					
Total revenue	106,160,896	72,032,045	8,841,568	-	187,034,509
Inter-segment revenue	-	(63,144,182)	-	-	(63,144,182)
Revenue from external customer	106,160,896	8,887,863	8,841,568	-	123,890,327
Results					
Interest income	60,434	-	-	-	60,434
Finance costs	(8,154,954)	(781,797)	(55,770)	-	(8,992,521)
Net finance expense	(8,094,520)	(781,797)	(55,770)	-	(8,932,087)
Depreciation	945,907	160,368	927,007	-	2,033,282
Segment profit before income tax	10,604,485	908,324	791,450	(3,978)	12,300,281
Tax expenses	(4,492,919)	(74,386)	-	-	(4,567,305)
Other material non-cash item:					
Bad debts written off	32,422	2,260	266,660	-	301,342
Additions to non-current assets other than financial instruments and deferred tax assets	779,664	10,454	361,960	-	1,152,078
Segment assets	495,228,244	182,593,284	34,841,304	382,231	713,045,063
Current tax assets	421,932	794,717	-	-	1,216,649
Deferred tax assets	195,116	-	-	-	195,116
Total assets	495,845,292	183,388,001	34,841,304	382,231	714,456,828
Segment liabilities	175,224,241	176,416,200	13,168,118	2,801	364,811,360
Current tax liabilities	993,397	-	-	-	993,397
Deferred tax liabilities	1,954,649	-	1,813,447	-	3,768,096
Total liabilities	178,172,287	176,416,200	14,981,565	2,801	369,572,853

34. OPERATING SEGMENTS (cont'd)

(c) The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment: (cont'd)

2011	Property development and management activities RM	Construction and related activities RM	Hotel operations RM	Others RM	Total RM
Revenue					
Total revenue	102,364,742	57,368,923	8,705,526	-	168,439,191
Inter-segment revenue	-	(49,878,805)	-	-	(49,878,805)
Revenue from external customer	102,364,742	7,490,118	8,705,526	-	118,560,386
Results					
Interest income	68,210	-	-	-	68,210
Finance costs	(6,738,976)	(771,822)	(69,494)	-	(7,580,292)
Net finance expense	(6,670,766)	(771,822)	(69,494)	-	(7,512,082)
Depreciation	959,407	200,913	880,252	-	2,040,572
Segment profit before income tax	9,403,713	271,820	244,932	(9,788)	9,910,677
Income tax expenses	(3,914,783)	(14,161)	-	-	(3,928,944)
Other material non-cash item:					
Bad debts written off	-	-	722,598	-	722,598
Additions to non-current assets other than financial instruments and deferred tax assets	7,552,622	13,596	1,033,950	-	8,600,168
Segment assets	331,734,339	196,304,534	35,067,013	358,424	563,464,310
Current tax assets	295,063	572,712	-	-	867,775
Deferred tax assets	117,600	-	-	-	117,600
Total assets	332,147,002	196,877,246	35,067,013	358,424	564,449,685
Segment liabilities	25,294,188	190,739,363	14,185,277	2,016	230,220,844
Current tax liabilities	582,259	-	-	-	582,259
Deferred tax liabilities	1,541,795	18	1,813,447	-	3,355,260
Total liabilities	27,418,242	190,739,381	15,998,724	2,016	234,158,363

35. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the Group's capital management is to ensure that the Group would be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The overall strategy of the Group remains unchanged from that in financial year ended 30 June 2011.

The Group and the Company are not subject to any externally imposed capital requirements of the financial instruments other than prescribed gearing ratio and tangible net worth of the Group imposed by a bank.

The Group and the Company monitor capital using a gearing ratio which is the amount of borrowings (Note 19) divided by equity attributable to owners of the parent. The Group's and the Company's policy is to keep the gearing ratio within manageable levels. At the end of the reporting period, the Group's gearing ratio is 0.88 times (2011: 0.59 times) and the Company's gearing ratio is 0.57 times (2011: 0.49 times). No changes were made in the objectives, policies or processes during the financial years ended 30 June 2012 and 30 June 2011.

(b) Financial instruments

(i) Categories of financial instruments

Group	Loan and receivables RM	Fair value through profit or loss RM	Available for sale RM	Held to maturity RM	Total RM
2012					
Financial assets					
Trade and other receivables, net off prepayments	51,417,072	-	-	-	51,417,072
Cash and cash equivalents	21,747,529	-	-	-	21,747,529
	73,164,601	-	-	-	73,164,601

	Other financial liabilities RM	Fair value through profit or loss RM	Total RM
Financial liabilities			
Trade and other payables	60,484,942	-	60,484,942
Borrowings	304,326,418	-	304,326,418
	364,811,360	-	364,811,360

35. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial instruments (cont'd)

(i) Categories of financial instruments (cont'd)

Group	Loan and receivables RM	Fair value through profit or loss RM	Available for sale RM	Held to maturity RM	Total RM
2011					
Financial assets					
Trade and other receivables, net of prepayments	111,097,728	-	-	-	111,097,728
Cash and cash equivalents	8,260,604	-	-	-	8,260,604
	119,358,332	-	-	-	119,358,332

	Other financial liabilities RM	Fair value through profit or loss RM	Total RM
Financial liabilities			
Trade and other payables	35,954,734	-	35,954,734
Borrowings	194,266,110	-	194,266,110
	230,220,844	-	230,220,844

Company	Loan and receivables RM	Fair value through profit or loss RM	Available for sale RM	Held to maturity RM	Total RM
2012					
Financial assets					
Trade and other receivables, net off prepayments	201,622,899	-	-	-	201,622,899
Cash and cash equivalents	5,917,568	-	-	-	5,917,568
	207,540,467	-	-	-	207,540,467

35. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial instruments (cont'd)

(i) Categories of financial instruments (cont'd)

	Other financial liabilities RM	Fair value through profit or loss RM	Total RM
Financial liabilities			
Trade and other payables	41,983,607	-	41,983,607
Borrowings	165,091,563	-	165,091,563
	207,075,170	-	207,075,170

Company	Loan and receivables RM	Fair value through profit or loss RM	Available for sale RM	Held to maturity RM	Total RM
2011					
Financial assets					
Trade and other receivables, net off prepayments	195,161,670	-	-	-	195,161,670
Cash and cash equivalents	3,897,501	-	-	-	3,897,501
	199,059,171	-	-	-	199,059,171

	Other financial liabilities RM	Fair value through profit or loss RM	Total RM
Financial liabilities			
Trade and other payables	5,202,253	-	5,202,253
Borrowings	144,485,851	-	144,485,851
	149,688,104	-	149,688,104

35. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial instruments (cont'd)

(ii) Fair values of financial instruments (cont'd)

The fair values of financial instruments that are not carried at fair value and whose carrying amounts do not approximate its fair values are as follows:

2012	Group Carrying amount RM	Group Fair value RM	Company Carrying amount RM	Company Fair value RM
Recognised				
Financial liabilities:				
Hire purchase creditors	888,500	893,669	699,169	703,684

2011	Group Carrying amount RM	Group Fair value RM	Company Carrying amount RM	Company Fair value RM
Recognised				
Financial liabilities:				
Hire purchase creditors	1,075,348	1,049,512	1,007,866	984,203

(c) Methods and assumptions used to estimate fair value

The fair value of financial assets and financial liabilities are determined as follows:

(i) Financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value

The carrying amounts of financial assets and liabilities, such as trade and other receivables, trade and other payables and floating rate borrowings, are reasonable approximation of fair value, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

(ii) Hire purchase creditors

The fair value of hire purchase creditors is estimated by discounting expected future cash flows at market incremental lending rate for similar types of instruments available to the Group at the end of the reporting period.

(d) Fair value hierarchy

As at the end of the reporting period, the Group and the Company have no financial instruments that are measured subsequent to initial recognition at fair value and hence fair value hierarchy is not presented.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management objective is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

The Group operates within an established risk management framework and clearly defined guidelines that are regularly reviewed by the Board of Directors. Financial risk management is carried out through risk review programmes, internal control systems, insurance programmes and adherence to the Group financial risk management policies. The Group is exposed mainly to credit risk liquidity and cash flow risk as well as interest rate risk. Information on the management of the related exposures is detailed below.

(a) Credit risk

Cash deposits and trade receivables may give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. It is the Group's policy to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The Group's exposure to credit risk arises through its trade receivables. The Group extends credit to its customers based upon careful evaluation of the customer's 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.

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Information regarding credit exposure for trade and other receivables is disclosed in Note 14 to the financial statements.

Credit risk concentration profile

The Group and the Company determine concentration of credit risk by identifying and monitoring any significant long outstanding balance owing by any major customer or counter party on an on-going basis.

The Group and the Company do not have any significant concentration of credit risk as at the end of the reporting period except for the amounts owing by subsidiaries of RM192,474,500 (2011: RM163,936,533).

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 14 to the financial statements. Deposits with banks and other financial institutions that are neither past due nor impaired are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding trade receivables that are either past due or impaired is disclosed in Note 14 to the financial statements.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(b) Liquidity and cash flow risk

Liquidity risk is the risk that the Group is unable to service its cash obligations in the future. To mitigate this risk, the management measures and forecasts its cash commitments, monitors and maintain a level of cash and cash equivalents and credit facilities deemed adequate to finance the Group's operations and developments activities.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

As at 30 June 2012	Within 1 year RM	1 - 5 years RM	More than 5 years RM	Total RM
Group				
Financial liabilities:				
Trade and other payables	60,484,942	-	-	60,484,942
Borrowings	151,171,046	139,915,953	35,800,489	326,887,488
Total undiscounted financial liabilities	211,655,988	139,915,953	35,800,489	387,372,430

As at 30 June 2012	Within 1 year RM	1 - 5 years RM	More than 5 years RM	Total RM
Company				
Financial liabilities:				
Trade and other payables	41,983,607	-	-	41,983,607
Borrowings	117,681,154	23,890,796	31,778,597	173,350,547
Total undiscounted financial liabilities	159,664,761	23,890,796	31,778,597	215,334,154

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(b) Liquidity and cash flow risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

As at 30 June 2011	Within 1 year RM	1 - 5 years RM	More than 5 years RM	Total RM
Group				
Financial liabilities:				
Trade and other payables	35,954,734	-	-	35,954,734
Borrowings	92,639,900	60,399,003	56,223,590	209,262,493
Total undiscounted financial liabilities	128,594,634	60,399,003	56,223,590	245,217,227

As at 30 June 2011	Within 1 year RM	1 - 5 years RM	More than 5 years RM	Total RM
Company				
Financial liabilities:				
Trade and other payables	5,202,253	-	-	5,202,253
Borrowings	80,075,885	25,039,265	52,177,139	157,292,289
Total undiscounted financial liabilities	85,278,138	25,039,265	52,177,139	162,494,542

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk relates primarily to their interest-bearing borrowings on floating rates. The Group does not use derivative financial instruments to hedge this risk.

Sensitivity analysis for interest rate risk

As at 30 June 2012, if interest rates at the date had been 100 basis points lower with all other variables held constant, post-tax profit for the year would have been RM1,681,055 higher and vice versa, arising mainly as a result of lower or higher interest expense on variable borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(c) Interest rate risk (cont'd)

The following table set out the carrying amounts, the weighted average effective interest rate as at the end of the reporting period and the remaining maturities of the Group's and the Company's financial instruments that are exposed to interest rate risk:

	Note	Weighted average effective interest rate %	Within 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM	Total RM
Group							
At 30 June 2012							
Fixed rates							
Hire purchase creditors	21	6.0	789,484	99,016	-	-	888,500
Floating rates							
Bridging loans	19	4.5	710,678	-	-	-	710,678
Term loans	19	7.3	50,674,361	92,448,040	33,760,991	32,038,779	208,922,171
Revolving credits	19	6.3	18,920,000	-	-	-	18,920,000
Bankers' acceptances	19	5.7	21,051,610	-	-	-	21,051,610
Bank overdrafts	19	8.0	53,833,459	-	-	-	53,833,459
Group							
At 30 June 2011							
Fixed rates							
Hire purchase creditors	21	6.0	358,799	375,604	340,945	-	1,075,348
Floating rates							
Term loans	19	7.3	7,574,996	4,797,244	47,038,131	51,944,597	111,354,968
Revolving credits	19	8.6	3,920,000	-	-	-	3,920,000
Bankers' acceptances	19	5.6	23,915,689	-	-	-	23,915,689
Bank overdrafts	19	8.1	54,000,105	-	-	-	54,000,105

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(c) Interest rate risk (cont'd)

	Note	Weighted average effective interest rate %	Within 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM	Total RM
Company							
At 30 June 2012							
Fixed rates							
Hire purchase creditors	21	5.6	699,169	-	-	-	699,169
Floating rates							
Term loans	19	7.2	45,317,043	4,557,346	15,689,091	30,265,330	95,828,810
Revolving credits	19	7.1	3,920,000	-	-	-	3,920,000
Bankers' acceptances	19	5.9	12,599,610	-	-	-	12,599,610
Bank overdrafts	19	8.0	52,083,974	-	-	-	52,083,974
Company							
At 30 June 2011							
Fixed rates							
Hire purchase creditors	21	5.6	331,033	346,097	330,736	-	1,007,866
Floating rates							
Term loans	19	7.4	6,952,914	4,285,228	12,763,222	49,381,172	73,382,536
Revolving credits	19	8.6	3,920,000	-	-	-	3,920,000
Bankers' acceptances	19	5.8	14,075,689	-	-	-	14,075,689
Bank overdrafts	19	8.1	52,099,760	-	-	-	52,099,760

(e) Foreign currency risk

Sensitivity analysis for foreign currency is not presented in view of the balances denominated in foreign currency is not significant.

37. SUPPLEMENTARY INFORMATION ON REALISED AND UNREALISED PROFITS OR LOSSES

The retained earnings as at the end of the reporting period may be analysed as follows:

	2012 Group RM	2012 Company RM
Total retained earnings of BCB Berhad and its subsidiaries		
- Realised	131,105,911	84,881,433
- Unrealised	(3,768,096)	(4,122,026)
	127,337,815	80,759,407
Add: Consolidation adjustment	1,103,823	-
Total Group/Company retained earnings as per consolidated financial statements	128,441,638	80,759,407

The supplementary information on realised and unrealised profits or losses has been prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ('MIA Guidance') and the directive of Bursa Malaysia Securities Berhad.

Authorised share capital	:	RM500,000,000
Issued and paid-up capital	:	RM206,250,000 (inclusive of 6,012,600 as Treasury Shares)
Types of shares	:	Ordinary shares of RM1.00 each
No. of shareholders	:	3,637
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	319	0.00	7	0.192
100 to 1,000 shares	373,200	0.186	416	11.437
1,001 to 10,000 shares	9,828,881	4.908	2,649	72.834
10,001 to 100,000 shares	13,148,100	6.566	484	13.307
100,001 to less than 5% of issued shares	111,122,400	55.495	77	2.117
5% and above of issued shares	65,764,500	32.843	4	0.109
Total	200,237,400	100.000	3,637	100.000

List of Thirty Largest Shareholders as at 31October 2012 (as per Record of Depositors)

No	Name	Shares Held	%
1.	Effective Strategy Sdn Bhd	19,304,500	9.64
2.	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Tan Seng Leong	18,410,000	9.19
3.	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Dato' Tan Seng Leong	15,053,000	7.52
4.	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Dato' Tan Seng Leong	12,997,000	6.49
5.	Mayban Securities Nominees (Tempatan) SdnBhd Pledged Securities Account for Lai Chee Hoong	9,991,800	4.99
6.	HDM Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Soh Jin Chai	6,536,200	3.26
7.	HDM Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Boon Seng	5,762,900	2.88
8.	HDM Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Key Siew	5,215,200	2.60
9.	Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Seng Leong	4,294,500	2.14
10.	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Tan Chin Ee	3,814,500	1.90

SHAREHOLDINGS STATISTICS
AS AT 31 OCTOBER 2012

No	Name	Shares Held	%
11.	Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Seng Leong	3,750,000	1.87
12.	Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Haven Venture Sdn Bhd	3,573,800	1.78
13.	EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Tho Siu Chu	3,500,000	1.75
14.	Tan Lay Kim	3,180,000	1.59
15.	EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Tan Seng Leong	3,078,000	1.54
16.	Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lasercoin (M) Sdn Bhd	2,945,900	1.47
17.	EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Tan Vin Sern	2,534,500	1.27
18.	Tho Siu Chu	2,433,000	1.22
19.	Tan Seng Hoo	2,285,000	1.14
20.	Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Seng Leong	2,251,300	1.12
21.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Li Tak	2,073,700	1.04
22.	Puncak Angkasa Sdn Bhd	2,000,000	1.00
23.	Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hon Lai Yin	1,971,000	0.98
24.	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Tan Lay Kim	1,920,000	0.96
25.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Seng Leong	1,839,200	0.92
26.	EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Tan Chin Ee	1,816,000	0.91
27	Tan Chin Ee	1,791,000	0.89
28.	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Tan Seng Hoo	1,665,000	0.83
29.	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Tan Seng Keng	1,665,000	0.83
30.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Boon Seng	1,413,500	0.71

Substantial Shareholders as at 31 October 2012 (as per Register of Substantial Shareholders)

Name of Substantial Shareholders	No. of Shares Held Direct	No. of Shares Held Indirect	% of Issued Shares Capital Direct	% of Issued Shares Capital Indirect
1. Dato' Tan Seng Leong	63,035,500	* 2,665,500	31.48	* 1.33
2. Datin Lim Sui Yong	131,000	# 65,570,000	0.07	#32.75
3. Effective Strategy SdnBhd	19,304,500	-	9.64	-
4. Chan Toong Kit	-	@19,304,500	-	@9.64
5. Chong Shiung Foh	-	^19,304,500	-	^ 9.64

Notes:

* Deemed interested by virtue of :-
(1) his spouse, Datin Lim Sui Yong's shareholding in the Company – 131,000 (0.07%); and
(2) his son, Mr Tan Vin Sern's shareholding in the Company – 2,534,500 (1.27%).

\# Deemed interested by virtue of :-
(1) her spouse, Dato' Tan Seng Leong's shareholding in the Company – 63,035,500 (31.48%); and
(2) her son, Mr Tan Vin Sern's shareholding in the Company – 2,534,500 (1.27%).

@ Deemed interested by virtue of his 50% shareholdings in Effective Strategy Sdn Bhd

^ Deemed interested by virtue of his 50% shareholdings in Effective Strategy Sdn Bhd

Directors' Shareholdings as at 31 October 2012 (as per Register of Directors' Shareholdings)

Shareholdings in the name of the Director	Number of ordinary shares of RM1 each Direct	%	Indirect	%
1. Dato' Tan Seng Leong	63,035,500	31.48	*2,665,500	1.33
2. Tan Lay Hiang	491,100	0.25	-	-
3. Tan Vin Sern	2,534,500	1.27	-	-

Notes:

* Deemed interested by virtue of :-
(1) his spouse, Datin Lim Sui Yong's shareholding in the Company – 131,000 (0.07%); and
(2) his son, Mr. Tan Vin Sern's shareholding in the Company – 2,534,500 (1.27%).

LIST OF LANDED PROPERTIES

The details of the BCB Group's properties as at 30 June 2012 are as follows:

Location	Description	Tenure	Age of building	Size (acre)	Net book value/Cost as at 30 June 2012 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)	15 years	0.35	29,604	23/3/2009 *
PTB 8370 No. 20, Jalan Bakawali, 86000 Kluang, Johor.	A basement and 4 storey shopping complex	Leasehold (expiring 10.11.2093)	15 years	0.23	18,762	20/4/2009 *
PTD 32927 70 Jalan Intan 3, Taman Intan, 86000 Kluang, Johor.	1 units double storey shop house	Freehold	17 years	0.035	180	23/3/2004
PTD 49840 No. 1, Jalan 6, Taman Sri Kluang, 86000 Kluang, Johor.	Single storey hypermarket	Freehold	12 years	1.44	4,457	26/2/2009 *
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	12 years	0.84	2,384	27/6/1998
PTD 50047 - 50049 No. 29-33, Jalan 20, Taman Sri Kluang, 86000 Kluang, Johor.	3 units industry factory	Freehold	10.5 years	3.29	3,974	20/4/2009 *
PTD 65321, 65322, 65325 - 65328 PTD 65371, 65373, 65375 - 65380 PTD 65424 - 65427, 65431 - 65434 PTD 75581, 75582, 75583, 75584 PTD 75598, 75599, 75600, 75601 Mukim of Kluang District of Kluang, Johor	30 units of residential Taman Saujana	Freehold	1 years	1.55	10,296	23/3/2012
Lot 6806 & 6808 Mukim of Kluang District of Kluang, Johor	Being developed as Taman Sri Kluang	Freehold	N/A	67.05	41,651	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
Lot 4562 Mukim of Kluang District of Kluang, Johor	Proposed residential development	Freehold	N/A	2.99	3,597	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	1,291	29/12/1999

Location	Description	Tenure	Age of building	Size (acre)	Net book value/Cost as at 30 June 2012 RM'000	Date of acquisition/ revaluation*
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	12,447	7/12/1994
Lot 559, 2954-2959, 2656 & 2660	Being developed as Taman Bukit Perdana III	Freehold	N/A	18.54	8,477	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	5,383	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	518	13/12/2006
Lot 8097 Mukim of Sri Gading District of Batu Pahat, Johor	Proposed residential development	Freehold	N/A	2	524	13/12/2006
Lot 708 Mukim of Sri Gading District of Batu Pahat, Johor	Proposed residential development	Freehold	N/A	3	870	13/12/2006
Lot 4852 - 4861 (Master Title) PTD 41078 - PTD 41089 (New Title) Mukim of Simpang Kanan, District of Batu Pahat, Johor	Proposed residential development	Freehold	N/A	2.18	4,392	2/12/1993
HS(D) 23056-23076, 23081-23087 & 23181 Mukim of Simpang Kanan, District of Batu Pahat, Johor	Proposed residential development	Freehold	N/A	72.11	9,487	27/5/2009 *
Lot 5267 & 7918 Mukim of Simpang Kanan, District of Batu Pahat, Johor	Proposed residential & commercial development	Freehold	N/A	7.07	2,035	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	113.5	77,008	6/2/2002

Location	Description	Tenure	Age of building	Size (acre)	Net book value/Cost as at 30 June 2012 RM'000	Date of acquisition/ revaluation*
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) 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	68,000	28/9/2009 *
PONTIAN, JOHOR						
Lot 4681, Mukim of Pontian District of Pontian, Johor	Being developed as Taman Megah	Freehold	N/A	17.29	19,135	17/11/1994
JOHOR BAHRU, JOHOR						
Lot 2896 Taman Pulai utama Mukim of Pulai Distric of Johor Bahru, Johor	Being developed as Taman Pulai Utama	Freehold	N/A	18.59	22,341	30/10/2008
PTD 102771, 102772, 102775, 102758 PTD 102759, 141018, 141019, 141052 PTD 141053 Mukim of Pulai Distric of Johor Bahru, Johor	9 units of Shop Offices	Freehold	4 year	0.32	3,675	2/1/2009 & 16/3/2009
SEREMBAN, NEGERI SEMBILAN						
Lot 5527 Mukim of Rantau, District of Seremban, Negeri Sembilan	Being developed as Taman Seremban Jaya	Freehold	N/A	3.47	2,279	15/7/1994
KUALA LUMPUR						
Lot 9933 (Geran 6497) Lorong Awan Jawa Taman Yarl Mukim Petaling Distric of Kuala Lumpur	Proposed residential development	Freehold	N/A	0.4	2,407	4/2/2010
Lot 1844 & Lot 1845 (HS (M) 12718 PT 25954) Mukim Batu Daerah Kuala Lumpur	Proposed residential development	Freehold	N/A	5.03	67,698	10/3/2010
Lot 73478 & Lot 73479 (H.S(D) 69603 & 69604) Mukim Klang, Selangor Darul Ehsan	Proposed residential development	Leasehold (expiring 18.04.2101)	N/A	151.27	118,372	11/3/2011
					551,371	

NOTICE IS HEREBY GIVEN that the Twenty-Fourth Annual General Meeting of the Company will be held at Prime City Hotel, Venus Room, 6th Floor, 20, Jalan Bakawali, 86000 Kluang, Johor Darul Takzim on Tuesday, 18 December 2012 at 10.30 a.m., for the following purposes:

AGENDA

1. To receive the Statutory Financial Statements for the financial year ended 30 June 2012 together with the Reports of the Directors and Auditors thereon. **(Refer to Explanatory Note 1)**

2. To approve the payment of the Directors' fees amounting to RM150,000.00 for the financial year ended 30 June 2012. **Resolution 1**

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) Datuk Seri Ismail bin Yusof **Resolution 2**

   (b) Ms. Tan Lay Hiang **Resolution 3**

   Article 112

   (a) Mr. Tan Vin Shyan **Resolution 4**

4. To consider and if thought fit, to pass the following Ordinary Resolution in accordance with Section 129(6) of the Companies Act, 1965 :

   "That En. Ash'ari bin Ayub, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting." **Resolution 5**

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

AS SPECIAL BUSINESS:

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

6. **CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR**

   (a) "THAT subject to the passing of Ordinary Resolution 2, authority be and is hereby given to Datuk Seri Ismail bin Yusof who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company." **Resolution 7** **(Refer to Explanatory Note 2)**

   (b) "THAT subject to the passing of Ordinary Resolution 5, authority be and is hereby given to En. Ash'ari bin Ayub who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company." **Resolution 8** **(Refer to Explanatory Note 2)**

7. **APPROVAL FOR ISSUANCE OF NEW ORDINARY SHARES PURSUANT TO SECTION 132D OF COMPANIES ACT, 1965** **Resolution 9**

(Refer to Explanatory Note 3)

"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."

8. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND NEW SHAREHOLDERS' MANDATEFOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE** **Resolution 10**

(Refer to Explanatory Note 4)

"**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 26 November 2012 ("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 2.1.8 of the Circular."

9. **PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY** **Resolution 11**

"**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: **(Refer to Explanatory Note 5)**

(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."

To consider and if thought fit, to pass the following resolution as Special Resolution:

10. **PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY** — **Special Resolution 1**

"**THAT** alterations, modifications, additions or deletions to the Articles of Associations of the Company contained in the Appendix of the Annual Report be and are hereby approved." **(Refer to Explanatory Note 6)**

11. To transact any other business of which due notice have been given.

BY ORDER OF THE BOARD

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

26 November 2012

Notes:

1. *For the purposes of determining a member who shall be entitled to attend and vote at the forthcoming Twenty-Fourth Annual General Meeting of the Company, the Company shall be requesting the Record of Depositors as at 10 December 2012. Only a depositor whose name appears on the Record of Depositors as at 10 December 2012 shall be entitled to attend and vote at the meeting as well as for appointment of proxy(ies) to attend and vote on his/her stead.*
2. *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.*
3. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), 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.*
4. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for the omnibus account, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.*
5. *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 Companies Act, 1965 shall not apply to the Company. A member shall appoint not more than two proxies to attend and vote at the same meeting. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll. There shall be no restriction as to the qualification of the proxy.*
6. *Where a member or the authorised nominees appoints two proxies, or where an exempt authorised nominee appoints two or more proxies, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.*
7. *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 No. 4B, 2nd & 3rd Floor, Jalan Sentol, South Wing – Kluang Parade, 86000 Kluang, Johor Darul Takzimnot less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.*
8. *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 2012

   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 Resolutions No. 7 and 8*

   Continuing in office as Independent Non-Executive Director

   The Nomination Committee has assessed the independence of the following directors, who have served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, and recommended him to continue to act as an Independent Non-Executive Director of the Company based on the following justifications:-

   Ordinary Resolution No. 7: Datuk Seri Ismail bin Yusof

   (i) He fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, he would be able to function as check and balance, bring an element of objectivity to the Board.
   (ii) He has devoted sufficient time and attention to his professional obligations for informed and balanced decision making; and
   (iii) He had exercised his due care and diligent during his tenure as Independent Non-Executive Director of the Company and carried out his professional duties in the best interest of the Company and shareholders.

   Ordinary Resolution No. 8: En. Ash'ari bin Ayub

   (i) He fulfilled the criteria under the definition of Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and thus, he would be able to function as check and balance, bring an element of objectivity to the Board.
   (ii) He has devoted sufficient time and attention to his professional obligations for informed and balanced decision making; and
   (iii) His vast experience in the finance industry would enable him to provide the Board with a diverse set of experience, expertise and independent judgement;

3. *Explanatory note for Ordinary Resolution No. 9*

   Section 132D of the Companies Act, 1965

   Resolution pursuant to Section 132D of the Companies Act 1965. The Ordinary Resolution proposed under agenda 7 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.

4. *Explanatory note for Ordinary Resolution No. 10*

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

Resolution pursuant to the proposed renewal of shareholders' mandate and new shareholders' mandate for recurrent related party transactions of a revenue or trading nature. The Ordinary Resolution proposed under agenda 8, 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.

5. *Explanatory note for Ordinary Resolution No. 11*

Proposed Renewal of Share Buy-Back Authority

Resolution pursuant to the proposed renewal of Share Buy-Back Authority. The Ordinary Resolution proposed under agenda 9, 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. 10 and Ordinary Resolution No. 11 are set out in the Circular to Shareholders and Share Buy Back Statement dated 26 November 2012.

6. *Explanatory note for Special Resolution No. 1*

Proposed Amendments to the Articles of Association of the Company

The proposed Special Resolution 1 will bring the Articles of Association of the Company in line with the amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Kindly refer to the Appendix of the Annual Report herein for details.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

The existing Articles of Association of the Company ("the existing Articles") are amended by the alterations, modifications, deletion and/or additions, wherever necessary whereby the affected existing Articles are reproduced here with the Proposed Amendments to the Articles of Association of the Company alongside it:

<table>
<tr><th rowspan="2">Article No.</th><th colspan="2">Existing Articles</th><th colspan="2">Proposed Articles</th><th rowspan="2">Rationale(s)</th></tr>
<tr><th colspan="2">Definitions</th><th colspan="2">Definitions</th></tr>
<tr><td rowspan="3">2</td><td>WORDS</td><td>MEANINGS</td><td>WORDS</td><td>MEANINGS</td><td></td></tr>
<tr><td>New Provision</td><td>New Provision</td><td>Omnibus Account</td><td>Means one security account with multiple beneficial owners.</td><td>To define the words "Omnibus Account" appears in the proposed amended Article 74.</td></tr>
<tr><td>New Provision</td><td>New Provision</td><td>Share Issuance Scheme</td><td>A scheme involving a new issuance of shares to the employees.</td><td>To define the words "Share Issuance Scheme" appears in the proposed amended Article 6(c).</td></tr>
<tr><td>6(c)</td><td colspan="2">every issue of shares or options to employees and/or Directors shall be approved by Members in general meeting and:-

(i) such approval shall specifically detail the amount of shares or options to be issued to such Director;</td><td colspan="2">every <s>issue of shares or options to employees and/or Directors</s> Share Issuance Scheme shall be approved by Members in general meeting and:-

(i) such approval shall specifically detail the amount of shares <s>or options</s> to be issued to such Director;</td><td>Pursuant to Paragraph 7.03 of the Listing Requirements</td></tr>
<tr><td>72</td><td colspan="2">Subject to the provisions of the Act relating to the convening of meetings to pass special resolution and agreements for shorter notice, at least fourteen (14) days' notice before the meetings or at least 21 days before the meeting where any special resolution is to be proposed or where it is an annual general meeting shall be given to all members (other than those under the provisions of these Articles or the terms of issue of the shares held by them are not entitled to receive notices of general meetings of the Company) and to the auditors for the time being of the Company. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given and shall specify the place, the day and the hour of the meeting and, in the case of special business shall also specify the general nature of that business and shall be accompanied by a statement regarding the effect of any proposed resolution in</td><td colspan="2">Subject to the provisions of the Act relating to the convening of meetings to pass special resolution and agreements for shorter notice, at least fourteen (14) days' notice before the meetings or at least 21 days before the meeting where any special resolution is to be proposed or where it is an annual general meeting shall be given to all members (other than those under the provisions of these Articles or the terms of issue of the shares held by them are not entitled to receive notices of general meetings of the Company) and to the auditors for the time being of the Company. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given and shall specify the place, the day and the hour of the meeting and, in the case of special business shall also specify the general nature of that business and shall be accompanied by a statement regarding the effect of any proposed resolution in respect</td><td>To be in line with Paragraph 9.19(6) of the Listing Requirements</td></tr>
</table>

Article No.	Existing Articles	Proposed Articles	Rationale(s)
72	respect of such special business. At least fourteen (14) days' notice or twenty one (21) days' notice in the case where any special resolution is proposed or where it is annual general meeting of every such meeting shall also be given by advertisement in at least 1 nationally circulated Bahasa Malaysia or English daily newspaper and in writing to the Stock Exchange. Provided that in respect of Deposited Securities: (a) the Company shall request the Depository in accordance with the Rules, to issue a Record of Depositors to whom notices of general meetings shall be given by the Company. (b) the Company shall request the Depository in accordance with the Rules, to issue a Record of Depositors as at the latest date which is reasonably practicable which shall in any event be not less than 3 Market Days before the general meetings (hereinafter referred to as "the General Meeting Record of Depositors"). (c) subject to the Securities Industry (Central Depositories) (Foreign Ownership) Regulation, 1996 (where applicable), a depositor shall not be regarded as a member entitled to attend any general meeting and to speak and vote thereat unless his name appears in the General Meeting Record of Depositors.	of such special business.**The notices must also include the date of the Record of Depositors, as at the latest date which is reasonably practical and in any event shall not be less than three (3) market days before the meeting for the purpose of determining whether a depositor shall be regarded as a Member entitled to attend, speak and vote at the meeting.** At least fourteen (14) days notice or twenty-one (21) days notice in the case where any special resolution is proposed or where it is the annual general meeting, of every such meeting shall also be given by advertisement in at least 1 nationally circulated Bahasa Malaysia or English daily newspaper and in writing to to the Stock Exchange. Provided that in respect of Deposited Securities: (a) the Company shall request the Depository in accordance with the Rules, to issue a Record of Depositors to whom notices of general meetings shall be given by the Company. (b) the Company shall request the Depository in accordance with the Rules, to issue a Record of Depositors as at the latest date which is reasonably practicable which shall in any event be not less than 3 Market Days before the general meetings (hereinafter referred to as "the General Meeting Record of Depositors"). (c) subject to the Securities Industry (Central Depositories) (Foreign Ownership) Regulation, 1996 (where applicable), a depositor shall not be regarded as a member entitled to attend any general meeting and to speak and vote thereat unless his name appears in the General Meeting Record of Depositors.	

Article No.	Existing Articles	Proposed Articles	Rationale(s)
74	In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him, and that a proxy need not also be a member. 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 (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.	In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint **not more than 2** proxies to attend and vote instead of him, and that a proxy need not also be a member. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991**("SICDA")**, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. **Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for the omnibus account, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.**	To be in line with Paragraph 7.21 of the Listing Requirements.
100	The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised 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 authorised. The Directors may, but shall not be bound to require evidence of the authority of any such attorney or officer. A proxy may but need not be a member of the Company and 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 (2) 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 shall be in writing under the hand of the appointor or of his attorney duly authorised 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 authorised. The Directors may but shall not be bound to require evidence of the authority of any such attorney or officer. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provision of Section 149(1)(b) of the Act shall not apply to the Company. **There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Member to speak at a meeting.** A member, **an authorised nominee,** shall appoint not more than two (2) proxies **and there is no limit to the number of** proxies which the **exempt authorised nominee may appoint in respect of each omnibus account it holds,** to attend and vote at the same meeting. Where a member or **an authorised nominee** appoints two (2) proxies, **or where an exempt authorised nominee appoints two (2) or more 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.	Pursuant to Paragraph 7.21 A of the Listing Requirements and reflect Section 149(1)(d) of the Companies Act, 1965.

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

PROXY FROM

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. ______________________
of ______________________
or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy, to vote for me/us on my/our behalf at the TWENTY-FOURTH ANNUAL GENERAL MEETING of the Company to be held at the **Prime City Hotel, Venus Room, 6th Floor, 20, Jalan Bakawali, 86000 Kluang, Johor Darul Takzim** on **Tuesday, 18 December 2012** at **10.30 a.m.** and at any adjournment thereof.

My/our proxy is to vote as indicated below:

ITEM	AGENDA			
1.	To receive the Statutory Financial Statements for the financial year ended 30 June 2012.			
		RESOLUTION	FOR	AGAINST
2.	To approve the payment of Directors' fees for the financial year ended 30 June 2012.	**1**		
3.	To re-elect the following Directors who retire in accordance with the Company's Articles of Association:			
	(a) Datuk Seri Ismail bin Yusof (Article 105)	**2**		
	(b) Ms. Tan Lay Hiang (Article 105)	**3**		
	(c) Mr. Tan Vin Shyan (Article 112)	**4**		
4.	To re-appoint En. Ash'ari Bin Ayub	**5**		
5.	To re-appoint Messrs. BDO as Auditors of the Company and to authorise the Directors to fix their remuneration.	**6**		
6.	Continuing in office for Datuk Seri Ismail bin Yusof as an Independent Non-Executive Director.	**7**		
	Continuing in office for En. Ash'ari bin Ayub as an Independent Non-Executive Director.	**8**		
7.	Authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965.	**9**		
8.	Proposed Renewal of Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions.	**10**		
9.	Proposed Renewal of Share Buy-Back.	**11**		
10.	Proposed Amendments to the Articles of Association of the Company.	**Special Resolution 1**		

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

For appointment of two proxies, percentage of shareholdings to be represented by the proxies :		
	No of shares	**Percentage**
Proxy 1		%
Proxy 2		%
		100 %

____
Signature/Common Seal
Number of shares held :
Date

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 ("SICDA"), 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. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for the omnibus account, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.*
4. *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 Companies Act, 1965 shall not apply to the Company. A member shall appoint not more than two proxies to attend and vote at the same meeting. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll. There shall be no restriction as to the qualification of the proxy.*
5. *Where a member or the authorised nominees appoints two proxies, or where an exempt authorised nominee appoints two or more proxies, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.*
6. *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 No. 4B, 2nd & 3rd Floor, Jalan Sentol, South Wing – Kluang Parade, 86000 Kluang, Johor Darul Takzim not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.*
7. *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* *fold here*

AFFIX
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The Company Secretary

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

No. 4B, 2nd & 3rd Floor, Jalan Sentol,
South Wing – Kluang Parade,
86000 Kluang,
Johor Darul Takzim

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BCB BERHAD (172003-W)

Registered Office:
No. 4B, 2nd & 3rd Floor, Jalan Sentol
South Wing - Kluang Parade
86000 Kluang, Johor
Tel: 07-776 0089 Fax: 07-772 0089

Kuala Lumpur Branch
Concerto Kiara
PT25954, Jalan Dutamas Raya,
51200 Segambut Kuala Lumpur.
Tel: 03-6259 6999 Fax: 03-6250 0232

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