annual report 2013

Building Communities & Beyond

CONTENTS

Dear Shareholders,

On behalf of the Board of Directors of BCB Berhad ("BCB" or "the Group"), I am pleased to present this Annual Report and Financial Statements of BCB Berhad for the financial year ended 30 June 2013.

OVERVIEW

The Malaysian economy recorded a growth rate of 5.6% in 2012; surpassing its growth rate forecast of between 4.5% and 5.0%. In 2013, it is expected to perform similarly well by expanding strongly at between 5% and 6%; supported by the prospects of an improved global economy, strong private investment and consumption.

The 2013 economic growth is fuelled by the Economic Transformation Programme (ETP) as well as major infrastructure developments in the Klang Valley and Johor - such as the Klang Valley Mass Rapid Transit (MRT), Senai-Pasir Gudang-Desaru Highway and the new coastal road connecting Johor Bahru and Nusajaya. As such, land and properties located near these projects have recorded good appreciation in re-sale values as well as strong market demand.

The Malaysian property market in general moderated after attaining two consecutive years of growth. The property market activity for last year actually contracted 0.7% in volume but increased 3.6% in value. As in the past, the residential sub-sector continues to spearhead the property market activities.

The prevailing low interest rate and attractive financing packages will continue to sustain and drive the growth of the property market. Bank Negara's move to check speculation in the residential/condominium property market via the implementation of the 70% loan-to-value mortgage cap; applicable for the purchase of a third residential unit, had not deterred genuine home buyers from participating in the property market.

With the recent government announcement in Budget 2013 of a hike in real properties gains tax (RPGT) from 15% to 30% for properties held and sold within the first three years and the abolition of the DIBS (Developer Interest Bearing Scheme) scheme whereby developers absorb all monthly bank interest of purchasers until full completion of purchased units; the property market sort of cooled down momentarily. However, it is expected to consolidate in the short term before registering continued decent growth throughout 2014; largely spurred on by genuine demand.

Financial Review

The Group posted a turnover of RM164.58 million compared with RM123.89 million achieved in the previous year. Group profit before tax increased to RM20.92 million compared with RM12.30 million achieved in the previous year while Group profit after tax increased to RM16.10 million compared with RM7.73 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, 2013, the Group officially launched its third and final tower of 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, Kuala Lumpur. This project has a gross development value (GDV) of about RM525 million. The first two towers registered sales of 70%, with all non-bumi units sold. Total cumulative sales to-date is about RM300 million.

On June 22, 2013, the Group officially launched its other prestigious project in the Klang Valley, in the vicinity of Kota Kemuning, Selangor. Named Home Tree, this project comprises of 521 units of high-end bungalows and 49 units of shop houses sited on 151 acres of land. This project has a GDV of about RM1.8 billion. The first phase of Home Tree named Long Branch saw almost all 101 units (GDV RM270mil) of bungalows sold within a week of launching.

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

JOHOR

a) Taman Bukit Perdana, Batu Pahat

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, Batu Pahat

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 emphasizes quality living set amidst natural surroundings.

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

To date, over 3,000 units have been sold for a total sales value of about RM1.0 billion. This township is currently 75% developed with another 100 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, Batu Pahat

This 390 acre 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 emphasizes 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 completion.

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.

d) Medini, Iskandar Malaysia, Johor Bahru

The Group has been offered and has expressed interest to purchase the lease over 7.81 acres of land bearing a gross floor area (GFA) of 2,060,735 s.f. in Zone A of Medini Iskandar within Iskandar Malaysia, Johor Bahru, Johor for RM123,644,100.

As one of the vendor's shareholder is also a major shareholder in the Company, making the deal a related party transaction; the Group has engaged consultants to assist it in a corporate exercise to secure the necessary approvals from Bursa Malaysia and its own shareholders.

At the date of this report, the Group is proceeding with this corporate exercise and will make an official announcement at an appropriate time.

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 North Kiara, Kuala Lumpur

A 440 units high-end condominium project sited on 5 acres and comprising 3 tower blocks and a club house. This project is located in the vicinity of Mont' Kiara, Kuala Lumpur.

It was officially launched on July 7, 2012.

Both two 27 storey tower blocks with 324 units is about 70% sold with total sales of more than RM270 million done as at the time of this report. In the year, the Group launched the third and final tower – a 29 storey tower block with 116 units.

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

c) Home Tree at Kota Kemuning, Shah Alam, Selangor

A high-end gated and guarded community sited on 151 acres of land located along the Klang river and comprising 521 units of high-end bungalows, 49 units of shop houses and 520 units of mixed low and medium-cost apartments. This project is located in Kota Kemuning and has a 3.5 km long river frontage. It was officially launched on June 22, 2013.

This development is jointly undertaken 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 harmonize 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 5 years time.

OTHERS

Existing developments which have not been fully launched are as follows:
- Taman Sri Kluang (Kluang, Johor)
- Taman Pulai Utama (Johor Bahru, 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 2 km from Universiti Teknologi Malaysia and Pulai Springs Golf and Country Club. It is served by a shopping mall, U-mall, with Giant hypermarket being the anchor tenant. The shopping mall also has restaurants, retail lots and a Cineplex.

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 8.759 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 214 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 6.978 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.

CORPORATE DEVELOPMENTS

Share Buy Back

During the financial year, 2,100 ordinary shares were bought back from the open market for RM947.00 at an average price of RM0.45 per share. As at 30 June 2013, 6,013,600 ordinary shares have been bought back and retained as treasury shares in the company.

Appointment and Resignation of Directors

On 30th September 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 1st February 2013, Low Kok Yung was appointed Executive Director of the Company. Prior to his appointment, he was the Group's Financial Controller.

Prospects

Property developers will continue to face challenging times ahead. Notwithstanding, the property market is expected to remain buoyant next 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 year and I look forward to their support in the future.

DATUK SERI ISMAIL BIN YUSOF
Chairman

Corporate Disclosure Policy

1. Scope and Objectives of Policy

Pursuant to the Listing Requirements ("LR") set by Bursa Malaysia Securities Berhad ("Bursa Malaysia") Paragraph 9.03 Part C, a prescribed minimum amount of disclosure has been outlined for listed issuers. This Corporate Disclosure Policy (hereinafter referred to as the 'Policy") aims to integrate the mandatory requirements set out in the LR with the Recommendations promulgated by the Malaysian Code of Corporate Governance 2012 ("MCCG 2012"), thus instilling the tenets of good governance within the practices of BCB Berhad ("BCB" or "the Company").

This document outlines the Company's policy on the determination and dissemination of sensitive and material information to investors, stakeholders, local media, the investing public and other relevant persons in line with the applicable legal and regulatory requirements. This policy is applicable to all Directors, Management staff, officers and employees of the Company and its subsidiaries.

2. Timely disclosure in accordance with the LR

Immediate announcements of material information must be made in accordance with the LR set out by Bursa Malaysia. Once materiality of the information has been assessed, the Board is responsible for the timely disclosure of the information in accordance with the disclosure obligations set out in the LR. A general guideline to determine materiality is if the information is reasonably expected to impact on:

- Price, value or market activity of any of its securities; or

- Investors' decisions in determining his/her course of action.

In relation to any material information that is being withheld temporarily, BCB is committed to ensuring confidentiality is maintained.

All disclosures made must be in a reader-friendly format allowing for easy understanding by all parties concerned. BCB Berhad is committed to disclosing information that is accurate, succinct, balanced, unambiguous and free of technical jargon.

Disclosures made are to adhere to the following protocols:

- all critical announcements are to be circulated to, and reviewed by, all members of the Board;
- all members of the Board are required to provide to the person/people delegated by the Chairman or Managing Director, confirmation or written approval of each announcement prior to its release;
- any relevant parties referenced in the announcement should also review the announcement prior to its release, to confirm the accuracy of the information; and
- the Chairman or Managing Director (or in their absence, the Executive Director) must approve the announcement before release to Bursa Malaysia.

3. Designated Spokesperson

The Company shall elect a spokesperson to be responsible for the oversight and coordination of the disclosure of material information to the market. The duties of the spokesperson shall include:

- review the material for disclosure to ensure adherence to regulatory requirements;
- ensures that the material is duly verified by the Board.
- ensures the information is disclosed in a timely manner as prescribed by regulations;
- maintain records pertaining to all disclosures made; and

The level of autonomy for the designated spokesperson is a matter for deliberation of the Board as a whole.

4. Market Rumours

It is the policy of BCB to clarify, confirm or deny any circulating market rumours upon becoming aware of the presence of any material information. Any clarification provided will be in a published format, for the purpose of dissemination to the investing public.

5. Unusual Market Activity

BCB shall carry out an enquiry to ascertain the cause of any unusual market activity in its securities. In the case of any misinterpretations, clarification shall be provided via the appropriate channels in the Bursa Malaysia Securities Berhad.

6. Insider Trading

The Company affirms its awareness of the provisions of Section 188 of the Capital Markets and Services Act in regards to insider trading. Directors, Management and employees of BCB and its subsidiaries shall not trade on the basis of any material information that has not been disclosed to the public.

7. Promotional Disclosure Activity

Guided by the principles of fairness and transparency, BCB shall not participate in any promotional disclosure activity that may have a misleading effect on its investors or cause unwarranted activity within its securities.

8. Administrative matters

On an annual basis, the Group Managing Director and Executive Director will review and assess the effectiveness of the Policy. Any requirement for amendment shall be deliberated upon by the Board and any recommendations for revisions shall be highlighted and proposed for approval.

The policy will be held in the custody of the Company Secretary of BCB.

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 strictly with the rules and directives set by the authorities in regards to environmental safety and protection. All unwanted wastes, materials and by-products resulting from the construction sites are either recycled or disposed properly.
- 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. Besides this, the Group intend to in-corporate rain harvesting mechanisms in its high-end bungalows in the vicinity of Kota Kemuning, Selangor.
- The Group will emphasize 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 tracts 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 RM100,000.00 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.
- The Group also provides a harassment-free workplace regardless of race, sex and religion.

1. Introduction

- This policy is created for BCB Berhad ("the Company") and its subsidiaries ("the Group").
- This policy complements the Company's existing Corporate Social Responsibility policy.
- Sustainability covers ethical business practices, a care for social and environmental issues as well as good corporate governance practises.

2. Objectives

The principle objective of this policy is to:

- Integrate the principles of sustainability into the Group's strategies, plans, decision making, policies and procedures;
- Promote sustainable practices; and
- Create a culture of sustainability within the Group and community.

3. Social Sustainability

Focuses on developing programs and creating an environment to facilitate progress, monitor well being and advancement within the community.

- Maintain a safe, hygienic and healthy workforce;
- Train and retain high potential and performing employees;
- Promote and reward a positive work culture; and
- Promote racial harmony and prevent racial and gender discrimination.

4. Environmental Sustainability

The Group is committed to protecting the environment around it. Measures taken are as follows:

- The Group practices re-cycling in its hotel as well as various property development sites;
- The Group will incorporate rain harvesting features in all its new bungalows at Home Tree in Kota Kemuning, Selangor and will soon extend it to its other projects;
- The Group ensures that the level of pollutants released into the environment is kept to a minimum in all its development sites; and
- The Group complies with all environmental regulations.

5. Governance Sustainability

The credibility and integrity of the Group and board members hinges upon the proper execution of this practise. Hence the Group:

- Ensures it forms part of strategic planning; and
- Enhances it through regular updates and trainings.

6. Reports and Disclosures

The Company sets both short term and long term targets for its sustainability efforts. It also ensures that they are integrated into its strategies and business plans.

7. Review

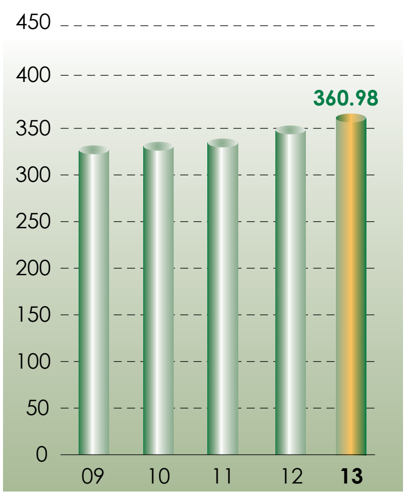
This policy shall be reviewed annually by the Board and as and when the need arises.

Five Years' Financial Highlights

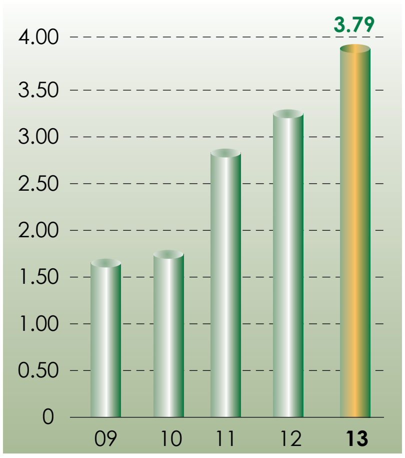
Consolidated Statement of Financial Position as at 30 June for the financial year

	2009 RM'000	2010 RM'000	2011 RM'000	2012 RM'000	2013 RM'000
Share Capital	206,250	206,250	206,250	206,250	206,250
Treasury Shares	(2,252)	(2,299)	(3,113)	(3,114)	(3,115)
Non-Distributable Reserve	6,744	6,769	6,788	6,788	6,788
Retained Earnings	112,264	114,384	120,366	128,442	144,246
Non-Controlling Interests	-	-	-	6,518	6,816
Shareholders' Equity	323,006	325,104	330,291	344,884	360,985
Represented by:					
Property, Plant and Equipment	48,680	48,640	51,621	50,021	65,191
Investment Properties	27,417	27,417	27,417	35,294	24,876
Land Held for Development	61,880	106,856	113,423	47,264	96,766
Other Non-Current Assets	3,056	3,019	118	195	44
Current Assets	313,157	301,497	371,870	581,683	595,985
Current Liabilities	(103,248)	(88,037)	(126,306)	(207,458)	(254,499)
	209,909	213,460	245,564	374,225	341,486
Non Current Liabilities	(27,936)	(74,288)	(107,852)	(162,115)	(167,378)
	323,006	325,104	330,291	344,884	360,985
Total Assets	454,190	487,429	564,449	714,457	782,862
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)	1.57	1.58	2.74	3.46	3.79

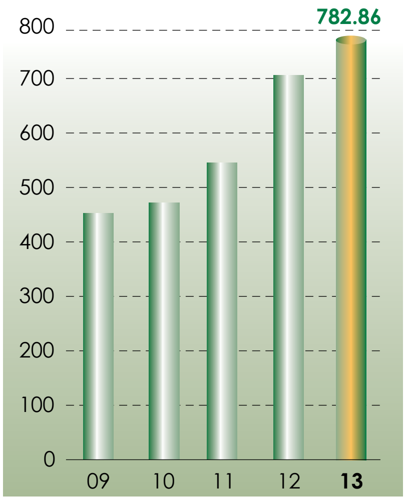
Shareholders' Equity
RM'000,000



Net Assets Per Share
RM



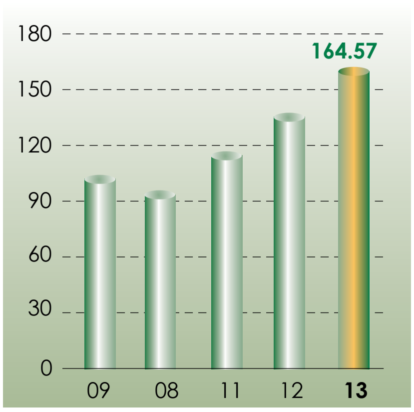
Total Assets
RM'000,000



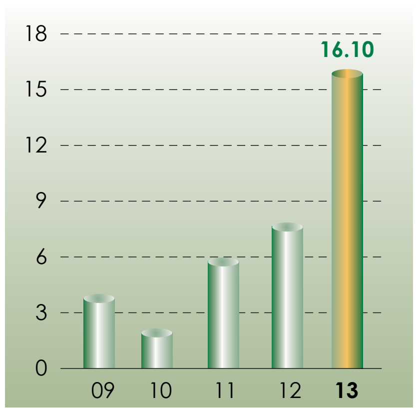
Consolidated Statements of Profit or Loss as at 30 June for the financial year

	2009 RM'000	2010 RM'000	2011 RM'000	2012 RM'000	2013 RM'000
Revenue	93,079	91,074	118,560	123,890	164,578
Profit Before Charging Depreciation and Interest Expenses	14,834	11,278	19,532	23,326	33,230
Depreciation	(2,028)	(1,847)	(2,041)	(2,033)	(2,257)
Interest Expenses	(6,650)	(5,806)	(7,580)	(8,993)	(10,049)
Profit Before Taxation	6,156	3,625	9,911	12,300	20,924
Taxation	(2,551)	(1,504)	(3,929)	(4,567)	(4,822)
Profit After Taxation	3,605	2,121	5,982	7,733	16,102
Adjusted Weighted Average Number of Shares in Issue	201,860	201,847	201,058	200,238	200,236
Basic EPS (sen)	1.79	1.05	2.98	3.99	7.89

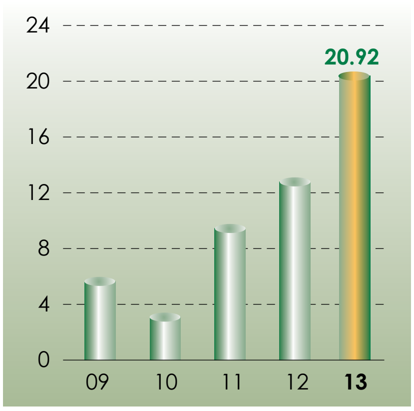
Revenue
RM'000,000



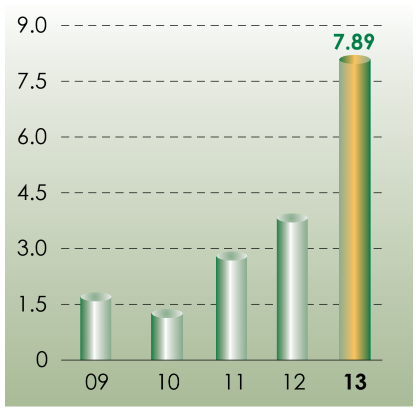
Profit After Taxation
RM'000,000



Profit Before Taxation
RM'000,000



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
Executive Director

Low Kok Yung
(Appointed on 01.02.2013)
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 Darul Takzim

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
AmIslamic Bank Berhad
Bank Islam Malaysia Berhad

Stock Exchange

Main Market of Bursa
Malaysia Securities Berhad Listing

Stock Number: BCB 6602

Building Communities & Beyond

Investment Holdings, Property Development and Construction,
Hotel and Shopping Mall Operations and Others

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

100%
BCB Heights Sdn Bhd
Property development
(Acquired on 24.09.2013)

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

100%
BCB Technologies Sdn Bhd

100%
Luna Starcity Sdn Bhd

100%
Laser Lagun Sdn Bhd

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 69, 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 five (5) of five (5) Board Meetings held in the financial year ended 30 June 2013.

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

Encik Ash'ari Bin Ayub, aged 71, 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 five (5) of five (5) Board Meetings held in the financial year ended 30 June 2013.

DATO' TAN SENG LEONG
Group Managing Director

Dato' Tan Seng Leong, aged 57, 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 five (5) Board Meetings held in the financial year ended 30 June 2013.

TAN LAY HIANG
Executive Director

Ms Tan Lay Hiang, aged 46, a Malaysian, was appointed to the Board on 16 July 1994. She manages the sales, marketing and conveyancing aspects of BCB's property development projects. Prior to joining BCB in 1989, she was attached to several other property development firms in Kluang. She also holds directorships in BCB's subsidiaries.

She attended four (4) of five (5) Board Meetings held in the financial year ended 30 June 2013.

TAN LINDY
Executive Director

Ms Tan Lindy, aged 29, a Malaysian, was appointed to the Board on 22 May 2008. She is with BCB since 2005 and is responsible for the daily management and operations of BCB's Prime City Hotel in Kluang. 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 four (4) of five (5) Board Meetings held in the financial year ended 30 June 2013.

TAN VIN SERN
Executive Director

Mr Tan Vin Sern, aged 30, 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 five (5) of five (5) Board Meetings held in the financial year ended 30 June 2013.

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

Encik M Arif Bin Kataman, aged 60, 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 33 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 TNB Engineering Cooperation (TNEC). He has gathered vast experiences from various positions and departments in LLN / TNB.

He attended five (5) of five (5) Board Meetings held in the financial year ended 30 June 2013.

TAN VIN SHYAN
Executive Director

Mr Tan Vin Shyan, aged 24, 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 five (5) of five (5) Board Meetings held in the financial year ended 30 June 2013.

LOW KOK YUNG
Executive Director

Mr. Low Kok Yung, aged 44, a Malaysian, was appointed to the Board on 1 February 2013 and is in charge of financial matters of the Group. Prior to his appointment, he was the Group's Financial Controller. He graduated from Newcastle University, Australia with a Bachelor of Commerce degree (majoring in Accounting). He is a member of the Malaysian Institute of Accountants (MIA) and CPA, Australia. He has 22 years experience in the accounting field. He also holds directorships in BCB Berhad (BCB) and BCB's various subsidiaries.

He attended two (2) of two (2) Board Meetings held in the financial year ended 30 June 2013.

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 Group Managing Director, Group Finance Director, Internal Auditors 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 five (5) meetings during the financial year ended 30 June 2013. 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	5/5	100
Ash'ari Bin Ayub	5/5	100
M Arif Bin Kataman	5/5	100

7) ACTIVITIES UNDERTAKEN BY THE AUDIT COMMITTEE

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

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

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

iii) reviewed the findings on the internal control reviews conducted by the firm of internal auditors and where necessary ensure that the appropriate action is taken on the recommendations of the internal audit function;

iv) reviewed the external auditors' scope of work and audit plan for the financial year ended 30 June 2013;

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 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

i) Construction Division – Supplier selection and evaluation and procurement planning of building materials.

ii) Property Development and Management - Procurement processing, Vendor selection and evaluation.

In addition to that, the Internal Audit will also be reviewing procedures for the recurrent related party transactions in the month of November 2013.

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.

The Board of Directors of BCB Berhad ("Board") is committed to the implementation and maintenance of good corporate governance practices and procedures for the whole Group.

This statement sets out the principles of good corporate governance practiced by BCB and the extent to which the Company complies with the principles and standards of governance and behavior recommended by the Securities Commission of Malaysia contained in the Malaysia Code on Corporate Governance 2012 ("MCCG 2012") as required by Paragraph 15.25 in Part E of Chapter 15 of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements ("Listing Requirements").

PRINCIPLE 1: ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

Clear functions reserved for the Board and those delegated to Management

The Board has full and effective control over the business undertakings of the Company subject to the powers reserved for shareholders under the Company's Memorandum and Articles of Association, the Listing Requirements and applicable laws. This includes responsibility for determining the Company's overall strategic direction as well as the approval of annual and interim results, specific items of investments and divestments, as well as the risk management framework and internal control policies and procedures for the Company.

The Board has adopted a Board Charter which sets out the functions that are reserved for the Board.

The Managing Director, is responsible for matters which are not specifically reserved for the Board or delegated to the Board committees such as the day-to-day management of the operations of the Company.

Clear roles and responsibilities

The Board's role and responsibilities are set out in the Company's Board Charter. While the day-to-day management of the operations of the Company is delegated to the Managing Director, the Board retains effective control over important policies and processes covering areas such as internal controls, risk management and the remuneration of executives and employees of the Company.

The Board has also delegated certain responsibilities to other Board committees, which operate within clearly defined terms of reference. Standing committees of the Board include the Audit Committee (please refer to the Report on Audit Committee set out on page 17 to 20, Nomination and Remuneration Committee. The terms of reference of Board Committee detailing the responsibilities of each Committee and how they exercise their authority. There is a clear division of responsibility between the Chairman and Managing Director to ensure a balance of power and authority. The principal duties of the Chairman are to conduct the meetings of the Board and shareholders and to facilitate constructive discussions at these meetings. The Managing Director is responsible for the day-to-day running of the businesses of the Group and to develop and implement strategies.

Code of Conduct

The Board has adopted a formal Code of Conduct that applies to the activities of the Directors. The Code of Conduct is reviewed periodically by the Board and revised as and when appropriate. A summary of the code is made available on the Company's website.

Promoting sustainability

BCB's approach to governance is to drive business revenues and profits and manage risks prudently in order to deliver long-term profitability and provide value to shareholders on a sustainable basis. This approach includes meeting expectations of stakeholders such as customers, shareholders, regulators, bankers, joint venture partners and the communities in which the BCB Group operates.

BCB's Board and management view its commitment to Business Sustainability and Environmental, Social and Governance (ESG) objectives as part of its responsibility to its stakeholders and the communities in which it operates. BCB is committed to the implementation of safe work practices and aims to provide an injury free workplace for all its employees

The BCB Group of companies engages in the wider community through Corporate Social Responsibility programs undertaken at the level of each Group company and by its staff. Details of the Group's community initiatives are detailed in Social Responsibility on page 8.

Board members' access to information and advice

Each Board member receives quarterly operating results, including a comprehensive review and analysis. Prior to each Board meeting, Directors are sent an agenda and a full set of Board papers for each agenda item to be discussed at the meeting. This is issued in sufficient time to enable the Directors to obtain further explanations, where necessary, in order to be sufficiently briefed before the meeting.

Directors have access to all information within the Company whether as full Board or in their individual capacity, in furtherance of their duties. Directors also have direct access to the advice and the services of internal and external legal advisers and the Group's Company Secretary who is responsible for ensuring that Board procedures are followed.

Qualified and competent Company Secretary

The Group's Company Secretaries are appointed by the Board of Directors. The appointment is based on criteria related to the qualifications, experience and competence of the individuals concerned to carry out their duties and responsibilities having regard to the BCB Group's business, size of operations and compliance with the Listing Requirements.

Formalise and review Board Charter

The Board has adopted a formal Board Charter which is available on the Company's website. The Board Charter is subject to an annual review and more frequently, if required, due to a change of law or of company policy that affects the Board Charter.

PRINCIPLE 2: STRENGTHEN COMPOSITION

DIRECTORS

Composition of the Board and Board Committees

The Board currently comprises nine (9) 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.

One-third of the Board comprises Independent Directors as required by the Listing Requirements. The Company recognises the contribution of Independent Directors as vital to the development of the Company's strategies, the importance of representing the interest of public shareholders and providing a balanced and independent view to the Board. All Independent Directors are independent of management and free from any relationship that could interfere with their independent judgement.

Nomination and Remuneration Committee

During the financial year ended 30 June 2013, the Board had a Nomination and Remuneration Committee comprising three independent Non-Executive Directors. This Committee is empowered to bring to the Board recommendations as to the appointment of any new Executive or Non-Executive Director, provided that the Chairman of the Nomination and Remuneration Committee in developing such recommendations consults all Directors and reflects that consultation in any recommendation of the Nomination and Remuneration Committee brought forward to the Board.

The Nomination and Remuneration Committee recognizes the importance of the roles the Committee plays not only in the selection and assessment of Directors but also in other aspects of corporate governance which the Committee can assist the Board to discharge its fiduciary and leadership functions. The Nomination and Remuneration Committee comprises the following members:

- En. Ash'ari Bin Ayub (Chairman of Committee and Independent Non-Executive Director);
- Datuk Seri Ismail Bin Yusof (Independent Non-Executive Director); and
- En. M Arif Bin Kataman (Independent Non-Executive Director)

The Board has stipulated specific terms of reference for the Nomination and Remuneration Committee, which cover, inter-alia, assessing and recommending to the Board the candidacy of Directors, appointment of Directors to Board Committees and training programmes for the Board. The terms of reference require the Nomination and Remuneration Committee to review annually the required mix of skills and experience of Directors; succession plans and board diversity, including gender diversity; training courses for Directors and other qualities of the Board, including core-competencies which the Independent Non-Executive Directors should bring to the Board. The Committee is also entrusted to assess annually the effectiveness of the Board, as a whole, Board Committees and contribution of each individual Director. Insofar as board diversity is concerned, the Board does not have a specific policy on setting targets for women candidates. The evaluation of candidates' suitability is solely based on their competency, character, time commitment, integrity and experience in meeting the needs of the Company, including, where appropriate, the ability of the candidates to act as Independent Non-Executive Directors, as the case may be.

Criteria for recruitment and assessment

The Nomination Committee conducted an assessment of the performance of the Board, as a whole, the Audit, Nomination and Remuneration Committees and individual Director, based on the following assessment approach:

i. Group Managing Director to assess Executive Directors;
ii. Chairman to assess Group Managing Director; and
iii. All Directors to assess Chairman.

From the results of the assessment, including the mix of skills and experience possessed by Directors, the Board considered and approved the recommendations on the re-election and re-appointment of Directors at the Company's forthcoming Annual General Meeting.

Board remuneration policies and procedures

The Nomination and Remuneration Committee is also responsible for setting the policy framework and recommending to the Board the remuneration of Directors so as to ensure that the Company is able to attract and retain its Directors needed to run the Group successfully. The components of Directors' remuneration are structured so as to link rewards to corporate and individual performance in the case of Executive Directors. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the individual Non-Executive Director concerned.

Directors do not participate in discussion of their individual remuneration.

Basic Salaries and Fees

In setting the basic salary for each executive director, the Remuneration Committee takes into account the compensation practices of other companies and the performance of each individual director. Salaries are reviewed (although not necessarily increased) annually depending on the category of employment. Salaries are increased only where the Committee believes that adjustments are appropriate to reflect performance, increased responsibilities and/or market pressures.

The Board determines fees payable to all Directors subject to the approval of shareholders at each Annual General Meeting. The non-executive members of the Board of Directors receive a fixed base fee as consideration for their Board duties. In addition, the Board members receive a fixed fee for their work on committees established by the Board.

The remuneration of the Board of Directors is determined on the basis of standards in the market and reflects demands to the expected competencies and efforts in light of the scope of their work and the number of board and board committee meetings.

Annual Incentive Plan (Bonus Scheme)

The Group operates a bonus scheme for all employees, including the Executive Directors, and the criteria for this scheme is dependent on the financial performance of the Group. Bonuses payable to the Executive Directors are reviewed by the Nomination and Remuneration Committee and approved by the Board.

Retirement Plan

Contributions are made to the Employees Provident Fund ("EPF"), the national mandatory defined contribution plan, in respect of all Malaysian-resident Executive Directors.

Other Benefits

Other benefits include car and driver allowances as well as medical insurance coverage.

Directors' remuneration for the financial year ended 30 June 2013, categorised into appropriate components, distinguish between Executive and Non-Executive Directors, is as follows:

	Fees (RM)	**Salaries and allowance (RM)**	**Bonus (RM)**	**Benefits-in-kind (RM)**
Executive Directors	-	2,188,695	175,233	70,125
Non-Executive Directors	150,000	-	-	-

The number of Directors of the Company, whose remuneration band falls within the following successive bands of RM 50,000, is as follows:

	Number of Director	
Range of remuneration	**Executive**	**Non-Executive**
RM1 to RM 50,000	1	2
RM50,001 to RM100,000	1	1
RM100,001 to RM200,000	3	-
RM200,001 to RM300,000	1	-
RM1,500,000 to RM1,650,000	1	-

Principle 3 – Reinforce Independence of the Board

The positions of Chairman and Chief Executive Officer of the Company are held by the Independent Non-Executive Chairman and Managing Director respectively.

The Chairman is responsible for ensuring the adequacy and effectiveness of the Board's governance process and acts as a facilitator at Board meetings to ensure that contributions from Directors are forthcoming on matters being deliberated and that no Board member dominates discussion. As the Managing Director, supported by fellow Executive Directors, he implements the Group's strategies, policies and decision adopted by the Board and oversees the operations and business development of the Group.

The Independent Non-Executive Directors bring independent views, advice and judgment on interests, not only of the Group, but also of shareholders, employees, customers, suppliers and the communities in which the Group conducts its business. Independent Non-Executive Directors are essential for protecting the interests of shareholders and can make significant contributions to the Company's decision making by bringing in the quality of detached impartiality.

During the financial period under review, the Board assessed the independence of its Independent Non-Executive Directors based on criteria set out in the Listing Requirements of Bursa. The Board Charter provides a limit of a cumulative term of nine (9) years on the tenure of an Independent Director. However, an Independent Director may continue to serve on the Board upon reaching the 9 year limit subject to the Independent Director's re-designation as a Non-Independent Non-Executive Director. In the event the Board intends to retain the Director as Independent after the latter has served a cumulative term of nine (9) years, the Board must justify the decision and seek shareholders' approval at general meeting. In justifying the decision, the Board is required to assess the candidate's suitability to continue as an Independent Director based on the criteria on independence as adopted by the Board.

The Board has two members of the Board, Y.Bhg. Datuk Seri Ismail Bin Yusof and En. Ash'ari Bin Ayub whose tenure as an Independent Director as at 30 June 2012 exceeded nine years. The Nomination and Remuneration Committee had assessed the independence of Y.Bhg. Datuk Seri Ismail Bin Yusof and En. Ash'ari bin Ayub. Based on the result of the assessment by the Nomination and Remuneration Committee, the Board proposed Y.Bhg. Datuk Seri Ismail bin Yusof and En. Ash'ari bin Ayub to seek shareholders' approval at the forthcoming AGM to continue to serve as Independent Non-Executive Director.

PRINCIPLE 4: FOSTER COMMITMENT

The Board and Board committees have regular pre-scheduled meetings annually. As the meeting dates for the next financial year are decided a year in advance by the Board, members of the Board are aware of the commitments with respect to time that each has to commit as a member of the Board and each committee.

Details of attendance of Board and Board Committee meetings are set out on page 26.

Continuing education programmes

The Company arranges relevant training programmes for all Directors to keep themselves abreast with the relevant changes in laws, regulations and the business development and enhance their professionalism in discharging their fiduciary duties to the Company in compliance with paragraph 15.08 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad.

Details of the trainings attended by the Directors during the financial year are set out on page 27.

PRINCIPLE 5: UPHOLD INTEGRITY IN FINANCIAL REPORTING

It is Board's commitment to present a balanced and meaningful assessment of the Group's financial performance prospects at the end of each reporting period and financial period, primarily through the quarterly announcement of results to Bursa, the annual financial statements of the Group and Company as well as the Chairman's statement and review of the Group's operations in the Annual Report, where relevant.

The Board is responsible for ensuring that the financial statements give a true and fair view of the state of affairs of the Group and the Company as at the end of the reporting period and of their results and cash flows for the period then ended.

To assist in its discharge of its duties on financial reporting, the Board has established an Audit Committee, comprising exclusively Non-Executive Directors, the majority of whom are independent, with Datuk Seri Ismail bin Yusof as the Committee Chairman. The composition of the Audit Committee, including its roles and responsibilities, are set out in the Audit Committee Report section of this Annual Report. One of the key responsibilities of the Audit Committee in its specific terms of reference is to ensure that the financial statements of the Group and Company comply with applicable financial reporting standards in Malaysia and provisions of the Companies Act, 1965. Such financial statements comprise the quarterly financial report announced to Bursa and the annual statutory financial statements.

The Board understands its role in upholding the integrity of financial reporting by the Company. Accordingly, the Audit Committee, which assists the Board in overseeing the financial reporting process of the Company, has adopted a policy for the types of non-audit services permitted to be provided by the external auditors, including the need for the Audit Committee's approval in writing before such services can be provided by the external auditors. To address the "self-review" that faced by the external audit firm, the procedures included in the policy require the engagement team conducting the non-audit services to be different from the external audit team.

In assessing the independence of external auditors, the Audit Committee requires written assurance by the external auditors, confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out by the International Federation of Accountants and the Malaysian Institute of Accountants.

PRINCIPLE 6: RECOGNISE AND MANAGE RISKS

Sound risk management framework

BCB has established policies and procedures for the oversight and management of material business and financial risks as well as the monitoring of the internal controls that are in place.

The risk management policy sets out procedures which are designed to identify, assess, monitor and manage risk at each of the businesses of the BCB Group. The risks covered in the procedures and reviewed by the internal audit group include operational, market (both business and finance risks), legal and credit risks. The Management and the Board also carry out a regular review of political, regulatory and economic risks in line with the Board's oversight of the strategic direction and position of BCB within the marketplace it operates.

Internal audit function reporting to the Audit Committee

BCB's management has devised and implemented a risk management system appropriate to the BCB Group's operations. Management is charged with monitoring the effectiveness of this risk management system and is required to report on the adequacy of the internal controls put in place to the Board via the Audit Committee. The Internal Auditor reports to the Audit Committee which oversees the BCB's risk management policy.

PRINCIPLE 7: ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

Appropriate corporate disclosure policies and procedures

BCB has a corporate disclosure policy which seeks to promote effective communication to its shareholders and other stakeholders. The policy emphasises timely and complete disclosure of all relevant information to shareholders as required by the Listing Requirements and applicable laws and is in line with BCB's policy of building and maintaining a sustainable business based on delivering value to its shareholders. The communication channels include BCB's annual reports, disclosures and announcements made to Bursa Malaysia Securities Berhad, press statements and other public communications, notices of meetings and explanatory documents issued to shareholders.

Using information technology for effective dissemination

BCB has a corporate website which provides copies of all public communications and other relevant company information.

PRINCIPLE 8: STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

The Board recognises the importance of being transparent and accountable to the Company's shareholders and prospective investors. The various channels of communications are through meetings with institutional shareholders and investment communities, quarterly announcements on financial results to Bursa, relevant announcements and circulars, when necessary, the Annual and Extraordinary General Meetings and through the Group's website at www.bcbbhd.com.my where shareholders and prospective investors can access corporate information, annual reports, press releases, financial information, company announcements and share prices of the Company. To maintain a high level of transparency and to effectively address any issues or concerns, the Group has a dedicated electronic mail, i.e. info@bcbbhd.com.my to which shareholders can direct their queries or concerns.

Encourage Shareholder Participation at General Meetings

The Annual General Meeting is the principal forum for dialogue with shareholders. BCB makes every effort to encourage maximum participation of shareholders at the Annual General Meeting and extraordinary general meetings. Notice of the Annual General Meeting and Annual Report are sent out to shareholders at least 21 days before the date of meeting.

Besides the usual agenda for the Annual General Meeting, the Board provides opportunities for shareholders to raise questions pertaining to the business activities of the Group. All Directors are available to provide responses to questions from the shareholders during these meetings.

Poll Voting

BCB has in place a procedure to draw shareholders' attention to their rights to demand poll voting in respect of resolutions put before the shareholders at general meetings. In addition, BCB will conduct poll voting in respect of certain shareholders' resolutions as required by the Listing Requirements.

Communications and Engagements with Shareholders

Aside from general meetings, BCB encourages shareholders to provide feedback and raise queries to the Company through other channels of communication including the use of the corporate website, by email or sending written communications to the Company directly.

STATEMENT OF COMPLIANCE

The Company is committed to achieving high standards of corporate governance throughout the Group and to the highest level of integrity and ethical standards in all its business dealings. The Board considers that the Company is in compliance with the Principles and Recommendations set out in MCCG 2012 as at the date of this Statement.

ATTENDANCE AT BOARD OF DIRECTORS' MEETINGS, BOARD COMMITTEE MEETINGS AND ANNUAL GENERAL MEETING

Shown below is the attendance of each Director for the financial year ended 30 June 2013.

Name of Director	Designation	No. of Meetings attended	%
Y. Bhg. Datuk Seri Ismail Bin Yusof	Chairman, Independent Non-Executive Director	5/5	100
Dato' Tan Seng Leong	Group Managing Director	5/5	100
Tan Lay Hiang	Executive Director	4/5	80
Tan Vin Sern	Executive Director	5/5	100
Tan Lindy	Executive Director	4/5	80
Ash'ari Bin Ayub	Independent Non-Executive Director	5/5	100
M Arif bin Kataman	Independent Non-Executive Director	5/5	100
Tan Vin Shyan	Executive Director	5/5	100
Low Kok Yung *(Appointed on 01/02/2013)*	Executive Director	2/2	100

Directors' Training

During the financial year, the Directors have attended the following seminars/trainings:

Directors	Seminars / Trainings
Datuk Seri Ismail Bin Yusof	Malaysian Code on Corporate Governance 2012 & Updates on Listing Requirements of Bursa Malaysia & Guidelines on Statement on Risk Management & Internal Control by the Institute of Internal Auditors Malaysia Implementing the Recommendations of Malaysian Code on Corporate Governance 2012 ("MCCG 2012") for Listed Corporations with the Bursa Malaysia
Dato' Tan Seng Leong	Implementing the Recommendations of Malaysian Code on Corporate Governance 2012 ("MCCG 2012") for Listed Corporations with the Bursa Malaysia
Ash'ari Bin Ayub	Budget 2012 (Highlights on tax changes and its implications on business) MIA-AFA Conference 2012 Implementing the Recommendations of Malaysian Code on Corporate Governance 2012 ("MCCG 2012") for Listed Corporations with the Bursa Malaysia
Tan Lay Hiang	Implementing the Recommendations of Malaysian Code on Corporate Governance 2012 ("MCCG 2012") for Listed Corporations with the Bursa Malaysia
Tan Lindy	Implementing the Recommendations of Malaysian Code on Corporate Governance 2012 ("MCCG 2012") for Listed Corporations with the Bursa Malaysia
Tan Vin Sern	Implementing the Recommendations of Malaysian Code on Corporate Governance 2012 ("MCCG 2012") for Listed Corporations with the Bursa Malaysia
M Arif Bin Kataman	Case Studies For Boardroom Excellence – Fraud Detection And Prevention (A Necessity , Not A Choice) Implementing the Recommendations of Malaysian Code on Corporate Governance 2012 ("MCCG 2012") for Listed Corporations with the Bursa Malaysia
Tan Vin Shyan	Implementing the Recommendations of Malaysian Code on Corporate Governance 2012 ("MCCG 2012") for Listed Corporations with the Bursa Malaysia
Low Kok Yung	Mandatory Accreditation Programme for Directors of Public Listed Companies

Statement on Risk Management and Internal Control

This statement is prepared in accordance with the requirements under Paragraph 15.26 (b) of Bursa Malaysia Securities Berhad's Main Market Listing Requirements ("Listing Requirements") and as guided by the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers". The Board of Directors of BCB is committed to the continuous improvement of internal controls and risk management practices within the Group to meet its corporate and business objectives.

RESPONSIBILITIES

The Board has overall responsibility for overseeing the Group's internal control and risk management systems and for reviewing their adequacy and effectiveness. This process lends support to the role of management of implementing the various policies on risk and control, which have been approved by the Board. Due to limitations that are inherent in any system of internal controls, these systems are designed to manage and mitigate, rather than eliminate, the respective inherent risks that exist in achieving the Group's business objectives. Therefore, such systems of internal controls and risk management can only provide reasonable, and not absolute, assurance against material misstatement or loss.

RISK MANAGEMENT FRAMEWORK

The Group has in place an on-going process for identifying, evaluating and managing the significant risks for the Group. The Board has delegated its authority to the Audit Committee to review and determine the levels of different categories of risk, whilst Management and Heads of Business Units are delegated the responsibility to manage risks related to their respective operating business units. The process requires the Management and Heads of Business Units to comprehensively identify and assess the relevant types of risks in terms of likelihood and magnitude of impact, as well as to identify and evaluate the adequacy and effectiveness of applying the mechanisms in place to manage and mitigate these risks. Key risks relating to the Group's operations are deliberated at the business units' and Group's monthly meetings attended by key management personnel and significant risks are communicated to the Board at their scheduled meetings.

The Audit Committee also has oversight in ensuring compliance with applicable laws, the Listing Requirements, terms and conditions of contracts to which the Group is a party and the conditions of business licenses held by the Group.

The Management is responsible for creating an awareness culture to ensure greater understanding of the importance of effective internal control and risk management systems and that its principles are embedded in key operational processes. This is undertaken through the Group's Code of Conduct, procedures and policies manuals, staff briefings, leadership by example and the Group's remuneration policies.

In light of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers issued on 31 December 2012, the Board will re-evaluate the existing risk management practices to ensure that it is appropriate and continues to remain relevant to the Group's requirements.

INTERNAL AUDIT FUNCTION

The Audit Committee evaluates the effectiveness of internal auditor in relation to their defined responsibilities. The independent internal audit function is outsourced to a professional service firm which carries out the internal audit reviews based on internal audit plans approved by the Audit Committee and consequentially, the Board of Directors. The internal audit plans are designed using a risk-based approach, based on the risks identified and assessed by the Management. The results of the audits are presented to the Audit Committee at their quarterly meetings.

Follow up reviews are also carried out to assess the status of implementation of management action plans, which are based on internal audit recommendations. The results of these follow up reviews are also highlighted to the Audit Committee at their quarterly meetings.

OTHER KEY FEATURES OF THE INTERNAL CONTROLS

1. The Group's risk management principles and procedures are in place and documented. The Group's management operates a risk management process that identifies the key risks faced by the Group. Further details of the Group's financial risk management policies are set out in Note 36 to the financial statements.

2. The Board receives and reviews regular reports from the management on key operating statistics, legal, regulatory and environment matters that affect the Group operations. The Board approves appropriate responses, or significant amendments to the Group's policies, if required.

3. There is a comprehensive budgeting and forecasting system in place that is governed by the policies and guidelines of the Group. The financial results of the various business lines of the Group are reported monthly in the management reports where variances are analysed against respective budget and acted on a timely manner. Where necessary, budgets are revised at mid-year, taking into account any changes in business conditions.

4. The Group's Internal Auditors, reporting to the Audit Committee, performs regular reviews of business processes against documented and approved policies to assess the overall continuing effectiveness of internal controls and highlight any significant deviation from these policies that might enhance risks faced by the Group. The Audit Committee conducts annual reviews on the adequacy of the internal audit function's scope of work and resources.

5. The Audit Committee, on behalf of the Board, regularly reviews and holds discussions with management on the action taken on internal control issues identified in reports prepared by the Internal Auditors, the External Auditors and the Management.

6. There is a defined framework for appraising significant transactions that involve commitment of the Group's assets, such as the acquisition and disposal of any business, acceptance of projects, capital expenditure and approval of borrowings. Post implementation reviews are conducted and reported to the Board.

7. Policies and standard operating procedures and policies manuals are sent to all employees and these also include the Group's reporting hierarchy.

REVIEW AND CONCLUSION

Throughout the financial year 2013, the business and operational risks of the Group were adequately and satisfactorily managed. Non-major internal control weaknesses identified have not resulted in any material loss that would require disclosure in the Group's financial statements.

Conclusion

Pursuant to paragraph 15.23 of the Listing Requirement of Bursa Malaysia Security Berhad, the external auditors have reviewed this Statement and reported to the Board that nothing has come to their attention that causes them to believe this Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal control.

The Board is of the view that the risk management and internal control system are operating satisfactorily and has not resulted in any significant breakdown or weaknesses that would cause any material loss to the Group for the financial year ended 30 June 2013.

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 2013.

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 for the financial year	16,101,538	5,151,944
Attributable to:		
Owners of the parent	15,803,860	5,151,944
Non-controlling interests	297,678	-
	16,101,538	5,151,944

DIVIDENDS

No dividend has been paid, declared or proposed by the Company since the end of the previous financial years. The Directors do not recommend the payment of any final 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 new issue of shares or debentures during the financial year.

TREASURY SHARES

During the financial year, the Company repurchased 2,100 (2012: 2,000) of its issued share capital from the open market on Bursa Malaysia Securities Berhad for RM947 (2012: RM1,018). The average price paid for the shares repurchased was RM0.45 (2012: RM0.51) 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
Low Kok Yung (Appointed on 1 February 2013)

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 2013 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 1.7.2012**	**Bought**	**Sold**	**Balance as at 30.6.2013**
Direct interests:				
Dato' Tan Seng Leong	63,035,500	-	-	63,035,500
Tan Lay Kim	5,375,700	-	(275,700)	5,100,000
Tan Vin Sern	2,534,500	-	-	2,534,500
Tan Lay Hiang	491,100	-	-	491,100
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 interests in ordinary shares or debentures in the Company and of its related corporations during the financial year.

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 profit or loss and other 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, 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 inadequate 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.

(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.

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

(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.

SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 24 September 2013, the Company acquired the entire issued and paid-up ordinary share capital of BCB Heights Sdn. Bhd. ('BHSB'), a company incorporated in Malaysia for a cash consideration of RM2.00. The intended principal activity of BHSB is property development.

AUDITORS

The auditors, 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
24 October 2013

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 38 to 107 have been drawn up in accordance with 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 2013 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

In the opinion of the Directors, the information set out in Note 38 to the financial statements on page 108 has been compiled in accordance with the Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

On behalf of the Board,

Dato' Tan Seng Leong
Group Managing Director

Tan Lindy
Executive Director

Kluang
24 October 2013

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 38 to 108 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)
24 October 2013)

Before me:

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of BCB Berhad, which comprise statements of financial position as at 30 June 2013 of the Group and of the Company, and statements of profit or loss and other 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 38 to 107.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

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 give a true and fair view of the financial position of the Group and of the Company as of 30 June 2013 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those 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 38 to the financial statements 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
24 October 2013

Statements of Financial Position
As at 30 June 2013

		Group		Company	
		2013	2012	2013	2012
	Note	RM	RM	RM	RM
NON-CURRENT ASSETS					
Property, plant and equipment	7	65,190,514	50,021,037	60,126,529	44,567,533
Investment properties	8	24,875,625	35,294,061	11,635,000	20,553,436
Land held for property development	9	96,765,889	47,263,912	13,048,606	13,040,795
Investments in subsidiaries	10	-	-	50,200,010	50,200,010
Deferred tax assets	11	43,898	195,116	-	-
		186,875,926	132,774,126	135,010,145	128,361,774
CURRENT ASSETS					
Property development costs	12	446,990,659	436,256,155	184,251,347	154,306,363
Inventories	13	65,183,827	70,320,318	9,319,289	11,207,263
Trade and other receivables	14	59,432,683	52,142,051	180,959,870	201,781,124
Current tax assets		1,923,870	1,216,649	1,114,295	306,326
Cash and cash equivalents	15	22,454,280	21,747,529	8,395,150	5,917,568
		595,985,319	581,682,702	384,039,951	373,518,644
TOTAL ASSETS		782,861,245	714,456,828	519,050,096	501,880,418
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	(3,115,220)	(3,114,273)	(3,115,220)	(3,114,273)
Revaluation reserve	17	6,788,088	6,788,088	6,788,088	6,788,088
Retained earnings	18	144,245,498	128,441,638	85,911,351	80,759,407
		354,168,366	338,365,453	295,834,219	290,683,222
Non-controlling interests		6,816,200	6,518,522	-	-
TOTAL EQUITY		360,984,566	344,883,975	295,834,219	290,683,222

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

	Note	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
NON-CURRENT LIABILITIES					
Borrowings	19	164,125,291	158,346,826	45,790,686	50,511,767
Deferred tax liabilities	11	3,252,438	3,768,096	3,568,048	4,122,026
		167,377,729	162,114,922	49,358,734	54,633,793
CURRENT LIABILITIES					
Trade and other payables	20	75,017,851	60,484,942	46,853,550	41,983,607
Borrowings	19	177,666,444	145,979,592	127,003,593	114,579,796
Current tax liabilities		1,814,655	993,397	-	-
		254,498,950	207,457,931	173,857,143	156,563,403
TOTAL LIABILITIES		421,876,679	369,572,853	223,215,877	211,197,196
TOTAL EQUITY AND LIABILITIES		782,861,245	714,456,828	519,050,096	501,880,418

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

Statements of Profit or Loss And Other Comprehensive Income
For the financial year ended 30 June 2013

	Note	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Revenue	23	164,578,865	123,890,327	68,853,372	41,589,647
Cost of sales	24	(111,801,643)	(81,932,122)	(44,572,496)	(23,427,355)
Gross profit		52,777,222	41,958,205	24,280,876	18,162,292
Other operating income		11,571,792	7,958,675	8,209,399	3,818,286
Administrative expenses		(27,659,297)	(23,251,640)	(17,374,917)	(15,083,276)
Marketing and selling expenses		(4,289,515)	(2,084,559)	(2,922,349)	(1,182,968)
Other operating expenses		(1,442,710)	(3,348,313)	-	-
Finance income	25	16,217	60,434	-	4,891
Finance costs	25	(10,049,492)	(8,992,521)	(6,845,826)	(7,574,174)
Profit/(Loss) before tax	26	20,924,217	12,300,281	5,347,183	(1,854,949)
Tax expense	27	(4,822,679)	(4,567,305)	(195,239)	(497,475)
Profit/(Loss) for the financial year		16,101,538	7,732,976	5,151,944	(2,352,424)
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income/(loss)		16,101,538	7,732,976	5,151,944	(2,352,424)
Profit/(Loss) attributable to:					
Owners of the parent		15,803,860	7,992,058	5,151,944	(2,352,424)
Non-controlling interests		297,678	(259,082)	-	-
		16,101,538	7,732,976	5,151,944	(2,352,424)
Earnings per share attributable to owners of the parent		**Sen**	**Sen**		
- Basic	29	7.89	3.99		

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
Balance as 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
Other comprehensive income, net of tax		-	-	-	-	-	-
Total comprehensive income/(loss)		-	-	-	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
Balance as at 30 June 2012		206,250,000	(3,114,273)	6,788,088	128,441,638	6,518,522	344,883,975
Profit for the financial year		-	-	-	15,803,860	297,678	16,101,538
Other comprehensive income, net of tax		-	-	-	-	-	-
Total comprehensive income		-	-	-	15,803,860	297,678	16,101,538
Transaction with owners							
Purchase of treasury shares	16	-	(947)	-	-	-	(947)
Total transaction with owners		-	(947)	-	-	-	(947)
Balance as at 30 June 2013		206,250,000	(3,115,220)	6,788,088	144,245,498	6,816,200	360,984,566

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

			Non-distributable		Distributable	
		Share capital	Treasury shares	Revaluation reserves	Retained earnings	Total
Company	**Note**	**RM**	**RM**	**RM**	**RM**	**RM**
Balance as 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)
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive loss		-	-	-	(2,352,424)	(2,352,424)
Transaction with owners						
Purchase of treasury shares	16	-	(1,018)	-	-	(1,018)
Total transaction with owners		-	(1,018)	-	-	(1,018)
Balance as at 30 June 2012		206,250,000	(3,114,273)	6,788,088	80,759,407	290,683,222
Profit for the financial year		-	-	-	5,151,944	5,151,944
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive income		-	-	-	5,151,944	5,151,944
Transaction with owners						
Purchase of treasury shares	16	-	(947)	-	-	(947)
Total transaction with owners		-	(947)	-	-	(947)
Balance as at 30 June 2013		206,250,000	(3,115,220)	6,788,088	85,911,351	295,834,219

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

		Group		Company	
		2013	2012	2013	2012
	Note	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before tax		20,924,217	12,300,281	5,347,183	(1,854,949)
Adjustments :					
Bad debts written off	14	51,631	301,342	-	299,082
Bargain purchase arising from acquisition of a subsidiary	33	-	(1,946,151)	-	-
Depreciation of property, plant and equipment	7	2,257,241	2,033,282	1,932,720	1,753,443
Fair value adjustment on investment properties	8	(3,446,564)	(1,791,000)	(3,446,564)	(1,791,000)
Gain on disposals of property, plant and equipment		(556,223)	(390,647)	(118,176)	(49,384)
Gain on disposal of investment properties		(202,367)	-	-	-
Inventories written off		528	-	-	-
Interest income	25	(16,217)	(60,434)	-	(4,891)
Interest expense	25	10,049,492	8,992,521	6,845,826	7,574,174
Property, plant and equipment written off	7	812	6,332	706	-
Operating profit before working capital changes		29,062,550	19,445,526	10,561,695	5,926,475
Changes in working capital:					
Property development costs		(68,395,062)	(157,625,079)	(27,612,496)	(6,795,666)
Inventories		34,334,579	(31,041,354)	1,887,974	1,876,743
Trade and other receivables		(7,342,263)	63,773,202	20,821,254	(45,646,144)
Trade and other payables		14,532,909	25,126,666	4,869,943	36,781,354
Cash from/(used in) operations		2,192,713	(80,321,039)	10,528,370	(7,857,238)
Interest received	25	16,217	60,434	-	4,891
Tax paid		(5,201,913)	(4,502,801)	(1,560,581)	(703,971)
Tax refunded		128,831	625,364	3,395	-
Net cash (used in)/from operating activities		(2,864,152)	(84,138,042)	8,971,184	(8,556,318)

	Note	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of a subsidiary, net of cash acquired	33 (c)	-	1,090,611	-	-
Proceeds from disposals of:					
- investment properties		1,702,367	4,485,500	-	-
- property, plant and equipment		1,637,706	1,068,619	157,055	146,500
Additions to land held for property development	9	(580,411)	(84,788)	(7,811)	(84,788)
Purchase of:					
- investment properties	8	-	(10,571,125)	-	-
- property, plant and equipment	7	(4,850,650)	(844,704)	(4,182,134)	(612,189)
Net cash used in investing activities		(2,090,988)	(4,855,887)	(4,032,890)	(550,477)
CASH FLOWS FROM FINANCING ACTIVITIES					
Drawdowns of bank borrowings, net		36,220,508	110,413,802	6,720,767	20,930,195
Purchase of treasury shares	16	(947)	(1,018)	(947)	(1,018)
Ordinary share capital contributed by non-controlling interests of subsidiaries		-	6,777,604	-	-
Interest paid		(30,509,116)	(14,133,184)	(9,178,314)	(9,477,832)
Deposits pledged to licensed banks		(419,094)	(629,905)	(400,000)	-
Repayments to hire purchase creditors		(733,681)	(409,704)	(596,315)	(308,697)
Net cash from/(used in) financing activities		4,557,670	102,017,595	(3,454,809)	11,142,648
Net (decrease)/increase in cash and cash equivalents		(397,470)	13,023,666	1,483,485	2,035,853
Cash and cash equivalents at beginning of financial year		(34,215,835)	(47,239,501)	(47,666,406)	(49,702,259)
Cash and cash equivalents at end of financial year	15(c)	(34,613,305)	(34,215,835)	(46,182,921)	(47,666,406)

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 24 October 2013.

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 for the Group and Company during the financial year.

3. BASIS OF PREPARATION

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

However, Note 38 to the financial statements set out on page 89 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 in conformity with FRSs 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 judgement 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 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.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.2 Basis of consolidation (cont'd)

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.

Intragroup balances, transactions, income and expenses are eliminated on consolidation.

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 profit or loss and 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.

Components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests shall be measured at their acquisition-date fair value, unless another measurement basis is required by FRSs. The choice of measurement basis is made on a 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.

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 losses 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 serviced 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.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.3 Business combinations (cont'd)

Business combinations before 1 July 2010

Under the purchase method of accounting, the cost of business combination is measured at the aggregate of fair value 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.

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 value 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 value 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 less any accumulated depreciation. 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 hotel properties are stated at cost less any accumulated depreciation. Hotel properties are stated at valuation, which is the fair value at the date of revaluation less any subsequent accumulated depreciation.

Hotel properties comprise leasehold land, hotel buildings and their integral plant and machineries. Hotel properties 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 each reporting period. The surplus arising from such revaluations is credited to shareholders' equity as a revaluation reserve, net of deferred tax 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:

Leasehold land	86 - 99 years
Hotel properties	87 - 99 years
Buildings	50 years
Plant and machinery	20%
Motor vehicles	20%
Renovation	15%
Furniture, fittings and office equipment	10% - 20%

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 value 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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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, exceeds the recoverable amount of the asset or 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 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 each reporting period, without any deduction for transaction costs that may be incurred on sale or other disposal.

Fair value 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.

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. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

4.11 Inventories

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

Cost of completed development properties comprises proportionate land and development expenditure and is determined on the specific identification basis. Cost of consumable stocks refer to construction materials and is determined using the first-in, first-out formula. Cost of food and beverages is determined on a weighted average basis. Cost comprises the original cost of purchase plus the cost of bringing the inventories to their intended location and condition.

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. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 (4) 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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.12 Financial instruments (cont'd)

(a) Financial assets (cont'd)

A financial asset is classified into the following four (4) categories after initial recognition for the purpose of subsequent measurement (continued):

(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.

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting.

(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 (2) 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.

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 (2) categories after initial recognition for the purpose of subsequent measurement (continued):

(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.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.12 Financial instruments (cont'd)

(b) Financial liabilities (cont'd)

Any 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.

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 would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

At the end of each reporting period, the Group assesses 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.

When the Group repurchases its own shares, the shares repurchased would be accounted for using the treasury stock method.

Where the treasury stock method is applied, the shares repurchased and held as treasury shares shall be measured and carried at the cost of repurchase on initial recognition and subsequently. It shall not be revalued for subsequent changes in the fair value or market price of the shares.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.12 Financial instruments (cont'd)

(c) Equity (cont'd)

The carrying amount of the treasury shares shall be offset against equity in the statement of financial position. To the extent that the carrying amount of the treasury shares exceeds the share premium account, it shall be considered as a reduction of any other reserves as may be permitted by the Main Market Listing Requirements.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the own equity instruments of the Company. If such shares are issued by resale, any difference between the sales consideration and the carrying amount is shown as a movement in equity.

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.

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. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.15 Income tax

Income taxes include all taxes on taxable profit. Taxes in the statements of profit or loss and other 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, if any.

(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.

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 would 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 tax laws by the Government in the annual budgets which have the substantive effect of actual enactment by the end of each 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.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.16 Provisions (cont'd)

If 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

4.17 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.

4.18 Employee benefits

(a) 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 and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the Group.

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.

(b) Defined contribution plan

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. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.19 Foreign currencies

(a) 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 ('RM'), which is the Company's 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.

(b) 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 end of the reporting period 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.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.20 Revenue recognition (cont'd)

(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.

(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 accounted for on a straight line basis over the lease term of an ongoing lease. The aggregate cost of incentives provided to the lessee is recognised as reduction of rental income over the lease term on a straight line basis.

(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 statements of profit or loss and other 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

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.21 Operating segments (cont'd)

(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:

(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 FRSs

5.1 New FRSs adopted during the current financial year

The Group and Company adopted the following Standards of the FRS Framework that were issued by the Malaysian Accounting Standards Board ('MASB') during the financial year.

Title	Effective Date
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
FRS 124 *Related Party Disclosures*	1 January 2012
Amendments to FRS 101 *Presentation of Items of Other Comprehensive Income*	1 July 2012

(i) Amendments to FRS 1 *Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters* is mandatory for annual periods beginning on or after 1 January 2012.

These Amendments include two changes to FRS 1 *First-time Adoption of Financial Reporting Standards*. The first amendment replaces references to a fixed date of 1 January 2006 with 'the date of transition to FRSs', thus eliminating the need for entities adopting FRSs for the first time to restate derecognition transactions that occurred before the date of transition to FRSs. The second amendment provides guidance on how an entity should resume presenting financial statements in accordance with FRSs after a period when the entity was unable to comply with FRSs because its functional currency was subject to severe hyperinflation.

There is no impact upon adoption of these Amendments during the financial year.

(ii) Amendments to FRS 7 *Disclosures - Transfers of Financial Assets* is mandatory for annual periods beginning on or after 1 January 2012.

These Amendments clarify the required disclosures to help users of financial statements evaluate the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position.

There is no impact upon adoption of these Amendments during the financial year.

(iii) Amendments to FRS 112 *Deferred Tax: Recovery of Underlying Assets* is mandatory for annual periods beginning on or after 1 January 2012.

These Amendments apply to the measurement of deferred tax liabilities and deferred tax assets when investment properties are measured using the fair value model under FRS 140 *Investment Property*. The Amendments introduce a rebuttable presumption that an investment property measured at fair value is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

(iv) FRS 124 *Related Party Disclosures* is mandatory for annual periods beginning on or after 1 January 2012.

This revised Standard simplifies the definition of a related party and eliminates certain inconsistencies within the superseded version. In addition to this, transactions and balances with government-related entities are broadly exempted from the disclosure requirements of the Standard.

There is no material impact upon adoption of these Amendments during the financial year.

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (cont'd)

5.1 New FRSs adopted during the current financial year

(v) Amendments to FRS 101 *Presentation of Items of Other Comprehensive Income* is mandatory for annual periods beginning on or after 1 July 2012.

These Amendments introduce the title 'statement of profit or loss and other comprehensive income' to replace the current title 'statement of comprehensive income'. These Amendments also require the Group to collate items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments) or otherwise. It does not change the option to present items of other comprehensive income either before tax or net of tax. However, if the items are presented before tax, then the tax related to each of the two groups of other comprehensive income items shall be shown separately.

5.2 New FRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2013

The following are accounting standards, amendments and interpretations of the FRS Framework that have been issued by the MASB but have not been early adopted by the Group and the Company.

Title	**Effective Date**
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
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
Amendments to FRS 136 *Recoverable Amount Disclosures for Non-Financial Assets*	1 January 2014
Amendments to FRS 139 *Novation of Derivatives and Continuation of Hedge Accounting*	*1 January 2014*
IC Interpretation 21 *Levies*	1 January 2014
Mandatory Effective Date of FRS 9 and Transition Disclosures	1 January 2015
FRS 9 *Financial Instruments*	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. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (cont'd)

5.3 New MFRSs that have been issued, but have yet to be adopted during the current financial year

The Group and Company have yet to adopt the following Standards of the Malaysian Financial Reporting Standards ('MFRS') Framework that were issued by the MASB during the financial year.

Title	Effective Date
MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*	1 January 2015
Amendments to MFRS 1 *Government Loans*	1 January 2015
MFRS 2 *Share-based Payment*	1 January 2015
MFRS 3 *Business Combinations*	1 January 2015
MFRS 4 *Insurance Contracts*	1 January 2015
MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*	1 January 2015
MFRS 6 *Exploration for and Evaluation of Mineral Resources*	1 January 2015
MFRS 7 *Financial Instruments: Disclosures*	1 January 2015
Amendments to MFRS 7 *Disclosures – Offsetting Financial Assets and Financial Liabilities*	1 January 2015
MFRS 8 *Operating Segments*	1 January 2015
Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015
MFRS 9 *Financial Instruments*	1 January 2015
MFRS 10 *Consolidated Financial Statements*	1 January 2015
MFRS 11 *Joint Arrangements*	1 January 2015
MFRs 12 *Disclosure of Interests in Other Entities*	1 January 2015
MFRS 13 *Fair Value Measurement1 January 2015*	
Amendments to MFRS 10, MFRS 11 and MFRS 12 *Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance*	1 January 2015
Amendments to MFRS 10,MFRS 12 and MFRS 127 *Investment Entities*	1 January 2015
MFRS 101 *Presentation of Financial Statements*	1 January 2015
Amendments to MFRS 101 *Presentation of Items of Other Comprehensive Income*	1 January 2015
MFRS 102 *Inventories*	1 January 2015
MFRS 107 *Statement of Cash Flows*	1 January 2015
MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*	1 January 2015
MFRS 110 *Events After the Reporting Period*	1 January 2015
MFRS 111 *Construction Contracts*	1 January 2015
MFRS 112 *Income Taxes*	1 January 2015
MFRS 116 *Property, Plant and Equipment*	1 January 2015
MFRS 117 *Leases*	1 January 2015
MFRS 118 *Revenue*	1 January 2015
MFRS 119 *Employee Benefits*	1 January 2015
MFRS 119 *Employee Benefits (revised)*	1 January 2015
MFRS 120 *Accounting for Government Grants and Disclosure of Government Assistance*	1 January 2015
MFRS 121 *The Effects of Changes in Foreign Exchange Rates*	1 January 2015
MFRS 123 *Borrowing Costs*	1 January 2015
MFRS 124 *Related Party Disclosures*	1 January 2015
MFRS 126 *Accounting and Reporting by Retirement Benefit Plans*	1 January 2015
MFRS 127 *Separate Financial Statements*	1 January 2015
MFRS 128 *Investments in Associates and Joint Ventures*	1 January 2015
MFRS 129 *Financial Reporting in Hyperinflationary Economies*	1 January 2015
MFRS 132 *Financial Instruments: Presentation*	1 January 2015
Amendments to MFRS 132 *Offsetting Financial Assets and Financial Liabilities*	1 January 2015
MFRS 133 *Earnings Per Share*	1 January 2015
MFRS 134 *Interim Financial Reporting*	1 January 2015
MFRS 136 *Impairment of Assets*	1 January 2015
Amendments to MFRS 136 *Recoverable Amount Disclosures for Non-Financial Assets*	1 January 2015
MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*	1 January 2015
MFRS 138 *Intangible Assets*	1 January 2015

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (cont'd)

5.3 New MFRSs that have been issued, but have yet to be adopted during the current financial year (cont'd)

Title	Effective Date
MFRS 139 *Financial Instruments: Recognition and Measurement*	1 January 2015
Amendments to MFRS 139 *Novation of Derivatives and Continuation of Hedge Accounting*	1 January 2015
MFRS 140 Investment Property	1 January 2015
MFRS 141 Agriculture	1 January 2015
Amendments to MFRSs Annual Improvements 2009 – 2011 Cycle	1 January 2015
Improvements to MFRSs (2008)	1 January 2015
Improvements to MFRSs (2009)	1 January 2015
Improvements to MFRSs (2010)	1 January 2015
IC Interpretation 1 *Changes in Existing Decommissioning, Restoration and Similar Liabilities*	1 January 2015
IC Interpretation 2 *Members' Shares in Co-operative Entities and Similar Instruments*	1 January 2015
IC Interpretation 4 *Determining Whether an Arrangement Contains a Lease*	1 January 2015
IC Interpretation 5 *Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds*	1 January 2015
IC Interpretation 6 *Liabilities Arising from Participating in a Specific Market-Waste Electrical and Electronic Equipment*	1 January 2015
IC Interpretation 7 *Applying the Restatement Approach under MFRS 129 Financial Reporting in Hyper inflationary Economies*	1 January 2015
IC Interpretation 9 *Reassessment of Embedded Derivatives*	1 January 2015
IC Interpretation 10 *Interim Financial Reporting and Impairment*	1 January 2015
IC Interpretation 12 *Service Concession Arrangements*	1 January 2015
IC Interpretation 13 *Customer Loyalty Programmes*	1 January 2015
IC Interpretation 14 MFRS 119 – *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*	1 January 2015
IC Interpretation 15 *Agreements for the Construction of Real Estate*	1 January 2015
IC Interpretation 16 *Hedges of a Net Investment in a Foreign Operation*	1 January 2015
IC Interpretation 17 *Distributions of Non-cash Assets to Owners*	1 January 2015
IC Interpretation 18 *Transfers of Assets from Customers*	1 January 2015
IC Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments*	1 January 2015
IC Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine*	1 January 2015
IC Interpretation 21 *Levies*	1 January 2015
IC Interpretation 107 *Introduction of the Euro*	1 January 2015
IC Interpretation 110 *Government Assistance – No Specific Relation to Operating Activities*	1 January 2015
IC Interpretation 112 *Consolidation – Special Purpose Entities*	1 January 2015
IC Interpretation 113 *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*	1 January 2015
IC Interpretation 115 *Operating Leases – Incentives*	1 January 2015
IC Interpretation 125 *Income Taxes – Changes in the Tax Status of an Entity or its Shareholders*	1 January 2015
IC Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*	1 January 2015
IC Interpretation 129 *Service Concession Arrangements: Disclosures*	1 January 2015
IC Interpretation 131 *Revenue – Barter Transactions Involving Advertising Services*	1 January 2015
IC Interpretation 132 *Intangible Assets – Web Site Costs*	1 January 2015

The Group is in the process of assessing the impact of implementing these accounting standards, amendments and interpretations, since the effects would only be observable for the future financial years.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

6.1 Changes in estimates

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

The Directors are of the opinion that there are no changes in estimates at the end of the reporting period.

6.2 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.

(a) 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.

(b) Classification of leasehold land

The Group has assessed and classified land use rights of the Group as finance leases based on the extent to which risks and rewards incidental to ownership of the land resides with the Group arising from the lease term. Consequently, the Group has classified the unamortised upfront payment for land use rights as finance leases in accordance with FRS 117.

(c) Classification of non-current bank borrowings

Term loan agreements entered into by the Group include repayment on demand clauses at the discretion of financial institutions. The Group believes that in the absence of a default being committed by the Group, these financial institutions are not entitled to exercise its right to demand for repayment. Accordingly, the carrying amount of the term loans have been classified between current and non-current liabilities based on their repayment period.

(d) 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.

(e) Contingent liabilities

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.

(f) Contingent liabilities on corporate guarantees

The Directors are of the view that the chances of the financial institutions to call upon the corporate guarantees are remote.

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

6.3 Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the end of each 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:

(a) 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 to the financial statements 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.

(b) Investments in subsidiaries

The Directors review 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.

(c) 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.

(d) 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.

(e) 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.

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

6.3 Key sources of estimation uncertainty (cont'd)

(f) Fair value of borrowings

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the end of each 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 (continued):

(g) 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.

(h) Recognition of revenue from construction contract

The Group recognises construction contract revenue and expenses in the statements of profit or loss and other 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.

(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.

7. PROPERTY, PLANT AND EQUIPMENT

Group 2013	Balance as at 1.7.2012 RM	Reclassification from investment properties (Note 8) RM	Additions RM	Disposals RM	Written off RM	Depreciation charge for the financial year RM	Balance as at 30.6.2013 RM
Carrying amount							
Freehold land	4,919,109	-	-	(657,759)	-	-	4,261,350
Leasehold land	2,946,264	-	-	-	-	(36,374)	2,909,890
Hotel properties, at valuation	26,657,434	12,365,000	-	-	-	(329,104)	38,693,330
Buildings	10,573,801	-	-	(382,409)	-	(275,567)	9,915,825
Plant and machinery	12,908	-	-	-	(105)	(5,611)	7,192
Motor vehicles	1,300,284	-	1,248,133	(38,880)	(1)	(576,591)	1,932,945
Renovation	1,033,039	-	2,458,730	-	-	(370,162)	3,121,607
Furniture, fittings and office equipment	2,578,198	-	2,437,150	(2,435)	(706)	(663,832)	4,348,375
	50,021,037	12,365,000	6,144,013	(1,081,483)	(812)	(2,257,241)	65,190,514

Group 2013	At 30 June 2013 Cost RM	Valuation RM	Accumulated depreciation RM	Carrying amount RM
Freehold land	4,261,350	-	-	4,261,350
Leasehold land	3,164,506	-	(254,616)	2,909,890
Hotel properties, at valuation	-	40,997,058	(2,303,728)	38,693,330
Buildings	13,447,950	-	(3,532,125)	9,915,825
Plant and machinery	1,494,269	-	(1,487,077)	7,192
Motor vehicles	5,994,858	-	(4,061,913)	1,932,945
Renovation	8,183,589	-	(5,061,982)	3,121,607
Furniture, fittings and office equipment	16,087,220	-	(11,738,845)	4,348,375
	52,633,742	40,997,058	(28,440,286)	65,190,514

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

Group 2012	Balance as at 1.7.2012 RM	Reclassification from investment properties (Note 8) RM	Additions RM	Disposals RM	Written off RM	Depreciation charge for the financial year RM	Balance as at 30.6.2013 RM
Carrying amount							
Freehold land	5,350,357	-	-	(431,248)	-	-	4,919,109
Leasehold land	2,946,264	-	-	-	-	-	2,946,264
Hotel properties, at valuation	27,022,912	-	-	-	-	(365,478)	26,657,434
Buildings	11,003,925	-	-	(148,624)	-	(281,500)	10,573,801
Plant and machinery	30,893	-	2,480	(10)	-	(20,455)	12,908
Motor vehicles	1,516,729	-	426,776	(97,120)	-	(546,101)	1,300,284
Renovation	1,095,320	-	183,302	-	-	(245,583)	1,033,039
Furniture, fittings and office equipment	2,654,774	49,889	454,732	(700)	(6,332)	(574,165)	2,578,198
	51,621,174	49,889	1,067,290	(677,702)	(6,332)	(2,033,282)	50,021,037

Group 2012	At 30 June 2012 Cost RM	Valuation RM	Accumulated depreciation RM	Carrying amount RM
Freehold land	4,919,109	-	-	4,919,109
Leasehold land	3,164,506	-	(218,242)	2,946,264
Hotel properties, at valuation	-	28,632,058	(1,974,624)	26,657,434
Buildings	13,934,350	-	(3,360,549)	10,573,801
Plant and machinery	1,504,240	-	(1,491,332)	12,908
Motor vehicles	5,276,083	-	(3,975,799)	1,300,284
Renovation	5,724,859	-	(4,691,820)	1,033,039
Furniture, fittings and office equipment	13,664,787	-	(11,086,589)	2,578,198
	48,187,934	28,632,058	(26,798,955)	50,021,037

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

Company

2013	Balance as at 1.7.2012 RM	Reclassification from investment properties (Note 8) RM	Additions RM	Disposals RM	Written off RM	Depreciation charge for the financial year RM	Balance as at 30.6.2013 RM
Carrying amount							
Freehold land	2,256,097	-	-	-	-	-	2,256,097
Leasehold land	2,946,264	-	-	-	-	(36,374)	2,909,890
Hotel properties, at valuation	26,657,434	12,365,000	-	-	-	(329,104)	38,693,330
Buildings	8,559,401	-	-	-	-	(228,848)	8,330,553
Motor vehicles	840,959	-	901,165	(38,879)	-	(439,636)	1,263,609
Renovation	1,001,897	-	2,259,608	-	-	(334,850)	2,926,655
Furniture, fittings and office equipment	2,305,481	-	2,005,528	-	(706)	(563,908)	3,746,395
	44,567,533	12,365,000	5,166,301	(38,879)	(706)	(1,932,720)	60,126,529

Company

2013	At 30 June 2013 Cost RM	Valuation RM	Accumulated depreciation RM	Carrying amount RM
Freehold land	2,256,097	-	-	2,256,097
Leasehold land	3,164,506	-	(254,616)	2,909,890
Hotel properties, at valuation	-	40,997,058	(2,303,728)	38,693,330
Buildings	11,442,406	-	(3,111,853)	8,330,553
Plant and machinery	1,172,082	-	(1,172,082)	-
Motor vehicles	4,047,844	-	(2,784,235)	1,263,609
Renovation	7,612,600	-	(4,685,945)	2,926,655
Furniture, fittings and office equipment	13,834,283	-	(10,087,888)	3,746,395
	43,529,818	40,997,058	(24,400,347)	60,126,529

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

Company 2012	Balance as at 1.7.2011 RM	Additions RM	Disposal RM	Depreciation charge for the financial year RM	Balance as at 30.6.2012 RM
Carrying amount					
Freehold land	2,256,097	-	-	-	2,256,097
Leasehold land	2,946,264	-	-	-	2,946,264
Hotel properties, at valuation	27,022,912	-	-	(365,478)	26,657,434
Buildings	8,788,249	-	-	(228,848)	8,559,401
Plant and machinery	15,600	-	-	(15,600)	-
Motor vehicles	1,229,327	147,082	(97,116)	(438,334)	840,959
Renovation	1,169,249	68,219	-	(235,571)	1,001,897
Furniture, fittings and office equipment	2,378,205	396,888	-	(469,612)	2,305,481
	45,805,903	612,189	(97,116)	(1,753,443)	44,567,533

Company 2012	At 30 June 2012 Cost RM	Valuation RM	Accumulated depreciation RM	Carrying amount RM
Freehold land	2,256,097	-	-	2,256,097
Leasehold land	3,164,506	-	(218,242)	2,946,264
Hotel properties, at valuation	-	28,632,058	(1,974,624)	26,657,434
Buildings	11,442,406	-	(2,883,005)	8,559,401
Plant and machinery	1,172,082	-	(1,172,082)	-
Motor vehicles	3,633,875	-	(2,792,916)	840,959
Renovation	5,352,992	-	(4,351,095)	1,001,897
Furniture, fittings and office equipment	11,836,905	-	(9,531,424)	2,305,481
	38,858,863	28,632,058	(22,923,388)	44,567,533

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

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Carrying amount of motor vehicles under finance lease	1,734,946	1,001,988	1,287,455	752,812
Carrying amount of property, plant and equipment pledged as security for bank borrowings (Note 19):				
- freehold land	4,261,350	4,919,109	2,256,097	2,256,097
- buildings	9,915,825	10,573,801	8,330,553	8,559,401
- hotel properties including leasehold land	41,603,220	29,603,698	41,603,220	29,603,698
	55,780,395	45,096,608	52,189,870	40,419,196

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

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Purchase of property, plant and equipment	6,144,013	1,067,290	5,166,301	612,189
Financed by hire purchase	(1,293,363)	(222,586)	(984,167)	-
Cash payments on purchase of property, plant and equipment	4,850,650	844,704	4,182,134	612,189

The hotel properties of the Group and of the Company stated at valuation were last revalued in August 2010 by an independent qualified valuer, using a combination of the comparison and investment methods to reflect the fair value.

Carrying amount of the revalued hotel properties, had these assets been carried at cost less accumulated depreciation is RM20,981,546 (2012: RM21,347,024).

8. INVESTMENT PROPERTIES

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
At beginning of the financial year	35,294,061	27,417,436	20,553,436	18,762,436
Additions	-	10,571,125	-	-
Fair value adjustment	3,446,564	1,791,000	3,446,564	1,791,000
Reclassification to property, plant and equipment (Note 7)	(12,365,000)	-	(12,365,000)	-
Disposals	(1,500,000)	(4,485,500)	-	-
At end of the financial year	24,875,625	35,294,061	11,635,000	20,553,436
Investment properties pledged as security for borrowings (Note 19)	15,150,000	34,704,061	11,635,000	20,553,436

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, a 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	
	2013 RM	2012 RM	2013 RM	2012 RM
Repair and maintenance	115,577	60,201	32,493	35,096
Quit rent and assessment	23,273	29,361	6,643	4,039

Rental income of the Group and of the Company received from letting of investment properties amounted to RM409,566 (2012:RM181,152) and RM56,000 (2012: Nil) respectively.

9. LAND HELD FOR PROPERTY DEVELOPMENT

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Freehold land including improvements, at cost:				
At beginning of the financial year	47,263,912	113,423,117	13,040,795	12,956,007
Additions	580,411	84,788	7,811	84,788
Transfer from/(to) property development costs (Note 12)	48,921,566	(66,243,993)	-	-
At end of the financial year	96,765,889	47,263,912	13,048,606	13,040,795
Carrying amount of land held for property development pledged as security for borrowings (Note 19)	84,281,603	34,787,437	564,320	564,320

10. INVESTMENTS IN SUBSIDIARIES

	Company	
	2013 RM	2012 RM
Unquoted shares, at cost	55,200,010	55,200,010
Less: Impairment losses	(5,000,000)	(5,000,000)
	50,200,010	50,200,010

Name of company	Interest in equity held by the Company 2013	2012	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.	100%	100%	Provision of landscaping services
BCB Development Sdn. Bhd.	70%	70%	Property development
Global Earnest Sdn. Bhd.	86.19%	86.19%	Property development
BCB Technologies Sdn. Bhd.	100%	100%	Dormant
Laser Lagun Sdn. Bhd.	100%	100%	Dormant
Luna Starcity Sdn. Bhd.	100%	100%	Dormant
BCB Furniture Sdn. Bhd.	100%	100%	Dormant

10. INVESTMENTS IN SUBSIDIARIES (cont'd)

All subsidiaries are incorporated in Malaysia and audited by BDO.

(a) In the previous financial year, the Group subscribed 78,000,000 ordinary shares of RM0.50 each representing 86.19% 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) In the previous 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 was diluted to 70% from 100%. The effect of dilution of equity interest was not presented as it was not significant to the Company.

11. DEFERRED TAX

(a) The deferred tax liabilities and assets are made up of the following:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Balance as at 1 July 2012/2011	(3,572,980)	(3,237,660)	(4,122,026)	(3,641,849)
Recognised in profit or loss (Note 27)	364,440	(335,320)	553,978	(480,177)
Balance as at 30 June 2013/2012	(3,208,540)	(3,572,980)	(3,568,048)	(4,122,026)
Presented after appropriate offsetting:				
Deferred tax liabilities, net	(3,252,438)	(3,768,096)	(3,568,048)	(4,122,026)
Deferred tax assets, net	43,898	195,116	-	-
	(3,208,540)	(3,572,980)	(3,568,048)	(4,122,026)

(b) The components of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group

	Property, plant and equipment RM
At 1 July 2012	(3,768,096)
Recognised in the profit or loss	515,658
At 30 June 2013	(3,252,438)
At 1 July 2011	(3,355,260)
Recognised in the profit or loss	(412,836)
At 30 June 2012	(3,768,096)

11. DEFERRED TAX

(b) The components of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group

	Unabsorbed capital allowances RM
At 1 July 2012	195,116
Recognised in the profit or loss	(151,218)
At 30 June 2013	43,898
At 1 July 2011	117,600
Recognised in the profit or loss	77,516
At 30 June 2012	195,116

Deferred tax liabilities of the Company

	Property, plant and equipment RM
At 1 July 2012	(7,924,994)
Recognised in the profit or loss	45,388
At 30 June 2013	(7,879,606)
At 1 July 2011	(7,841,004)
Recognised in the profit or loss	(83,990)
At 30 June 2012	(7,924,994)

Deferred tax assets of the Company

	Unabsorbed capital allowances RM
At 1 July 2012	3,802,968
Recognised in the profit or loss	508,590
At 30 June 2013	4,311,558
At 1 July 2011	4,199,155
Recognised in the profit or loss	(396,187)
At 30 June 2012	3,802,968

11. DEFERRED TAX (cont'd)

(c) The amount of temporary differences for which no deferred tax asset has been recognised in the statement of financial position is as follows:

	Group 2013 RM	Group 2012 RM
Unabsorbed tax losses	3,763,777	3,763,777

Deferred tax assets of certain subsidiaries had 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. The deductible temporary differences do not expire under the current tax legislation.

12. PROPERTY DEVELOPMENT COSTS

	Group 2013 RM	Group 2012 RM
At 1 July 2012/2011:		
- Freehold land	293,867,225	116,899,041
- Development expenditure	409,743,993	331,477,410
	703,611,218	448,376,451
Add:		
Costs incurred during the financial year:		
- Freehold land	-	110,724,191
- Development expenditure	159,799,339	109,367,921
	159,799,339	220,092,112
Less:		
Transfer to inventories		
- Freehold land	(3,233,679)	-
- Development expenditure	(25,964,937)	(31,101,338)
	(29,198,616)	(31,101,338)
(Less)/Add:		
Transfer (to)/from land held for property development (Note 9)		
- Freehold land	(48,921,566)	66,243,993
Less:		
Costs charged to statements of comprehensive income:		
- At 1 July 2012/2011	(267,355,063)	(241,130,031)
- Completed projects during the financial year	28,507,850	44,527,530
- Recognised during the financial year (Note 24)	(99,452,503)	(70,752,562)
- At 30 June 2013/2012	(338,299,716)	(267,355,063)
At 30 June 2013/2012	446,990,659	436,256,155

12. PROPERTY DEVELOPMENT COSTS (cont'd)

	Company 2013 RM	Company 2012 RM
At 1 July 2012/2011:		
- Freehold land	84,310,006	79,580,019
- Development expenditure	152,034,144	136,662,857
	236,344,150	216,242,876
Add:		
Costs incurred during the financial year:		
- Freehold land	-	4,729,987
- Development expenditure	71,112,072	22,229,772
	71,112,072	26,959,759
Less:		
Transfer to inventories		
- Development expenditure	-	(6,858,485)
Less:		
Costs charged to statements of comprehensive income:		
- At 1 July 2012/2011	(82,037,787)	(70,635,837)
- Completed projects during the financial year	-	6,641,343
- Recognised during the financial year (Note 24)	(41,167,088)	(18,043,293)
- At 30 June 2013/2012	(123,204,875)	(82,037,787)
At 30 June 2013/2012	184,251,347	154,306,363

Property development costs pledged as securities for borrowings of the Group and the Company amounted to RM397,233,146 (2012: RM309,228,940) and RM157,598,350 (2012: RM154,306,363) respectively.

Borrowing costs of the Group and of the Company amounting to RM20,459,624 and RM2,332,488 (2012: RM5,140,663 and RM1,903,658) respectively, arising on funds borrowed for property development activities, were capitalised during the financial year by applying interest rates ranging from 5.1% to 8.6% (2012: 4.5% to 8.0%) per annum are included in property development costs incurred during the financial year.

13. INVENTORIES

At cost	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Completed development units	64,738,665	69,874,851	9,047,905	11,002,542
Food and beverages	271,384	204,721	271,384	204,721
Consumable stocks	173,778	240,746	-	-
	65,183,827	70,320,318	9,319,289	11,207,263
Inventories pledged as securities for borrowings (Note 19)	18,617,153	19,827,471	9,047,905	10,258,223

14. TRADE AND OTHER RECEIVABLES

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Trade receivables				
Third parties	27,256,441	21,970,730	8,193,644	6,055,110
Related parties	8,819,273	3,901,658	4,171	-
Amounts due from customers for contract works (Note 22)	11,230,383	13,816,747	-	-
	47,306,097	39,689,135	8,197,815	6,055,110
Other receivables				
Other receivables	7,555,659	8,130,721	1,415,256	1,639,107
Amounts due from subsidiaries	-	-	169,260,458	192,474,500
Deposits	3,711,110	3,597,216	1,886,072	1,454,182
	11,266,769	11,727,937	172,561,786	195,567,789
Loans and receivables	58,572,866	51,417,072	180,759,601	201,622,899
Prepayments	859,817	724,979	200,269	158,225
	59,432,683	52,142,051	180,959,870	201,781,124

(a) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group and the Company ranges from cash terms 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 ('RM').

(c) The amounts subsidiaries are non-trade, interest-free, unsecured and payable on demand in cash and cash equivalents.

14. TRADE AND OTHER RECEIVABLES (cont'd)

(d) The ageing analysis of trade receivables (third parties exclude amounts due from customers for contract works) of the Group and of the Company are as follows:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Neither past due nor impaired	19,446,358	16,059,568	6,149,455	3,530,664
Past due but not impaired				
Under 30 days	3,676,276	2,548,611	799,830	423,583
31 to 60 days	1,264,073	193,305	150,416	69,063
61 days to 120 days	5,659,420	4,678,679	1,098,114	2,031,800
Over 120 days	6,029,587	2,392,225	-	-
	16,629,356	9,812,820	2,048,360	2,524,446
Past due and impaired	-	-	-	-
	36,075,714	25,872,388	8,197,815	6,055,110

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 RM2,582,503 (2012: RM2,571,723). The retention sums are unsecured, interest-free and are expected to be collected within one (1) year.

(f) During the current financial year, the Group and the Company have written off bad debts of RM51,631 (2012: RM301,342) and Nil (2012: RM299,082) respectively against other receivables.

(g) Information on financial risks of trade and other receivables are disclosed in Note 36 to the financial statements.

15. CASH AND CASH EQUIVALENTS

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Cash and bank balances	19,905,281	19,617,624	6,495,150	4,417,568
Deposits with licensed banks	2,548,999	2,129,905	1,900,000	1,500,000
	22,454,280	21,747,529	8,395,150	5,917,568

(a) Included in cash and bank balances of the Group and of the Company are amounts of RM5,605,604 (2012: RM2,608,956) and RM3,694,785 (2012: RM1,047,688) 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.

(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 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Cash and bank balances	19,905,281	19,617,624	6,495,150	4,417,568
Deposits with licensed banks	2,548,999	2,129,905	1,900,000	1,500,000
Bank overdrafts included in borrowings (Note 19)	(54,518,586)	(53,833,459)	(52,678,071)	(52,083,974)
	(32,064,306)	(32,085,930)	(44,282,921)	(46,166,406)
Less: Deposits pledged to licensed banks	(2,548,999)	(2,129,905)	(1,900,000)	(1,500,000)
	(34,613,305)	(34,215,835)	(46,182,921)	(47,666,406)

Included in the Group's and Company's deposits with licensed banks are RM2,548,999 (2012: RM2,129,905) and RM1,900,000 (2012: RM1,500,000) respectively pledged to a bank as security for credit facilities granted to the Group and the Company (Note 19).

(d) All cash and cash equivalents balances are denominated in Ringgit Malaysia ('RM').

16. SHARE CAPITAL

	Group and Company 2013 RM	2012 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 the reporting period, the number of outstanding shares in issue after setting treasury shares off against equity is 200,236,300 (2012: 200,238,400).

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 6,013,700 (2012: 6,011,600) treasury shares at cost of RM3,115,220 (2012: RM3,114,273) 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 2,100 (2012: 2,000) of its issued share capital from the open market on Bursa Malaysia Securities Berhad for RM947 (2012: RM1,018). The average price paid for the shares repurchased was RM0.45 (2012: RM0.51) per share. The Share Buy Back transactions were financed by internally generated funds. The shares bought back are being held as treasury shares and treated in accordance with the requirement of 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 to voting, dividends and participation in other distributions are suspended. None of the treasury shares repurchased had been sold as at 30 June 2013.

17. REVALUATION RESERVES

	Group and Company 2013 RM	2012 RM
Hotel properties		
At 1 July/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	
	2013 RM	2012 RM	2013 RM	2012 RM
Current liabilities				
Secured:				
Bridging loans	15,334,801	710,678	15,334,801	-
Term loans	55,278,531	50,674,361	42,930,138	45,317,043
Hire purchase creditors (Note 21)	505,056	789,484	388,113	699,169
Revolving credits	33,420,000	18,920,000	3,920,000	3,920,000
Bankers' acceptances	18,609,470	21,051,610	11,752,470	12,559,610
Bank overdrafts (Note 15(c))	54,518,586	53,833,459	52,678,071	52,083,974
	177,666,444	145,979,592	127,003,593	114,579,796
Non-current liabilities				
Secured:				
Term loans	163,182,165	158,247,810	45,091,778	50,511,767
Hire purchase creditors (Note 21)	943,126	99,016	698,908	-
	164,125,291	158,346,826	45,790,686	50,511,767
Total				
Secured:				
Bridging loans	15,334,801	710,678	15,334,801	-
Term loans	218,460,696	208,922,171	88,021,916	95,828,810
Hire purchase creditors (Note 21)	1,448,182	888,500	1,087,021	699,169
Revolving credits	33,420,000	18,920,000	3,920,000	3,920,000
Bankers' acceptances	18,609,470	21,051,610	11,752,470	12,559,610
Bank overdrafts (Note 15(c))	54,518,586	53,833,459	52,678,071	52,083,974
	341,791,735	304,326,418	172,794,279	165,091,563

(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.

19. BORROWINGS (cont'd)

The term loans of the Group and of the Company are secured by way of legal charges over certain investment properties (Note 8 to the financial statements), deposits with licensed banks (Note 15(c) to the financial statements), inventories (Note 13 to the financial statements) and land and buildings (Note 7 to the financial statements) of the Group and of the Company. In addition, the term loans of the Group and of the Company are jointly and severally guaranteed by certain Directors. The term loans of the Group and of the Company are repayable by way of fixed monthly instalments or on redemption of titles of properties sold, whichever is earlier.

(b) Other short-term borrowings of the Group and of the Company are secured by legal charges over investment properties (Note 8 to the financial statements), hotel properties and certain freehold land and buildings (Note 7 to the financial statements) of the Group and of the Company as well as certain development properties (Note 9 and Note 12 to the financial statements) of the Group. In addition, the other short term borrowings are personally guaranteed by certain Directors.

(c) The borrowings are denominated in Ringgit Malaysia ('RM').

(d) The maturity profile and exposure to the interest rate risk of the borrowings of the Group and of the Company are disclosed in Note 36 to the financial statements.

20. TRADE AND OTHER PAYABLES

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Trade payables				
Trade payables - third parties	35,366,707	29,131,573	11,830,606	2,574,140
Amounts due to subsidiaries	-	-	30,735,978	34,444,388
Amounts due to customers for contract works (Note 22)	11,598,393	9,161,123	-	-
Amounts due to related parties	20,085,290	21,604,913	-	-
	67,050,390	59,897,609	42,566,584	37,018,528
Other payables				
Other payables and accruals	6,746,758	418,749	3,189,096	4,965,079
Deposits received	1,220,703	168,584	1,097,870	-
	7,967,461	587,333	4,286,966	4,965,079
	75,017,851	60,484,942	46,853,550	41,983,607

(a) Credit terms of trade payables granted to the Group and the Company varies from cash term to 150 days.

(b) The trade amounts due to related parties and 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 and expenses paid on behalf.

(c) Included in trade payables of the Group and Company are retention sums for contract works amounting to RM8,248,206 (2012: RM3,561,811) and RM6,723,082 (2012: RM3,801,540) respectively. The retention sums are unsecured, interest-free and are expected to be collected within one (1) year.

20. TRADE AND OTHER PAYABLES (cont'd)

(d) All payables are denominated in Ringgit Malaysia ('RM').

(e) Information on financial risks of trade and other payables are disclosed in Note 36 to the financial statements.

21. HIRE PURCHASE CREDITORS

	Group		Company	
	2013 RM	**2012 RM**	**2013 RM**	**2012 RM**
Minimum hire purchase payments:				
- not later than (1) year	567,311	843,486	435,866	742,200
- later than (1) year but not later than (5) years	949,071	99,027	735,492	-
- later than five (5) years	56,555	-	-	-
Total minimum hire purchase payments	1,572,937	942,513	1,171,358	742,200
Less: Future finance charges	(124,755)	(54,013)	(84,337)	(43,031)
Present value of hire purchase payments	1,448,182	888,500	1,087,021	699,169
Repayable as follows:				
Current liabilities:				
- not later than (1) year	505,056	789,484	388,113	699,169
Non-current liabilities:				
- later than (1) year but not later than (5) years	888,189	99,016	698,908	-
- later than five (5) years	54,937	-	-	-
	1,448,182	888,500	1,087,021	699,169

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

	Group 2013 RM	Group 2012 RM
Aggregate costs incurred to date	443,042,853	385,875,852
Add: Attributable profits	42,950,969	38,080,821
Less: Provision for foreseeable losses	(905,436)	(905,436)
	485,088,386	423,051,237
Less: Progress billings	(485,456,396)	(418,395,613)
	(368,010)	4,655,624
Represented by:		
Amounts due from customers for contract works (Note 14)	11,230,383	13,816,747
Amounts due to customers for contract works (Note 20)	(11,598,393)	(9,161,123)
	(368,010)	4,655,624

23. REVENUE

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Property development	121,160,913	98,835,835	54,685,869	26,491,861
Completed properties	26,374,644	4,142,858	3,372,600	3,694,278
Hotel operations	6,977,569	8,841,568	6,977,569	8,841,568
Construction contracts	8,758,951	8,082,521	-	-
Rental income	409,566	2,819,631	56,000	2,561,940
Dividend income	-	-	3,761,334	-
Sales of goods	210,676	805,342	-	-
Project management services	686,546	362,572	-	-
	164,578,865	123,890,327	68,853,372	41,589,647

24. COST OF SALES

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Property development costs (Note 12)	99,452,503	70,752,562	41,167,088	18,043,293
Cost of completed properties sold	6,135,418	3,418,455	1,954,637	2,784,017
Hotel operation costs	1,450,771	2,600,045	1,450,771	2,600,045
Construction contract costs	4,058,128	4,512,036	-	-
Cost of goods sold	704,823	649,024	-	-
	111,801,643	81,932,122	44,572,496	23,427,355

25. FINANCE INCOME AND COSTS

	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Finance income				
Interest income from deposits with licensed banks	(16,217)	(60,434)	-	(4,891)
Finance costs				
Interest expense on:				
- bridging loans	629	292,110	-	-
- term loans	2,849,118	3,378,482	1,776,040	2,588,871
- hire purchase creditors	53,318	49,733	40,861	41,015
- bank overdrafts	4,218,853	4,168,292	4,092,256	4,023,652
- revolving credits	1,684,780	310,711	280,903	297,426
- short term borrowings	913,300	571,482	459,751	455,623
- others	329,494	221,711	196,015	167,587
	10,049,492	8,992,521	6,845,826	7,574,174

26. PROFIT/(LOSS) BEFORE TAX

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

	Note	Group 2013 RM	Group 2012 RM	Company 2013 RM	Company 2012 RM
Auditors' remuneration:					
- Statutory		155,000	145,000	72,000	69,000
- non-statutory		5,000	5,000	5,000	5,000
Bad debts written off	14	51,631	301,342	-	299,082
Directors' remuneration paid and payable to the Directors of the Company:					
- payable by the Company		150,000	150,000	150,000	150,000
- payable by the subsidiaries		-	12,000	-	-
Emoluments other than fees:					
- paid by the Company		1,064,761	912,555	1,064,761	912,555
- paid by the subsidiaries		1,681,858	1,870,443	-	-
Inventories written off		528	-	-	-
Property, plant and equipment:					
- depreciation	7	2,257,241	2,033,282	1,932,720	1,753,443
- written off	7	812	6,332	706	-
Rental of premises		637,100	452,710	425,300	307,610

26. PROFIT/(LOSS) BEFORE TAX (cont'd)

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

		Group		Company	
	Note	2013 RM	2012 RM	2013 RM	2012 RM
Bargain purchase arising from acquisition of a subsidiary	33	-	(1,946,151)	-	-
Fair value adjustment on investment properties	8	(3,446,564)	(1,791,000)	(3,446,564)	(1,791,000)
Rental income					
- investment properties	8	(409,566)	(181,152)	(56,000)	-
- others		(6,587,718)	(8,031,245)	(2,579,256)	(2,561,940)
Management fees		-	-	(1,440,000)	(1,440,000)
Net foreign exchange gain		(145)	(1,561)	(145)	(1,561)
Gain on disposals of:					
- property, plant and equipment		(556,223)	(390,647)	(118,176)	(49,384)
- investment properties		(202,367)	-	-	-

27. TAX EXPENSES

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Current tax				
- current financial year	5,228,683	4,348,763	667,028	145,437
- (over)/under provision in prior years	(41,564)	(116,778)	82,189	(128,139)
	5,187,119	4,231,985	749,217	17,298
Deferred tax (Note 11)				
- relating to origination and reversal of temporary differences	1,035,772	585,228	1,016,343	380,378
- (over)/under provision in prior years	(1,400,212)	(249,908)	(1,570,321)	99,799
	(364,440)	335,320	(553,978)	480,177
	4,822,679	4,567,305	195,239	497,475

The Malaysian income tax is calculated at the statutory tax rate of 25% (2012: 25%) of the estimated taxable profits for the fiscal year.

27. TAX EXPENSES (cont'd)

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 are as follows:

	Group		Company	
	2013 %	**2012 %**	**2013 %**	**2012 %**
Applicable tax rate	25	25	25	(25)
Tax effects in respect of:				
Non-allowable expenses	6	16	24	54
Non-taxable income	(2)	-	(18)	-
Deferred tax assets not recognised	-	(1)	-	-
	29	40	31	29
(Over)/Under provision in prior years				
- income tax	-	(1)	2	(7)
- deferred tax	(6)	(2)	(29)	5
Average effective tax rate	23	37	4	27

28. EMPLOYEE BENEFITS

The total employee benefits recognised in the statements of profit or loss and other comprehensive income are as follows:

	Group		Company	
	2013 RM	**2012 RM**	**2013 RM**	**2012 RM**
Wages, salaries and bonus	9,187,795	6,570,865	5,588,493	4,480,937
Defined contribution plan	1,112,759	784,053	657,325	466,423
Other employee benefits	1,330,261	904,751	1,177,874	797,990
	11,630,815	8,259,669	7,423,692	5,745,350

Included in the employee benefits of the Group and the Company are Directors' remuneration, which are disclosed in Note 31(c) 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 (after adjusting for treasury shares) during the financial year.

	Group	
	2013	**2012**
	RM	**RM**
Profit attributable to owners of the parent	15,803,860	7,992,058

	2013	**2012**
Weighted average number of ordinary shares in issue	200,236,400	200,238,400

	2013	**2012**
	Sen	**Sen**
Basic earnings per ordinary share attributable to the equity holders of the parent	7.89	3.99

(b) Diluted

Diluted earnings per ordinary share equal basic earnings per ordinary share as there are no dilutive potential ordinary shares.

30. CONTINGENT LIABILITIES

	Company	
	2013	**2011**
	RM	**RM**
Unsecured		
Corporate guarantees for trade credits granted to subsidiaries	26,000,000	27,800,000
Secured		
Corporate guarantees for borrowing facilities granted by financial institutions to subsidiaries	88,105,649	110,837,538
	114,105,649	138,637,538

The Directors are of the view that the fair value of such corporate guarantees given by the Company is negligible as the chances of the financial institutions to call upon the corporate guarantees are remote.

31. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Company has related party relationships with its direct, indirect subsidiaries, and its associates. In addition, the Company also has related party relationships with the following parties:

Identities of related parties	**Relationship with the Group**
Ju-Ichi Enterprise Sdn. Bhd. ('JIE')	A related party by virtue of the directorship of certain Directors of the Company, Dato' Tan Seng Leong, Tan Lindy and Syed Abdullah Bin A. Hamid in JIE.
Marvel Plus Development Sdn. Bhd. ('MPD')	A related party by virtue of the directorship of certain Directors of the Company, 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.

(b) 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:

(i) Transactions with subsidiaries

	Company	
	2013	**2012**
	RM	**RM**
Progress billings by a subsidiary:		
- BCB Construction Sdn. Bhd.	57,552,524	11,595,977
Purchase of goods from a subsidiary:		
- BCB Trading Sdn. Bhd.	466,213	16,662
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) 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: (cont'd)

(ii) Transactions with related parties

	Company	
	2013 RM	2012 RM
Office rental paid to JIE	300,000	300,000

	Group	
	2013 RM	2012 RM
Hiring of machineries from MPD	163,438	184,082
Hiring of machineries to MPD	-	1,014,508
Maintenance fees paid to JIE	37,800	27,600
Construction contracts to JIE	3,399,500	3,098,250
Construction contracts to MPD	6,108,758	5,930,559

Information regarding outstanding balances from related parties as at 30 June 2013 are disclosed in Note 14 and Note 20 to the financial statements.

(c) 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	
	2013 RM	2012 RM	2013 RM	2012 RM
Non-executive Directors:				
- fees	150,000	162,000	150,000	150,000
Executive Directors:				
- salaries and bonus	2,363,928	2,339,000	894,194	766,780
- defined contribution plan	382,691	443,998	170,567	145,775
	2,896,619	2,944,998	1,214,761	1,062,555

The estimated monetary value of benefits in kind paid to Directors of the Group and the Company during the financial year amounted to RM70,125 and RM41,700 (2012: RM67,775 and RM7,775) respectively.

32. CAPITAL COMMITMENTS

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

	Group	
	2013 RM	2012 RM
Infrastructure development contribution	-	4,000,000

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'), GE became a subsidiary of BCB Berhad, holding an effective equity interest of 86.19% in GE.

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

33. ACQUISITION OF A SUBSIDIARY (cont'd)

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

	RM
Consideration shares	39,000,000
Recognised amount of non-controlling interest	6,560,695
	45,560,695
Less: Fair 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 were 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

BCB Berhad and its subsidiaries are principally engaged in investment holding, property development and management activities, construction and related activities and hotel operations.

BCB Berhad has arrived at three (3) reportable segments that are organised and managed separately according to the nature of products and services, specific expertise and technologies requirements, which requires different business and marketing strategies. The reportable segments are summarised as follows:

(i) Property development and management services

Development and property management of residential and commercial properties.

(ii) Construction and related activities

Securing and carrying out construction contracts.

(iii) Hotel operations

Hotel management and hotel and restaurant business.

Other operating segments that do not constitute reportable segments comprise companies that were dormant.

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

Segment performance is evaluated based on operating profit, excluding non-recurring losses, and in certain respect as explained in the table below, it is measured differently from operating profit in the consolidated financial statements.

34. OPERATING SEGMENTS (cont'd)

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

The Group does not have significant reliance on a single major customer, with whom the Group transacted ten (10) percent or more of its revenue during the financial year.

No geographical segment information is presented as the Group's operations and the location of the customers are principally in Malaysia.

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

2013	Property development and management activities RM	Construction and related activities RM	Hotel operations RM	Others RM	Total RM
Revenue					
Total revenue	154,364,805	67,060,782	6,977,569	-	228,403,156
Inter-segment revenue	(5,522,460)	(58,301,831)	-	-	(63,824,291)
Revenue from external customer	148,842,345	8,758,951	6,977,569	-	164,578,865
Results					
Interest income	16,217	-	-	-	16,217
Finance costs	(8,635,684)	(1,364,936)	(48,872)	-	(10,049,492)
Net finance expense	(8,619,467)	(1,364,936)	(48,872)	-	(10,033,275)
Depreciation of property, plant and equipment	1,393,351	132,607	731,283	-	2,257,241
Segment profit/(loss) before income tax	19,758,681	1,057,946	118,752	(11,162)	20,924,217
Tax expense	(4,610,215)	(212,464)	-	-	(4,822,679)
Other material non-cash item:					
Bad debts written off	51,631	-	-	-	51,631
Fair value adjustment on investment properties	3,446,564	-	-	-	3,446,564
Additions to non-current assets other than financial instruments and deferred tax assets	1,620,784	27,371	4,495,858	-	6,144,013
Segment assets	593,363,101	151,581,914	37,887,945	28,285	782,861,245
Segment liabilities	259,019,015	144,942,945	17,909,454	5,265	421,876,679

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)

2012	Property development and management activities RM	Construction and related activities RM	Hotel operations RM	Others RM	Total RM
Revenue					
Total revenue	106,966,238	71,226,703	8,841,568	-	187,034,509
Inter-segment revenue	-	(63,144,182)	-	-	(63,144,182)
Revenue from external customer	106,966,238	8,082,521	8,841,568	-	123,890,327
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 of property, plant and equipment	945,907	160,368	927,007	-	2,033,282
Segment profit/(loss) before income tax	10,611,817	908,324	791,450	(11,310)	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
Fair value adjustment on investment properties	1,791,000	-	-	-	1,791,000
Additions to non-current assets other than financial instruments and deferred tax assets	779,664	10,581,579	361,960	-	11,723,203
Segment assets	496,194,993	183,388,001	34,841,304	32,530	714,456,828
Segment liabilities	178,169,287	176,416,200	14,981,565	5,801	369,572,853

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 2012.

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 to the financial statements) 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 0.95 times (2012: 0.88 times) and the Company's gearing ratio is 0.58 times (2012: 0.57 times). No changes were made in the objectives, policies or processes during the financial years ended 30 June 2013 and 30 June 2012.

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity equal to or not less than the 25% of the issued and paid-up capital and such shareholders' equity is not less than RM40,000,000. The Group has complied with this requirement for the financial year ended 30 June 2013.

(b) Financial instruments

Group	Loan and receivables RM	Fair value through profit or loss RM	Available for sale RM	Held to maturity RM	Total RM
2013					
Financial assets					
Trade and other receivables	58,932,866	-	-	-	58,932,866
Cash and cash equivalents	22,454,280	-	-	-	22,454,280
	81,387,146	-	-	-	81,387,146

	Fair value through profit or loss RM	Other financial liabilities RM	Total RM
Financial liabilities			
Trade and other payables	-	75,017,852	75,017,852
Borrowings	-	341,791,735	341,791,735
	-	416,809,587	416,809,587

35. FINANCIAL INSTRUMENTS (cont'd)

(b) 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
2012					
Financial assets					
Trade and other receivables,	51,417,072	-	-	-	51,417,072
Cash and cash equivalents	21,747,529	-	-	-	21,747,529
	73,164,601	-	-	-	73,164,601

	Fair value through profit or loss RM	Other financial liabilities 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

Company	Loan and receivables RM	Fair value through profit or loss RM	Available for sale RM	Held to maturity RM	Total RM
2013					
Financial assets					
Trade and other receivables	180,759,601	-	-	-	180,759,601
Cash and cash equivalents	8,395,150	-	-	-	8,395,150
	189,154,751	-	-	-	189,154,751

35. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial instruments (cont'd)

Company	Fair value through profit or loss RM	Other financial liabilities RM	Total RM
Financial liabilities			
Trade and other payables	-	46,853,550	46,853,550
Borrowings	-	172,794,279	172,794,279
	-	219,647,829	219,647,829

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,	201,622,899	-	-	-	201,622,899
Cash and cash equivalents	5,917,568	-	-	-	5,917,568
	207,540,467	-	-	-	207,540,467

	Fair value through profit or loss RM	Other financial liabilities 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

35. FINANCIAL INSTRUMENTS (cont'd)

(c) Fair value of financial instruments

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

2013	Group Carrying amount RM	Group Fair value RM	Company Carrying amount RM	Company Fair value RM
Recognised				
Financial liabilities:				
Hire purchase creditors	1,448,182	1,414,656	1,087,021	1,057,212

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

(d) 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, amounts due from/(to) subsidiaries 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.

(e) 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 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, internal control systems 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 and other 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 and other receivables. The Group extends credit to its customers based upon careful evaluation of the customer's creditworthiness. Trade and other 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 each 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 determines 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 other than the amounts due from subsidiaries of RM169,260,458 (2012: RM192,474,500).

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 licensed banks that are neither past due nor impaired are placed with or entered into with reputable financial institutions.

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.

(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.

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

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

As at 30 June 2013	Within 1 year RM	1 - 5 years RM	More than 5 years RM	Total RM
Group				
Financial liabilities				
Trade and other payables	75,017,851	-	-	75,017,851
Borrowings	180,099,205	161,546,894	10,754,001	352,400,100
Total undiscounted financial liabilities	255,117,056	161,546,894	10,754,001	427,417,951
As at 30 June 2013				
Company				
Financial liabilities				
Trade and other payables	46,853,550	-	-	46,853,550
Borrowings	129,318,829	43,802,011	9,448,220	182,569,060
Total undiscounted financial liabilities	176,172,379	43,802,011	9,448,220	229,422,610

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				
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)

(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

The following table demonstrates the sensitivity analysis of the Group if interest rates at the end of each reporting period changed by one hundred (100) basis points with all other variables held constant:

	Group		Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Profit/(Loss) after tax				
- Increase by 1% (2012: 1%)	(2,563,438)	(2,282,448)	(1,295,957)	1,238,186
- Decrease by 1% (2012: 1%)	2,563,438	2,282,448	1,295,957	(1,238,186)

The sensitivity is higher in 2013 than in 2012 because of an increase in outstanding borrowings during the financial year. The assumed movement in basis points for interest rate sensitivity analysis is based on current observable market environment.

The following table sets 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 2013							
Fixed rates							
Hire purchase creditors	21	4.3	505,056	443,925	444,264	54,937	1,448,182
Floating rates							
Bridging loans	19	5.2	15,334,801	-	-	-	15,334,801
Term loans	19	7.5	55,278,531	21,804,402	128,794,165	12,583,598	218,460,696
Revolving credits	19	7.1	33,420,000	-	-	-	33,420,000
Bankers' acceptances	19	6.8	18,609,470	-	-	-	18,609,470
Bank overdrafts	19	8.2	54,518,586	-	-	-	54,518,586

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

(c) Interest rate risk (cont'd)

Sensitivity analysis for interest rate risk (cont'd)

The following table sets 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: (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
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
Company							
At 30 June 2013							
Fixed rates							
Hire purchase creditors	21	4.3	388,113	374,032	218,105	106,771	1,087,021
Floating rates							
Bridging loans	19	5.2	15,334,801	-	-	-	15,334,801
Term loans	19	7.5	42,930,138	21,624,591	11,740,068	11,727,119	88,021,916
Revolving credits	19	7.1	3,920,000	-	-	-	3,920,000
Bankers' acceptances	19	7.4	11,752,470	-	-	-	11,752,470
Bank overdrafts	19	8.2	52,678,071	-	-	-	52,678,071

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

(c) Interest rate risk (cont'd)

Sensitivity analysis for interest rate risk (cont'd)

The following table sets 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: (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

37. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 24 September 2013, the Company acquired the entire issued and paid-up ordinary share capital of BCB Heights Sdn. Bhd. ('BHSB'), a company incorporated in Malaysia for a cash consideration of RM2.00. The intended principal activity of BHSB is property development.

38. 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:

	Group		Company	
	2013 RM	**2012 RM**	**2013 RM**	**2012 RM**
Total retained earnings				
- Realised	143,528,540	131,105,911	89,479,399	84,881,433
- Unrealised	(3,252,438)	(3,768,096)	(3,568,048)	(4,122,026)
	140,276,102	127,337,815	85,911,351	80,759,407
Add: Consolidation adjustments	3,969,396	1,103,823	-	-
Total retained earnings	144,245,498	128,441,638	85,911,351	80,759,407

Shareholdings Statistics
As at 31 October 2013

Authorised share capital	:	RM500,000,000
Issued and paid-up capital	:	RM206,250,000 (inclusive of 6,014,600 as Treasury Shares)
Types of shares	:	Ordinary shares of RM1.00 each
No. of shareholders	:	3,312
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	0.211
100 to 1,000 shares	339,500	0.169	386	11.654
1,001 to 10,000 shares	8,846,381	4.417	2,416	72.946
10,001 to 100,000 shares	11,406,100	5.696	419	12.650
100,001 to less than 5% of issued shares	115,338,600	57.601	82	2.475
5% and above of issued shares	64,304,500	32.114	2	0.060
Total	200,235,400	100.000	3,312	100.000

List of Thirty Largest Shareholders as at 31 October 2013 (as per Record of Depositors)

No	Name	Shares Held	%
1.	Tan Seng Leong	45,000,000	22.47
2.	Effective Strategy Sdn Bhd	19,304,500	9.64
3.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lai Chee Hoong (REM 646-Margin)	9,821,800	4.91
4.	HDM Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Soh Jin Chai (M14)	6,536,200	3.26
5.	HDM Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Boon Seng (M14)	5,762,900	2.88
6.	Tan Chin Ee	5,605,500	2.80
7.	HDM Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Key Siew (M14)	5,215,200	2.60
8.	Tan Lay Kim	5,100,000	2.55
9.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Seng Leong	4,294,500	2.14
10.	Tho Siu Chu	3,951,500	1.97
11.	Tan Seng Hoo	3,950,000	1.97
12.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Seng Leong (001066682131)	3,750,000	1.87

No	Name	Shares Held	%
13.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Seng Leong (REM 646-Margin)	3,711,300	1.85
14.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Haven Venture Sdn Bhd (REM 646-Margin)	3,573,800	1.78
15.	EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Tho Siu Chu (BPT)	3,500,000	1.75
16.	EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Tan Seng Leong (BPT)	3,078,000	1.54
17.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lasercoin (M) Sdn Bhd (REM 646-Margin)	2,895,900	1.45
18.	EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Tan Vin Sern (BTP)	2,534,500	1.27
19.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Li Tak (E-BPT)	2,073,700	1.04
20.	Puncak Angkasa Sdn Bhd	2,000,000	1.00
21.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hon Lai Yin	1,971,000	0.98
22.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Seng Leong (8076737)	1,839,200	0.92
23.	EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Tan Chin Ee (BPT)	1,816,000	0.91
24.	Tan Seng Keng	1,665,000	0.83
25.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Boon Seng (1301002)	1,413,500	0.71
26.	HDM Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Seng Hong (M14)	1,412,100	0.71
27	Review Merge (M) Sdn Bhd	1,401,000	0.70
28.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Tan Seng Leong (M68022)	1,362,500	0.68
29.	EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Soh Jin Chai (BTP)	1,339,900	0.67
30.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Siew Kean (E-BPT)	1,331,100	0.66

Substantial Shareholders as at 31 October 2013 (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 Sdn Bhd	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 2013 (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	-	-
4.	Low Kok Yung	3,000	0.00	-	-

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 2013 are as follows:

Location	Description	Tenure	Age of building	Size (acre)	Net book value/Cost as at 30 June 2013 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)	16 years	0.35	29,604	23/3/2009 *
PTB 8370 No. 20, Jalan Bakawali, 86000 Kluang, Johor.	Boutique hotel / bistro	Leasehold (expiring 10.11.2093)	16 years	0.23	24,000	20/4/2009 *
PTD 32927 70 Jalan Intan 3, Taman Intan, 86000 Kluang, Johor.	1 units double storey shop house	Freehold	18 years	0.035	-	23/3/2004
PTD 49840 No. 1, Jalan 6, Taman Sri Kluang, 86000 Kluang, Johor.	Single storey hypermarket	Freehold	13 years	1.44	4,360	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	13 years	0.84	2,330	27/6/1998
PTD 50047 - 50049 No. 29-33, Jalan 20, Taman Sri Kluang, 86000 Kluang, Johor.	3 units industry factory	Freehold	11.5 years	3.29	3,897	20/4/2009 *
PTD 65321, 65322, 65325 - 65328 PTD 65371, 65373, 65375 - 65380 PTD 65425 - 65426, 65431 - 65434 PTD 75581, 75582, 75583, 75584 PTD 75598, 75599, 75600, 75601 Mukim of Kluang District of Kluang, Johor	28 units of residential Taman Saujana	Freehold	2 years	0.99	9,726	23/3/2012
Lot 6806 & 6808 Mukim of Kluang District of Kluang, Johor	Being developed as Taman Sri Kluang	Freehold	N/A	67.05	42,143	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	2,279	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	1,360	29/12/1999

Location	Description	Tenure	Age of building	Size (acre)	Net book value/Cost as at 30 June 2013 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	8,357	7/12/1994
Lot 559, 2954-2959, 2656 & 2660	Being developed as Taman Bukit Perdana III	Freehold	N/A	18.54	7,914	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	522	13/12/2006
Lot 8097 Mukim of Sri Gading District of Batu Pahat, Johor	Proposed residential development	Freehold	N/A	2	527	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	13,661	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	76,612	6/2/2002

Location	Description	Tenure	Age of building	Size (acre)	Net book value/Cost as at 30 June 2013 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	87,755	28/9/2009 *
PONTIAN, JOHOR Lot 4681, Mukim of Pontian District of Pontian, Johor	Being developed as Taman Megah	Freehold	N/A	17.29	18,046	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	15,207	30/10/2008
PTD 102771, 102772, 102775, 102758 PTD 102759, 141052, 141053 Mukim of Pulai Distric of Johor Bahru, Johor	9 units of Shop Offices	Freehold	5 year	0.25	2,925	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	4,209	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	2,925	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	101,478	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	136,526	11/3/2011
					626,622	

NOTICE IS HEREBY GIVEN that the Twenty-Fifth 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 Wednesday, 18 December 2013 at 10.30 a.m., for the following purposes:

AGENDA

1. To receive the Statutory Financial Statements for the financial year ended 30 June 2013 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 2013. **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) Mr. Tan Vin Sern **Resolution 2**

   (b) En. M Arif bin Kataman **Resolution 3**

   Article 112

   (a) Mr.Low Kok Yung **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 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 FOR 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 2013 ("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**

(Refer to Explanatory Note 5)

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

(i) the aggregate number of ordinary shares which may be purchased and/or held by the Company as treasury shares shall not exceed ten per centum (10%) of the total issued and paid-up ordinary share capital of the Company for the time being;

(ii) the maximum funds to be allocated by the Company for the purpose of purchasing its shares shall not exceed the total retained earnings and share premium if any of the Company at the time of the said purchase(s); and

(iii) the authority conferred by this resolution shall commence immediately upon the passing of this ordinary resolution and shall continue to be in force until:

(a) the conclusion of the next AGM of the Company following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;

(b) the expiration of the period within which the next AGM after that date is required by law to be held; or

(c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever is earlier;

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

(i) cancel all the shares so purchased; and/or

(ii) retain the shares so purchased in treasury for distribution as dividend to the shareholders or resell on the market of Bursa Securities; and/or

(iii) retain part thereof as treasury shares and cancel the remainder;

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

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

10. 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 2013

Notes:

1. *For the purposes of determining a member who shall be entitled to attend and vote at the forthcoming Twenty-Fifth Annual General Meeting of the Company, the Company shall be requesting the Record of Depositors as at 10 December 2013. Only a depositor whose name appears on the Record of Depositors as at 10 December 2013 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 2013

   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 for Recurrent Related Party Transactions of a Revenue or Trading Nature

   Resolution pursuant to the proposed renewal of 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 2013.

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

CDS Account No. of Authorised Nominee *

PROXY FROM

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-FIFTH 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 Wednesday, 18 December 2013** 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 2013.			
		RESOLUTION	**FOR**	**AGAINST**
2.	To approve the payment of Directors' fees for the financial year ended 30 June 2013.	**1**		
3.	To re-elect the following Directors who retire in accordance with the Company's Articles of Association:			
	(a) Mr. Tan Vin Sern (Article 105)	**2**		
	(b) En. M Arif Bin Kataman (Article 105)	**3**		
	(c) Mr. Low Kok Yung (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 for Recurrent Related Party Transactions.	**10**		
9.	Proposed Renewal of Share Buy-Back.	**11**		

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

____
Signature/Common Seal
Number of shares held :
Date :

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

Notes:

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
STAMP
HERE

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 North Kiara
PT25954, Jln Dutamas Raya,
51200 Segambut Kuala Lumpur
Tel: 03-6259 6999 Fax: 03-6250 0232

www.bcbbhd.com.my