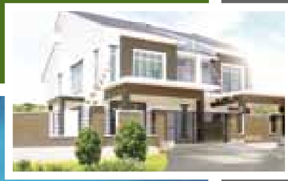
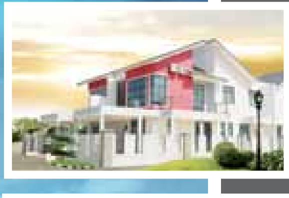
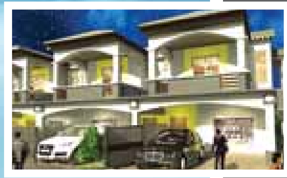
Building Communities & Beyond

MEDINI

ANNUAL REPORT 2014







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Dear Shareholders,

On behalf of the Board of Directors of BCB Berhad, I am pleased to present this Annual Report and Financial Statements of BCB Berhad for the financial year ended 30 June 2014.

OVERVIEW

The Malaysian economy is expected to grow by 5.8% in 2014, driven by higher consumer and business spending. For the first half of 2014, it had performed above expectations by chalking a commendable growth of 6.3% supported mainly by the private sector which saw strong domestic demand, strong private investment and robust domestic consumption.

This growth is supported by a generally improving external environment – though some degree of uncertainty exists from the volatility of capital flows associated with a possibility of a global liquidity crunch.

The public sector also made some contributions from increased spending on supplies and services on existing on-going mega infrastructural projects such as the Klang Valley Mass Rapid Transit (MRT), Senai-Pasir Gudang-Desaru Highway and the new coastal road connecting Johor Bahru and Nusajaya.

The Malaysian property market for year 2014 in general remained in a "cooling phase" since the macro-prudential measures implemented by Bank Negara in year 2012 to cool it down. As in the past, the residential sub-sector continues to spearhead the property market activities.

The prevailing low interest rate is expected to spur genuine home buyers into participating in the property market. In the next few months, prices and demand is likely to pick up again as people buy ahead of the implementation of the Goods and Services Tax which will come into effect next April 1. Property prices are expected to rise due to higher input costs after that.

Financial Review

The Group posted a turnover of RM281.95 million compared with RM164.58 million achieved in the previous year. Group profit before tax increased to RM43.81 million compared with RM20.92 million achieved in the previous year while Group profit after tax increased to RM32.51 million compared with RM16.10 million achieved in the previous year.

REVIEW OF OPERATIONS

Property Development

The Group experienced better sales for its products in a generally more competitive and sluggish 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.

In the Klang Valley, the Group's high-end condominium project, Concerto North Kiara continues to generate sales and interest from home buyers. Total cumulative sales to-date is about RM340 million. Its other high-end landed project, Home Tree in Kota Kemuning saw many prospective home buyers eagerly waiting for the launch of its second phase development. The first phase of Home Tree named Long Branch saw almost all 101 units of high-end 3 storey bungalows (GDV RM280mil) sold within a week of launching last year.

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 80% 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 fully sold. These 20 acres of land is currently in advance stages of completion.

In July 2012, Phase 2 was launched and again the take-up rate was encouraging. To-date about 85% of the 400 units has been sold. We will be rolling out more new phases in the next few months. We are confident of this township's future contribution to the Group's earnings.

d) Medini, Iskandar Malaysia, Johor Bahru

The Group had on December 6, 2013 via its subsidiary, BCB Heights Sdn Bhd, signed a Lease and Purchase agreement with the vendor, IBZI Development (Johor) Sdn Bhd 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, Johor Bahru, Johor for RM123,644,100.

Subsequent to the purchase, the Group had on February 25, 2014 received approval from its shareholders via an extraordinary general meeting (EGM). The shareholders also approved the formation of a joint venture (with BCB Berhad holding a 60% equity stake in BCB Heights Sdn Bhd) with a developer from Hong Kong, China called United Harvest Group Company Limited to develop the land.

This high-end project named Park Residence@ Medini will have 6 tower blocks and a GDV of about RM1.2 billion. It will be developed over 5 years. Phase 1 comprising 2 tower blocks is ear-marked for launching sometime in the early part of year 2015. Most of the 600 plus units in phase 1 will be in the built-up region of 400 plus s.f. (studio units). It is expected to generate considerable interest from locals as well as foreigners.

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 unit high-end condominium project sited on 5 acres of freehold land and comprising 3 tower blocks and a club house. This project is located in the vicinity of Mont' Kiara,Kuala Lumpur and has a GDV of about RM560.0 million. To-date about RM340 million worth of sales has been made.

It was officially launched on July 7, 2012 and ear-marked for completion in the second half of 2015.

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 about 400 units of high-end bungalows, 200 units of shop houses and 900 units of apartments of various categories. 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 (JV equity 70% : 30% respectively), 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. Phase 1 has a GDV of about RM300 million. To-date, about RM280 million worth of properties in phase 1 has been sold.

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 10.11 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 8.52 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, 2,000 ordinary shares were bought back from the open market for RM1,492.00 or an average price of RM0.71 per share. As at September 5, 2014, 6,016,600 ordinary shares have been bought back and retained as treasury shares in the company.

Appointment, Resignation and Re-designation of Directors and Change of Company Secretaries

On January 30, 2014, En. M. Arif Bin Kataman tendered his resignation as an Independent and Non-executive Director of the Company. He also resigned from his position as an Audit Committee member of the Company. The Management wishes to thank him for serving the Company well.

On the same day, En. Manap Bin Hussain, aged 62 was appointed an Independent and Non-executive Director of the Company to replace En. M. Arif Bin Kataman. He was also appointed an Audit Committee member of the Company. En. Manap Bin Hussain has vast technical experience in the property development and construction sector. The Board takes this opportunity to welcome him.

On March 5, 2014, there was a change in Company Secretaries for the Group. Ms. Wong Wei Fong (MAICSA 7006751) and Ms. Ang Hong Peng (MAICSA 7052695) were appointed as Company Secretaries of the Group.

On August 28, 2014, there was a change of the Chairman's position at the Board. En. Ash'ari Bin Ayub swapped position with Datuk Seri Ismail Bin Yusof and became the new Chairman while Datuk Seri Ismail Bin Yusof became a non-executive director of the Board.

Further to this, on October 21, 2014, there was also a change of the Chairman's post in the Audit Committee of the Company. En. Ash'ari Bin Ayub swapped position with Datuk Seri Ismail Bin Yusof and became the new Chairman of the Audit Committee while Datuk Seri Ismail Bin Yusof became an ordinary member of the committee. Both En. Ash'ari Bin Ayub and Datuk Seri Ismail Bin Yusof are independent non-executive directors of the Company.

Proposed Dividend

On August 28, 2014, the Company had proposed a first and final single tier dividend of RM0.03 per share to its shareholders in respect of the financial year ended 30 June 2014. This proposal will be subject to approval by its shareholders at the forthcoming AGM on December 18, 2014.

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.

ASH'ARI BIN AYUB
Chairman

Pursuant to the Listing Requirements ("LR") set by Bursa Malaysia Securities Berhad ("Bursa Malaysia") Paragraph 2.18 of the LR which requires that any application, proposal, statement, information or document presented, submitted or disclosed pursuant to the LR (i) is clear, unambiguous and accurate; (ii) does not contain any material omission; and (iii) is not false or misleading.

1. Business Operations

The Malaysian property market for year 2014 is generally competitive and sluggish as a result of cooling measures put in place by the government since last year. Against this backdrop, location and branding are the key drivers of continued growth for most developers.

The Group is fortunate that its existing projects / undeveloped land banks are strategically located. The past 3 years saw the Group embarking on a brand building exercise in the country. The Group's philosophy is to provide good quality product designs and layouts at reasonable prices. In addition, the Group emphasizes conservation of the environment and strives to incorporate "Green" concepts into all its product designs.

<u>Klang Valley</u>

The Group has 2 high-end projects in the Klang Valley.

a) Concerto North Kiara

Is located on a 5 acre land in the vicinity of Mont' Kiara, Kuala Lumpur. It is a high-end condominium project offering private lift lobbies - representing a first of its kind (for condominium built-ups of less than 2,000s.f. per unit) in the country. It is also the first condominium in the country incorporating 2 layers of concrete slabs per floor to eliminate water leaks and flushing sounds from upper floor units. It is reasonably priced at about RM750 per s.f.

Total GDV is about RM560 million. To-date about RM340 million worth of properties have been sold.

b) Home Tree

Is located on 151 acres of land in Kota Kemuning, Shah Alam, Selangor. It is a high-end mixed development project comprising mainly 3 storey bungalows and shoplots. The whole project will be gated and guarded.

Phase 1 comprising of 101 units of 3 storey bungalows is almost fully sold. It is a unique development offering "cul-de-sac" bungalows – American style and without front gates. It is reasonably priced at about RM500 per s.f. or RM2.7 million per unit.

Phase 2 comprising of about 207 units of 3 storey bungalows is expected to be launched in the coming months.

Total GDV is about RM1.8 billion. To-date about RM280 million worth of properties have been sold.

<u>Johor</u>

The Group has 3 township projects in Batu Pahat collectively garnering about 65% share of the market. In addition, it is also the largest developer in Kluang. It has various on-going projects in Kluang and Johor Bahru.

a) Bandar Putera Indah

This 390 acres township is an up-coming satellite suburb of Batu Pahat. The proposed high speed rail linking Kuala Lumpur to Singapore is expected to have a station nearby thereby increasing the township's appeal. Double storey terrace houses are reasonably priced below RM500,000 per unit.

Total GDV is about RM1.1 billion. To-date about RM100 million worth of properties have been sold.

b) Park Residence @ Medini

Is located on a 7.81 acre land in Medini, Iskandar Malaysia and is wrapped around a park – hence its name. It is located right in front of the Gleneagles Hospital. It is also within walking distance to Legoland and commands a view of Singapore.

Medini, being designated a special economic zone by the government has a lot of incentives to offer to both developers as well as end-purchasers. In Medini, there are no restrictions on foreigners buying or re-selling properties. First tier end-purchasers are also exempted from the Real Property Gains Tax (RPGT) when they re-sell their properties.

This high-end project will have 6 tower blocks and a GDV of about RM1.2 billion. It will be developed over 5 years. Phase 1 comprising 2 tower blocks is ear-marked for launching sometime in the early part of year 2015. Most of the 600 plus units in Phase 1 will be in the built-up region of 400 plus s.f. (studio units).

It will be priced at about RM800 per s.f. and is expected to generate considerable interest from locals as well as foreigners as an average unit will be priced in the RM350,000 region.

2. Financial Performance

The Group's five years performance (as can be seen in the five years financial highlight) has been on an upward trajectory.

In last financial year, the Group posted a turnover of RM281.95 million compared with RM164.58 million achieved in the previous year. Group profit before tax also increased to RM43.81 million compared with RM20.92 million achieved in the previous year while Group profit after tax increased to RM32.51 million compared with RM16.10 million achieved in the previous year.

This is a result of strategic decisions made 4 years ago; with firstly the decision to acquire land in the Klang Valley followed by a major rebranding exercise.

In the Klang Valley, the Group has sold about RM600 million worth of properties from its 2 high-end projects. Bearing higher profit margins, these 2 projects is expected to contribute generously to the Group in the coming few years.

The Group's recent decision to buy into Medini is expected to buttress its income stream in the coming years. As mentioned earlier, conducting business in Medini will entail a lot of incentives. The Group was recently granted "Approved Developer Status" by Iskandar Regional Development Authority (IRDA), the regulator in Iskandar Malaysia - which exempts it from having to pay corporate tax on profits derived from its Medini project.

The Group foresees minimal risk in investing in Medini as the growth potential in Iskandar Malaysia is still generally strong. Any slowdown is anticipated to be short term in nature.

Since last year, the Group has also retired off more than RM100 million in various bank loans from its improved cash flows. A first and single tier dividend of RM0.03 per share was also proposed to its shareholders in respect of the financial year ended 30 June 2014. This proposed dividend will be subject to approval from its shareholders in the coming Annual General Meeting on 18 December 2014.

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 on 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 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 Group Finance 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:

- creating awareness amongst the directors, management and employees of BCB on the importance of timely disclosures;
- review the material for disclosure to ensure adherence to regulatory requirements;
- ensures that the material is duly verified by the Board/Managing Director/Chief Financial Officer;
- ensures the information is disclosed in a timely manner as prescribed by regulations;
- maintain accurate records pertaining to all disclosures made; and
- is constantly updated on developing material information in relation to BCB.

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

4. Market Rumours or Reports

It is the policy of BCB to consult its directors / major shareholders to ascertain whether the rumours or reports contain undisclosed material information before clarifying, confirming or denying it. Any clarification provided will be in a published format, for the purpose of dissemination to the investing public.

5. Unusual Market Activity

Where there is unusual price movement, trading activity or both, BCB shall carry out a due enquiry to ascertain the cause of the unusual market activity in its securities and immediately issue a clarifying announcement to Bursa Malaysia.

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. Maintaining Confidentiality of Information

In order to prevent leakages of material information, BCB requires each person on the privy list of its top management team to adhere strictly to confidentiality. This requirement is reflected in their appointment letters of engagement.

In addition to this, BCB limits dissemination and access of information to those who "need to know" only. To facilitate better document management, physical documents are locked in store or cabinets.

The Group's information technology system for communication and financials are protected via tight control access and passwords. BCB also constantly monitor the trading activity and price movement of its counter in Bursa Malaysia.

8. 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.

9. Administrative matters

On an annual basis, the Group Managing Director and Group Finance 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. 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.

2. 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.

3. GOVERNANCE SUSTAINABILITY

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

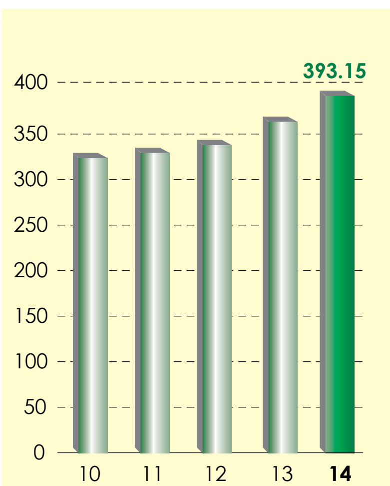
- Ensures it forms part of strategic planning; and
- Enhances it through regular updates and trainings.

Five Years' Financial Highlights

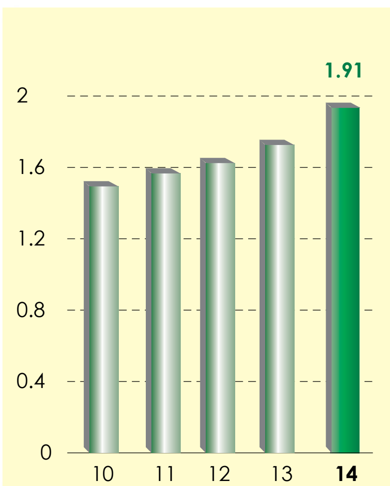
Consolidated Statement of Financial Position as at 30 June for the financial year

	2010 RM '000	2011 RM '000	2012 RM '000	2013 RM '000	2014 RM '000
Share Capital	206,250	206,250	206,250	206,250	206,250
Treasury Shares	(2,299)	(3,113)	(3,114)	(3,115)	(3,117)
Non-Distributable Shares	6,769	6,788	6,788	6,788	6,788
Retained Earnings	114,384	120,366	128,442	144,246	174,336
Non-Controlling Interests	-	-	6,518	6,816	8,896
Shareholders' Equity	325,104	330,291	344,884	360,985	393,153
Represented by:					
Property, Plant and Equipment	48,640	51,621	50,021	65,191	65,521
Investment Properties	27,417	27,417	35,294	24,876	25,849
Land Held for Development	106,856	113,423	47,264	96,766	83,263
Other Non-Current Assets	3,019	118	195	44	-
Current Assets	301,497	371,870	581,683	595,985	718,626
Current Liabilities	(88,037)	(126,306)	(207,458)	(254,499)	(344,945)
	213,460	245,564	374,225	341,486	373,681
Non Current Liabilities	(74,288)	(107,852)	(162,115)	(167,378)	(155,161)
	325,104	330,291	344,884	360,985	393,153
Total Assets	487,429	564,449	714,457	782,862	893,259
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)	1.58	1.60	1.67	1.75	1.91

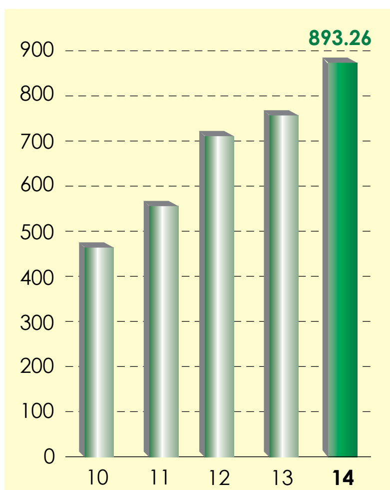
Shareholders' Equity
RM'000,000



Net Assets Per Share
RM



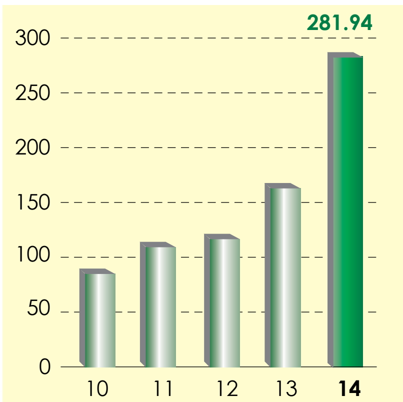
Total Assets
RM'000,000



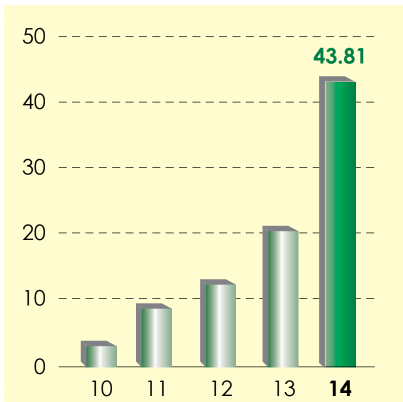
Consolidated Statements of Profit or Loss as at 30 June for the financial year

	2010 RM '000	2011 RM '000	2012 RM '000	2013 RM '000	2014 RM '000
Revenue	91,074	118,560	123,890	164,578	281,945
Profit Before Charging Depreciation and Interest Expenses	11,278	19,532	23,326	33,230	58,007
Depreciation	(1,847)	(2,041)	(2,033)	(2,257)	(2,769)
Interest Expenses	(5,806)	(7,580)	(8,993)	(10,049)	(11,431)
Profit Before Taxation	3,625	9,911	12,300	20,924	43,807
Taxation	(1,504)	(3,929)	(4,567)	(4,822)	(11,293)
Profit After taxation	2,121	5,982	7,733	16,102	32,514
Adjusted Weighted Average Number of Shares in Issue	201,847	201,058	200,238	200,236	200,234
Basic EPS (sen)	1.05	2.98	3.99	7.89	15.33

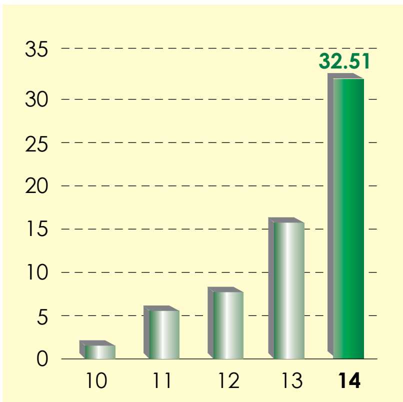
Revenue
RM'000,000



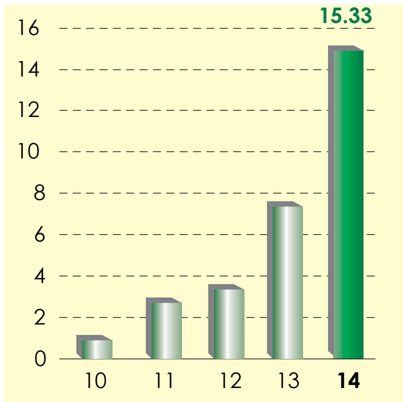
Profit Before Taxation
RM'000,000



Profit After Taxation
RM'000,000



Basic EPS
Sen



Corporate Information

Board of Directors

Ash'ari Bin Ayub
(Re-designated on 28.08.2014)
Chairman
Independent Non-Executive Director

Dato' Tan Seng Leong
Group Managing Director

Datuk Seri Ismail Bin Yusof
(Re-designated on 28.08.2014)
Independent Non-Executive Director

Tan Lay Hiang
Executive Director

Tan Lindy
Executive Director

Tan Vin Sern
Executive Director

Tan Vin Shyan
Executive Director

Low Kok Yung
Executive Director

Abd Manap Bin Hussain
(Appointed on 30.01.2014)
Independent Non-Executive Director

M Arif Bin Kataman
(Resigned on 30.01.2014)
Independent Non-Executive Director

Audit Committee

Ash'ari Bin Ayub
(Re-designated on 21.10.2014)
Chairman

Datuk Seri Ismail Bin Yusof
(Re-designated on 21.10.2014)
Member

Abd Manap Bin Hussain
(Appointed on 30.01.2014)
Member

M Arif Bin Kataman
(Resigned on 30.01.2014)
Member

Nomination & Remuneration Committee

Ash'ari Bin Ayub
Chairman

Datuk Seri Ismail Bin Yusof
Member

Abd Manap Bin Hussain
(Appointed on 30.01.2014)
Member

Company Secretaries

Wong Wei Fong
(MAICSA No. 7006751)
(Appointed on 05.03.2014)

Ang Hong Peng
(MAICSA No. 7052695)
(Appointed on 05.03.2014)

Yeap Kok Leong, ACIS
(MAICSA No. 0862549)
(Resigned on 05.03.2014)

Tan Bee Hwee, ACIS
(MAICSA No. 7021024)
(Resigned on 05.03.2014)

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

Stock Exchange

Main Market of Bursa Securities Berhad

Stock Number: BCB 6602

bcb

Building Communities & Beyond

172003-W

Investment Holdings, Property Development and Hotel Operations

Property

- 100% **Johbase Development Sdn Bhd** *Property development and letting of properties*
- 100% **BCB Land Sdn Bhd** *Property development*
- 100% **BCB Resources Sdn Bhd** *Property development*
- 100% **BCB Management Sdn Bhd** *Project management services*
- 70% **BCB Development Sdn Bhd** *Property development*
  - 100% **Total Builder Sdn Bhd** *Property construction services*
- 86.6% **Global Earnest Sdn Bhd** *Property development*
- 60% **BCB Heights Sdn Bhd** *Property development*

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**

Board of Director's Profile

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

Encik Ash'ari Bin Ayub, aged 72, a Malaysian, was appointed to the Board on 16 May 2001. He is the Chairman of BCB Berhad (BCB). 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 2014.

DATO' TAN SENG LEONG
Group Managing Director

Dato' Tan Seng Leong, aged 58, a Malaysian, was appointed to the Board on 9 November 1988. He is the Group Managing Director. He obtained his Diploma in Building Construction and Management (London) and Master of Business Administration on 1981 and 1992 respectively. In 1995, he obtained his Fellowship of International Institute of Business Management and Member of Institute of Management (United Kingdom). He was conferred a PhD in Property Development and Management (U.S.A.) in 1996.

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 three (3) of five (5) Board Meetings held in the financial year ended 30 June 2014.

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

Datuk Seri Ismail Bin Yusof, aged 70, a Malaysian, was appointed to the Board on 14 July 1998. 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 2014.

TAN LAY HIANG
Executive Director

Ms Tan Lay Hiang, aged 47, a Malaysian, was appointed to the Board on 16 July 1994. She manages the sales, marketing and conveyance aspects of BCB's property development projects. Prior to joining BCB in 1989, she was attached to several other property development firms in Kluang. She also holds directorships in BCB's subsidiaries.

She attended three (3) of five (5) Board Meetings held in the financial year ended 30 June 2014.

TAN LINDY
Executive Director

Ms Tan Lindy, aged 30, 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 three (3) of five (5) Board Meetings held in the financial year ended 30 June 2014.

TAN VIN SERN
Executive Director

Mr Tan Vin Sern, aged 31, 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 four (4) of five (5) Board Meetings held in the financial year ended 30 June 2014.

TAN VIN SHYAN
Executive Director

Mr Tan Vin Shyan, aged 25, 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 four (4) of five (5) Board Meetings held in the financial year ended 30 June 2014.

LOW KOK YUNG
Executive Director

Mr. Low Kok Yung, aged 45, 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 23 years experience in the accounting field. He also holds directorships in BCB Berhad (BCB) and BCB's various subsidiaries.

He attended five (5) of five (5) Board Meetings held in the financial year ended 30 June 2014.

ABD MANAP BIN HUSSAIN
Independent Non-Executive Director
Member of Audit Committee
Member of Nomination and Remuneration Committee

Encik Abd Manap Bin Hussain, aged 62, a Malaysian, was appointed to the Board on 30 January 2014. Prior to his appointment, he was the Project Advisor for BCB Berhad. He graduated from Institut Kemahiran MARA Bukit Cagar, Johor Bahru with Seni Bina.

He attended one (1) of two (2) Board Meetings held in the financial year ended 30 June 2014.

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	:	Ash'ari Bin Ayub (Chairman / Independent Non-Executive Director) (Re-designated on 21.10.2014)
Members	:	Datuk Seri Ismail Bin Yusof (Member / Independent Non-Executive Director) (Re-designated on 21.10.2014)
		M Arif Bin Kataman (Member / Independent Non-Executive Director) (Resigned on 30.01.2014)
		Abd Manap Bin Hussain (Member / Independent Non-Executive Director) (Appointed on 30.01.2014)

TERMS OF REFERENCE

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

1) OBJECTIVES

The primary objectives of the Audit Committee are to:

i) Provide assistance to the Board in fulfilling its fiduciary responsibilities to the accounting and internal control systems, financial reporting and business ethics policies of the Company and all its subsidiaries.

ii) To maintain the independence of external auditors and thereby help assure that they will have free rein in the audit process and to provide, by way of regular meetings, a line of communication between the Board and the external auditors.

iii) Enhance the internal audit function by increasing objectivity and independence of the internal auditors and provide a forum for discussion that is independent of the management.

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

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

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

2) COMPOSITION OF AUDIT COMMITTEE

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

(i) the Committee must be composed of no fewer than 3 members;

(ii) all members of the Audit Committee shall be non-executive directors, a majority of the Committee must be independent directors; and

(iii) at least one member of the Committee:

(a) must be a member of the Malaysian Institute of Accountants; or

(b) if not a member of the Malaysian Institute of Accountants, must have at least 3 years' working experience and:

(i) must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act 1967; or

(ii) must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.

(c) fulfills such other requirements prescribed or approved by the Exchange.

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

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

The term of office and performance of the Committee and each of its members must be reviewed by the Board of Directors at least once every 3 years to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.

3) MEETING AND REPORTING PROCEDURES

i) Frequency of meetings

The Committee shall meet at least four (4) times a year.

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

ii) Quorum

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

iii) Secretary

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

iv) Attendance

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

v) Meeting Procedure

The Committee shall regulate its own procedure, in particular:

(a) the calling of meetings;
(b) the notice to be given of such meetings;
(c) the voting and proceedings of such meetings;
(d) the keeping of minutes; and
(e) the custody, production and inspection of such minutes.

vi) Reporting Procedure

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

4) AUTHORITY OF THE AUDIT COMMITTEE

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

i) authority to investigate any matter within its terms of reference and report to the Board with their recommendations.

ii) the resources which are required to perform its duties;

iii) full and unrestricted access to any information pertaining to the Company and its subsidiary companies;

iv) direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any);

v) authority to obtain independent professional or other advice; and

vi) authority to convene meetings with external auditors, internal auditors or both, excluding the attendance of the other directors and employees, whenever deemed necessary.

5) FUNCTIONS OF THE AUDIT COMMITTEE

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

i) To review:

(a) The quarterly results and year end financial statements, prior to the approval by the Board of Directors, focusing particularly on:
- the going concern assumption;
- changes in or implementation of major accounting policy changes;
- significant and unusual events; and
- compliance with the applicable approved accounting standards and other legal and regulatory requirements.

(b) Any related party transaction and conflict of interest situation that may arise within the Company or group including any transaction, procedure or course of conduct that raises questions or management integrity.

(c) With the external auditor:
- the audit plan;
- the evaluation of the system of internal controls;
- the audit report;
- the management letter and management's response;
- the assistance given by the Company's employees to the external auditor;

ii) To monitor the management's risk management practices and procedures.

iii) In respect of the appointment of external auditors:

(a) to review whether there is reason (supported by grounds) to believe that the external auditor is not suitable for reappointment;

(b) to consider the nomination of a person or persons as external auditors and the audit fee; and

(c) to consider any questions of resignation or dismissal of external auditors.

iv) In respect of the internal audit function:

(a) to review the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;

(b) to review the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate actions are taken on the recommendations of the internal audit function;

(c) to approve any appointment or termination of senior staff members of the internal audit function;

(d) to inform of any resignation of internal audit staff member and provide the resigning staff member an opportunity to submit his reasons for resigning; and

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

v) To promptly report such matter to the Bursa Malaysia Securities Berhad 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 2014. Details of the attendance of the meetings by the Committee Members are as follows:

Members	No. of Meetings attended	%
Ash'ari Bin Ayub (Re-designated on 21.10.2014)	5/5	100
Datuk Seri Ismail Bin Yusof (Re-designated on 21.10.2014)	5/5	100
Abd Manap Bin Hussain (Appointed on 30.01.2014)	1/2	50
M Arif Bin Kataman (Resigned on 30.01.2014)	3/3	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 2014;

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

vi) reviewed the unaudited quarterly financial statements and the audited financial statements of the Company and the Group, upon being satisfied that inter alia, the financial reporting and the disclosure requirements of the relevant authorities had been complied with;

vii) reviewed the proposal on shareholders' mandate for recurrent related party transactions of a revenue or trading nature; and

viii) reviewed the Company's compliance, in particular the quarterly and year end financial statements with the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad and the applicable approved accounting standards issued by the Malaysian Accounting Standards Board.

8) INTERNAL AUDIT FUNCTION

The Board has outsourced its internal audit function to Messrs. TT Governance Sdn Bhd ("TTG"). Its principal responsibility is to provide independent assurance to, and assist, the Board in discharging its duties and responsibilities.

The annual internal audit plan is reviewed and approved by the Committee at the beginning of each financial year prior to their execution. TTG performs routine audit on and reviews all operating business units within the Group, with emphasis on principal risk areas. The audit adopts a risk-based approach towards planning and conduct of audits, guided by the risk management framework adopted.

The Committee is to:

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

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

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

ii) Construction Division - Supplier selection and evaluation, procurement planning of building materials.

iii) Hotel Division – Procurement processing, vendor selection and front office operation.

In addition to that, the Internal Audit will also be reviewing procedures for the recurrent related party transactions in the month of November 2014.

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

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

The Board of Directors 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 pages 19 to 22, 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 the Corporate Social Responsibility section on page 10.

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 2014, 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 the Committee and Independent Non-Executive Director);
- Datuk Seri Ismail Bin Yusof (Independent Non-Executive Director); and
- En. Abd Manap Bin Hussain (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, ethnicity diversity and age; 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 Nomination and 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 2014, categorized into appropriate components, distinguishes between Executive and Non-Executive Directors, is as follows:

	Fees (RM)	Salaries and allowances (RM)	Bonus (RM)	Benefits-in-kind (RM)
Executive Directors	168,000	2,634,301	177,200	89,650
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:

Range of remuneration	Executive	Non-Executive
Less than RM 50,000	-	3
RM50,001 to RM100,000	1	1
RM150,001 to RM200,000	2	-
RM200,001 to RM250,000	2	-
RM1,500,000 to RM1,550,000	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 year 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 2014 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 28 and 29.

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 29.

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 En. Ash'ari Bin Ayub 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 recognizes 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 Malaysia Securities Berhad, 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.

This Statement is made in accordance with the resolution of the Board of Directors dated 21 October 2014.

ATTENDANCE AT BOARD OF DIRECTORS' MEETINGS AND BOARD COMMITTEE MEETINGS

There were five (5) Board of Directors' Meetings held during the financial year ended 30 June 2014. Shown below is the attendance of each Director for the financial year ended 30 June 2014.

Board of Directors' Meetings

Name of Director	Designation	No. of Meetings attended	%
Ash'ari Bin Ayub	Chairman, Independent Non-Executive Director	5/5	100
Dato' Tan Seng Leong	Group Managing Director	3/5	60
Datuk Seri Ismail Bin Yusof	Independent Non-Executive Director	5/5	100
Tan Lay Hiang	Executive Director	3/5	60
Tan Vin Sern	Executive Director	4/5	80
Tan Lindy	Executive Director	3/5	60
Tan Vin Shyan	Executive Director	4/5	80
Low Kok Yung	Executive Director	5/5	100
Abd Manap Bin Hussain (Appointed on 30/01/2014)	Independent Non-Executive Director	1/2	50
M Arif Bin Kataman (Resigned on 30/01/2014)	Independent Non-Executive Director	3/3	100

Board Committee Meetings

Name of Director	Audit Committee	Nomination and Remuneration Committee
Ash'ari Bin Ayub (Chairman)	5/5	3/3
Datuk Seri Ismail Bin Yusof (Member)	5/5	3/3
Abd Manap Bin Hussain (Member) (Appointed on 30/01/2014)	1/2	1/1
M Arif Bin Kataman (Member) (Resigned on 30/01/2014)	3/3	2/2

Directors' Training

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

Directors	Seminars / Trainings
Ash'ari Bin Ayub	MIA Conference 2013 2014 Budget Seminar Related Party Transaction
Dato' Tan Seng Leong	Related Party Transactions
Datuk Seri Ismail Bin Yusof	Related Party Transactions
Tan Lay Hiang	Related Party Transactions
Tan Lindy	Related Party Transactions
Tan Vin Sern	Related Party Transactions
Tan Vin Shyan	Related Party Transactions
Low Kok Yung	Related Party Transactions
Abd Manap Bin Hussain	Mandatory Accreditation Programme (MAP) for Directors of Public Listed Companies

Statement on Risk Management and Internal Control

This statement is prepared in accordance with the requirement 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 financial year under review and up to the date of approval of the Annual Report and financial statements. The Board has delegated its authority to the Audit Committee to review and determine the levels of different categories of risk; while Management and Heads of Divisions are delegated the responsibility to manage risks related to their respective division units. The process requires the Management and Division Heads 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 Company'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 on 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 clearly 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. 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 in a timely manner. Where necessary, budgets are revised, taking into account any changes in business conditions.

3. The Group's Internal Auditors, reporting to the Audit Committee, performs reviews according to approved internal audit plan 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.

4. The Audit Committee, on behalf of the Board, reviews and holds discussions with management according to approved internal audit plan on the action taken on internal control issues identified in reports prepared by the Internal Auditors and the Management.

5. There is a clearly 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.

6. Policies and standard operating procedures and policies manuals are available physically and in soft copy to all employees and these also include the Group's reporting hierarchy.

REVIEW AND CONCLUSION

Throughout the financial year 2014, 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 Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year ended 31 December 2013. Their review was performed in accordance with Recommended Practice Guide (RPG) 5 (Revised) Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control Included in the Annual Report issued by the Malaysian Institute of Accountants.

Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement on Risk Management and Internal Control is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal control of the Group.

The Board has received assurance from the Managing Director and Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively in all material aspects based on the risk management and internal control system of the Company.

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 2014.




FINANCIAL STATEMENTS

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 2014.

PRINCIPAL ACTIVITIES

The principal activities of the Company are 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	32,513,578	17,717,080
Attributable to:		
Owners of the parent	30,692,340	17,717,080
Non-controlling interests	1,821,238	-
	32,513,578	17,717,080

DIVIDEND

No dividend has been paid, declared or proposed by the Company since the end of the previous financial years.

The Directors propose a final dividend of 3.0 sen per ordinary share, amounting to RM6,007,032 in respect of the financial year ended 30 June 2014, subject to the approval of members at the forthcoming Annual General Meeting.

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 2,000 (2013: 2,100) of its issued share capital from the open market on Bursa Malaysia Securities Berhad for RM1,492 (2013: RM947). The average price paid for the shares repurchased was RM0.75 (2013: RM0.45) 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
Tan Vin Shyan
Low Kok Yung
Abd Manap Hussain (appointed on 30 January 2014)
M Arif Bin Kataman (resigned on 30 January 2014)

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 2014 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 1.7.2013**	**Bought**	**Sold**	**Balance as at 30.6.2014**
Direct interests:				
Dato' Tan Seng Leong	63,035,500	-	-	63,035,500
Tan Vin Sern	2,534,500	-	-	2,534,500
Tan Lay Hiang	491,100	-	-	491,100
Low Kok Yung	3,000	-	-	3,000
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 there are no known bad debts 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 necessitate the writing off of bad debts or the making of provision for doubtful debts in the financial statements of the Group and of the Company;

   (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 (12) 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.

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

Low Kok Yung
Group Finance Director

Kluang
21 October 2014

Statement by Directors

In the opinion of the Directors, the financial statements set out on pages 40 to 113 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 2014 and of their 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 37 to the financial statements on page 114 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

Low Kok Yung
Group Finance Director

Kluang
21 October 2014

Statutory Declaration

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 40 to 114 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 above named at)
Kluang, Johor this)
21 October 2014)

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 2014 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 40 to 113.

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 2014 and of their financial performance and cash flows for the financial 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 of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

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

(c) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The information set out in Note 37 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
2949/05/16 (J)
Chartered Accountant

Johor Bahru
21 October 2014

Statements of Financial Position
As at 30 June 2014

ASSETS	Note	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
NON-CURRENT ASSETS					
Property, plant and equipment	7	65,521,435	65,190,514	58,773,473	60,126,529
Investment properties	8	25,848,949	24,875,625	11,635,000	11,635,000
Land held for property development	9	83,262,951	96,765,889	13,143,352	13,048,606
Investment in subsidiaries	10	-	-	51,400,010	50,200,010
Deferred tax assets	11	-	43,898	-	-
		174,633,335	186,875,926	134,951,835	135,010,145
CURRENT ASSETS					
Property development costs	12	509,824,363	446,990,659	193,998,072	184,251,347
Inventories	13	68,048,893	65,183,827	10,508,043	9,319,289
Trade and other receivables	14	117,182,288	59,432,683	217,079,730	180,959,870
Current tax assets		1,685,886	1,923,870	-	1,114,295
Cash and bank balances	15	21,884,424	22,454,280	11,660,711	8,395,150
		718,625,854	595,985,319	433,246,556	384,039,951
TOTAL ASSETS		893,259,189	782,861,245	568,198,391	519,050,096
EQUITY AND LIABILITIES					
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	(3,116,712)	(3,115,220)	(3,116,712)	(3,115,220)
Revaluation reserve	17	6,788,088	6,788,088	6,788,088	6,788,088
Retained earnings	18	174,336,162	144,245,498	103,628,431	85,911,351
		384,257,538	354,168,366	313,549,807	295,834,219
Non-controlling interests		8,895,758	6,816,200	-	-
TOTAL EQUITY		393,153,296	360,984,566	313,549,807	295,834,219

Statements of Financial Position
As at 30 June 2014 (cont'd)

ASSETS	Note	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
LIABILITIES					
NON-CURRENT LIABILITIES					
Borrowings	19	154,251,926	164,125,291	28,065,029	45,790,686
Deferred tax liabilities	11	908,951	3,252,438	1,137,088	3,568,048
		155,160,877	167,377,729	29,202,117	49,358,734
CURRENT LIABILITIES					
Trade and other payables	20	157,500,000	75,017,851	89,724,587	46,853,550
Borrowings	19	180,336,462	177,666,444	134,043,038	127,003,593
Current tax liabilities		7,108,554	1,814,655	1,678,842	-
		344,945,016	254,498,950	225,446,467	173,857,143
TOTAL LIABILITIES		500,105,893	421,876,679	254,648,584	223,215,877
TOTAL EQUITY AND LIABILITIES		893,259,189	782,861,245	568,198,391	519,050,096

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 2014

	Note	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Revenue	23	281,944,979	164,578,865	161,938,157	68,853,372
Cost of sales	24	(197,907,237)	(111,801,643)	(112,537,249)	(44,572,496)
Gross profit		84,037,742	52,777,222	49,400,908	24,280,876
Other operating income		9,392,348	11,571,792	2,300,920	8,209,399
Administrative expenses		(30,586,674)	(27,659,297)	(18,848,903)	(17,374,917)
Marketing and selling expenses		(4,041,802)	(4,289,515)	(3,273,169)	(2,922,349)
Other operating expenses		(3,575,134)	(1,442,710)	-	-
Finance income	25	12,117	16,217	-	-
Finance costs	25	(11,431,186)	(10,049,492)	(8,648,682)	(6,845,826)
Profit before tax	26	43,807,411	20,924,217	20,931,074	5,347,183
Tax expense	27	(11,293,833)	(4,822,679)	(3,213,994)	(195,239)
Profit for the financial year		32,513,578	16,101,538	17,717,080	5,151,944
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		32,513,578	16,101,538	17,717,080	5,151,944
Profit attributable to:					
Owners of the parent		30,692,340	15,803,860	17,717,080	5,151,944
Non-controlling interests		1,821,238	297,678	-	-
		32,513,578	16,101,538	17,717,080	5,151,944
Earnings per share attributable to owners of the parent (sen)					
- Basic and diluted	29	15.33	7.89		

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

Statement of Changes in Equity
For the Financial Year Ended 30 June 2014

Group	Note	Share capital RM	Non-distributable Treasury shares RM	Non-distributable Revaluation reserve RM	Distributable Retained earnings RM	Non-controlling interests RM	Total equity RM
Balance as at 1 July 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
Profit for the financial year		-	-	-	30,692,340	1,821,238	32,513,578
Other comprehensive income, net of tax		-	-	-	-	-	-
Total comprehensive income		-	-	-	30,692,340	1,821,238	32,513,578
Transactions with owners							
Purchase of treasury shares	16	-	(1,492)	-	-	-	(1,492)
Additional non-controlling interests arising on a business combination		-	-	-	-	400,000	400,000
Acquisition of non-controlling interests		-	-	-	(376,676)	(223,324)	(600,000)
Dilution of non-controlling interests		-	-	-	(225,000)	225,000	-
Dividend to non-controlling interests		-	-	-	-	(143,356)	(143,356)
Total transactions with owners		-	(1,492)	-	(601,676)	258,320	(344,848)
Balance as at 30 June 2014		206,250,000	(3,116,712)	6,788,088	174,336,162	8,895,758	393,153,296

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

Company	Note	Share capital RM	Non-distributable Treasury shares RM	Non-distributable Revaluation reserve RM	Distributable Retained earnings RM	Total equity RM
Balance as at 1 July 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
Profit for the financial year		-	-	-	17,717,080	17,717,080
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive income		-	-	-	17,717,080	17,717,080
Transaction with owners						
Purchase of treasury shares	16	-	(1,492)	-	-	(1,492)
Total transaction with owners		-	(1,492)	-	-	(1,492)
Balance as at 30 June 2014		206,250,000	(3,116,712)	6,788,088	103,628,431	313,549,807

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

		Group		Company	
		2014	2013	2014	2013
	Note	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		43,807,411	20,924,217	20,931,074	5,347,183
Adjustments :					
Bad debts written off		-	51,631	-	-
Depreciation of property, plant and equipment	7	2,769,084	2,257,241	2,284,239	1,932,720
Dividend income	23	-	-	(10,717,333)	(3,761,334)
Fair value adjustment on investment properties	8	(2,448,824)	(3,446,564)	-	(3,446,564)
Gain on disposals of:					
- property, plant and equipment		(65,049)	(556,223)	(65,000)	(118,176)
- investment properties		(411,850)	(202,367)	-	-
Inventories written off		897	528	-	-
Interest income	25	(12,117)	(16,217)	-	-
Interest expense	25	11,431,186	10,049,492	8,648,682	6,845,826
Property, plant and equipment written off	7	890	812	358	706
Operating profit before working capital changes		55,071,628	29,062,550	21,082,020	6,800,361
Changes in working capital:					
Property development costs		(32,238,524)	(68,395,062)	(2,078,230)	(27,612,496)
Inventories		(1,473,306)	34,334,579	203,903	1,887,974
Trade and other receivables		(57,749,605)	(7,342,263)	(36,119,860)	20,821,254
Trade and other payables		82,482,149	14,532,909	42,871,037	4,869,943
Cash generated from operations		46,092,342	2,192,713	25,958,870	6,767,036
Interest received	25	12,117	16,217	-	-
Tax paid		(10,136,337)	(5,201,913)	(4,108,813)	(1,560,581)
Tax refunded		2,074,798	128,831	1,256,996	3,395
Net cash from/(used in) operating activities		38,042,920	(2,864,152)	23,107,053	5,209,850

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

	Note	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Additions to land held for property development	9	(1,369,571)	(580,411)	(94,746)	(7,811)
Acquisition of a subsidiary	33(c)	-	-	(1,200,000)	-
Acquisition of non-controlling interests		(600,000)	-	-	-
Dividends received	23	-	-	10,717,333	3,761,334
Proceeds from disposals of:					
- property, plant and equipment		65,050	1,637,706	65,000	157,055
- investment properties		1,887,350	1,702,367	-	-
Purchase of property, plant and equipment	7	(2,784,896)	(4,850,650)	(931,541)	(4,182,134)
Net cash (used in)/from investing activities		(2,802,067)	(2,090,988)	8,556,046	(271,556)
CASH FLOWS FROM FINANCING ACTIVITIES					
Deposits pledged to licensed banks		(310,815)	(419,094)	-	(400,000)
Dividends paid to non-controlling interests		(143,356)	-	-	-
Interest paid		(28,546,514)	(30,509,116)	(17,709,834)	(9,178,314)
(Repayments)/Drawdowns of bank borrowings		(9,558,980)	36,220,508	(11,729,776)	6,720,767
Ordinary share capital contributed by non-controlling interests of subsidiaries		400,000	-	-	-
Purchase of treasury shares	16	(1,492)	(947)	(1,492)	(947)
Repayments to hire purchase creditors		(479,998)	(733,681)	(401,682)	(596,315)
Net cash (used in)/from financing activities		(38,641,155)	4,557,670	(29,842,784)	(3,454,809)
Net (decrease)/increase in cash and cash equivalents		(3,400,302)	(397,470)	1,820,315	1,483,485
Cash and cash equivalents at beginning of financial year		(34,613,305)	(34,215,835)	(46,182,921)	(47,666,406)
Cash and cash equivalents at end of financial year	15(c)	(38,013,607)	(34,613,305)	(44,362,606)	(46,182,921)

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 21 October 2014.

2. PRINCIPAL ACTIVITIES

The principal activities of the Company are 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 37 to the financial statements set out on page 114 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. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:
(a) Power over the investee;
(b) Exposure, or rights, to variable returns from its involvement with the investee; and
(c) The ability to use its power over the investee to affect its returns.

If the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
(a) The contractual arrangement with the other vote holders of the investee;
(b) Rights arising from other contractual agreements; and
(c) The voting rights of the Group and potential voting rights.

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

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

Non-controlling interests represent the equity in subsidiaries that are not attributable, directly or indirectly, to owners of the parent, and is presented separately in the consolidated statement of profit or loss and other 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.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. 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. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the financial year are included in the statement of profit or loss and other comprehensive income from the date of the Group gains control until the date the Group ceases to control the subsidiary.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.2 Basis of consolidation (cont'd)

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

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

(b) 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 joint venture.

4.3 Business combinations

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 share-based payment transactions of the acquiree or the replacement by the Group of an acquiree's share-based payment transactions are measured in accordance with FRS 2 *Share-based Payment* at the acquisition date; 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.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.3 Business combinations (cont'd)

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 profit 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 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.

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

4.4 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost 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 would 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 and any accumulated impairment losses. Hotel properties are stated at valuation, which is the fair value at the date of revaluation less any subsequent accumulated depreciation and any subsequent accumulated impairment losses.

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	87 years
Hotel properties	50 - 87 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 4.10 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 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. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.7 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.

4.8 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 reflect among other things, rental income from current leases and other assumptions that market participants would use when pricing investment properties under current market conditions.

Fair value of investment properties are based on valuation by registered independent valuers with appropriate recognised professional qualification and by reference to market evidence of transaction prices for similar properties.

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

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

4.9 Investment in subsidiaries

A subsidiary is an entity in which the Group and the Company are exposed, or have rights, to variable returns from its involvement with the subsidiary and have the ability to affect those returns through its power over the subsidiary.

An investment in subsidiary, which is eliminated on consolidation, is stated in the separate financial statements of the Company at cost (or in accordance with FRS 139). Put options written over non-controlling interests on the acquisition of subsidiary shall be included as part of the cost of investment in the separate financial statements of the Company. Subsequent changes in the fair value of the written put options over non-controlling interests shall be recognised in profit or loss. 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 (or included in a disposal group that is 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. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.10 Impairment of non-financial assets

The carrying amounts of assets, except for financial assets (excluding investment 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.

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

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

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

4.11 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)

(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 bank balances include cash and cash equivalents, 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.

(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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.12 Financial instruments (cont'd)

(b) Financial liabilities (cont'd)

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 statements 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.

<u>Loans and receivables</u>

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 taxes

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 would 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 would 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 would be reduced accordingly. When it becomes probable that sufficient taxable profits would be available, such reductions would 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:

(a) the same taxable entity; or

(b) 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. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

If the effect of the time value of money is material, the amount of a provision would 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 would 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 would 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 would 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.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.18 Employee benefits (cont'd)

(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.

4.19 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.

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 would 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. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.21 Operating segments

Operating segments are defined as components of the Group that:

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

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

(c) for which discrete financial information is available.

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

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.

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

4.23 Fair value measurement

The fair value of an asset or a liability, (except for lease transactions) is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

The Group measures the fair value of an asset or a liability by taking into account the characteristics of the asset or liability if market participants would take these characteristics into account when pricing the asset or liability. The Group has considered the following characteristics when determining fair value:

(a) The condition and location of the asset; and

(b) Restrictions, if any, on the sale or use of the asset.

The fair value measurement for a non-financial asset takes into account the ability of the market participant to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

(a) A liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and

(b) An entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

5. ADOPTION OF NEW FRS AND AMENDMENTS TO FRSs

5.1 New FRSs adopted during the current financial year

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 (2011)*	1 January 2013
FRS 127 *Separate Financial Statements*	1 January 2013
FRS 128 *Investments in Associates and Joint Ventures (revised)*	1 January 2013
Amendments to FRS 7 *Disclosures – Offsetting Financial Assets and Financial Liabilities*	1 January 2013
Amendments to *FRSs Annual Improvements 2009-2011 Cycle*	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

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

5.1 New FRSs adopted during the current financial year (cont'd)

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

i. FRS 12, which is mandatory for annual periods beginning on or after 1 January 2013.

This Standard prescribes the disclosure requirements relating to interests of an entity in subsidiaries, joint arrangements, associates and structured entities. This Standard requires a reporting entity to disclose information that helps users to assess the nature and financial effects of the relationship of the reporting entity with other entities.

The adoption of this Standard has no effect on the financial position or results of the Group. Additional disclosures where required, are disclosed in Note 10 to the financial statements.

ii. FRS 13, which is mandatory for annual periods beginning on or after 1 January 2013.

This Standard is now the sole FRS containing the framework for determining the measurement of fair value and the disclosure of information relating to fair value measurement, when fair value measurements and/or disclosures are required or permitted by other FRSs.

As a result, the guidance and requirements relating to fair value measurement that were previously included in other FRSs have now been amalgamated to FRS 13.

Whilst there have been some rewording of the previous guidance on FRS 13, there are very few changes to the previous fair value measurement requirements. Instead, FRS 13 is intended to clarify the measurement objective, harmonises the disclosure requirements, and improve consistency in the application of fair value measurement.

Application of FRS 13 has not materially impacted the fair value measurements of assets or liabilities of the Group and has no effect on the financial position or results of the Group. Additional disclosures where required, are provided in Note 7, 8 and 35 to the financial statements. FRS 13 is to be applied prospectively and therefore certain comparative information has not been presented by the Group in respect of the new disclosure requirements.

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

Title	Effective Date
Amendments to FRS 10 *Consolidated Financial Statements: Investment Entities*	1 January 2014
Amendments to FRS 12 *Disclosure of Interests in Other Entities: Investment Entities*	1 January 2014
Amendments to FRS 127 *Separate Financial Statements (2011): Investment Entities*	1 January 2014
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
Amendments to FRS 119 *Defined Benefit Plans: Employee Contributions*	1 July 2014
Amendments to FRS Annual Improvements to FRSs 2010 - 2012 Cycle	1 July 2014
Amendments to FRS Annual Improvements to FRSs 2011 - 2013 Cycle	1 July 2014
Mandatory Effective Date of FRS 9 and Transition Disclosures	Deferred
FRS 9 *Financial Instruments* (2009)	Deferred
FRS 9 *Financial Instruments* (2010)	Deferred
FRS 9 *Financial Instruments (Hedge Accounting and amendments to FRS 9, FRS 7 and FRS 139)*	Deferred

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

5.2 New FRSs that have been issued, but not yet effective and not yet adopted (cont'd)

Title	Effective Date
FRS 14 *Regulatory Deferral Accounts*	1 January 2016
Amendments to FRS 116 and FRS 138 *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Amendments to FRS 11 *Accounting for Acquisition of Interests in Joint Operations*	1 January 2016

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 future financial year ending 30 June 2015.

5.3 New Malaysian Financial Reporting Standards ("MFRSs") that have been issued, but have yet to be adopted during the current financial year

Based on the MASB announcement on 2 September 2014, the effective date for the adoption of MFRS Framework by transitioning entities (i.e. entities affected by MFRS 141 Agriculture and/or IC Interpretation 15 Agreements for Construction of Real Estate) was deferred from annual periods beginning on or after 1 January 2015 to annual periods beginning on or after 1 January 2017.

Accordingly, as a transitioning entity as defined by the MASB, the Group has elected to continue to apply the FRS Framework up till its financial year ending 30 June 2017 and will adopt the following Standards of the MFRS Framework that were issued by the MASB during the financial year ending 30 June 2018.

Title	Effective Date
MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*	1 January 2017
Amendments to MFRS 1 *Government Loans*	1 January 2017
MFRS 2 *Share-based Payment*	1 January 2017
MFRS 3 *Business Combinations*	1 January 2017
MFRS 4 *Insurance Contracts*	1 January 2017
MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*	1 January 2017
MFRS 6 *Exploration for and Evaluation of Mineral Resources*	1 January 2017
MFRS 7 *Financial Instruments: Disclosures*	1 January 2017
Amendments to MFRS 7 *Disclosures – Offsetting Financial Assets and Financial Liabilities*	1 January 2017
MFRS 8 *Operating Segments*	1 January 2017
Mandatory Effective Date of MFRS 9 and Transition Disclosures	Deferred
MFRS 9 *Financial Instruments*	Deferred
MFRS 9 *Financial Instruments (Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139)*	Deferred
MFRS 10 *Consolidated Financial Statements*	1 January 2017
MFRS 11 *Joint Arrangements*	1 January 2017
Amendments to MFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*	1 January 2017
MFRS 12 Disclosure of Interests in Other Entities	1 January 2017
MFRS 13 *Fair Value Measurement*	1 January 2017
MFRS 14 *Regulatory Deferral Accounts*	1 January 2017
MFRS 15 *Revenue from Contracts with Customers*	1 January 2017
Amendments to MFRS 10, MFRS 11 and MFRS 12 *Consolidated Financial Statements, Joint Arrangement and Disclosure of Interests in Other Entities: Transition Guidance*	1 January 2017
Amendments to MFRS 10, MFRS 12 and MFRS 127 *Investment Entities*	1 January 2017

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

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

Title	Effective Date
MFRS 101 *Presentation of Financial Statements*	1 January 2017
Amendments to MFRS 101 *Presentation of Items of Other Comprehensive Income*	1 January 2017
MFRS 102 *Inventories*	1 January 2017
MFRS 107 *Statement of Cash Flows*	1 January 2017
MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*	1 January 2017
MFRS 110 *Events After the Reporting Period*	1 January 2017
MFRS 112 *Income Taxes*	1 January 2017
MFRS 116 *Property, Plant and Equipment*	1 January 2017
Amendments to MFRS 116 *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2017
Amendments to MFRS 116 and MFRS 141 *Agriculture: Bearer Plants*	1 January 2017
MFRS 117 *Leases*	1 January 2017
MFRS 119 *Employee Benefits*	1 January 2017
MFRS 119 *Employee Benefits (revised)*	1 January 2017
Amendments to MFRS 119 *Defined Benefit Plans: Employee Contributions*	1 January 2017
MFRS 120 *Accounting for Government Grants and Disclosure of Government Assistance*	1 January 2017
MFRS 121 *The Effects of Changes in Foreign Exchange Rates*	1 January 2017
MFRS 123 *Borrowing Costs*	1 January 2017
MFRS 124 *Related Party Disclosures*	1 January 2017
MFRS 126 *Accounting and Reporting by Retirement Benefit Plans*	1 January 2017
MFRS 127 *Separate Financial Statements*	1 January 2017
MFRS 128 *Investments in Associates and Joint Ventures*	1 January 2017
MFRS 129 *Financial Reporting in Hyperinflationary Economies*	1 January 2017
MFRS 132 *Financial Instruments: Presentation*	1 January 2017
Amendments to MFRS 132 *Offsetting Financial Assets and Financial Liabilities*	1 January 2017
MFRS 133 *Earnings Per Share*	1 January 2017
MFRS 134 *Interim Financial Reporting*	1 January 2017
MFRS 136 *Impairment of Assets*	1 January 2017
Amendments to MFRS 136 *Recoverable Amount Disclosures for Non-Financial Assets*	1 January 2017
MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*	1 January 2017
MFRS 138 *Intangible Assets*	1 January 2017
Amendments to MFRS 138 *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2017
MFRS 139 *Financial Instruments: Recognition and Measurement*	1 January 2017
Amendments to MFRS 139 *Novation of Derivatives and Continuation of Hedge Accounting*	1 January 2017
MFRS 140 *Investment Property*	1 January 2017
MFRS 141 *Agriculture*	1 January 2017
Amendments to MFRSs *Annual Improvements 2009 – 2011 Cycle*	1 January 2017
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 January 2017
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 January 2017
Improvements to MFRSs (2008)	1 January 2017
Improvements to MFRSs (2009)	1 January 2017
Improvements to MFRSs (2010)	1 January 2017
IC Interpretation 1 *Changes in Existing Decommissioning, Restoration and Similar Liabilities*	1 January 2017
IC Interpretation 2 *Members' Shares in Co-operative Entities and Similar Instruments*	1 January 2017
IC Interpretation 4 *Determining Whether an Arrangement Contains a Lease*	1 January 2017
IC Interpretation 5 *Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds*	1 January 2017

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

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

Title	Effective Date
IC Interpretation 6 *Liabilities Arising from Participating in a Specific Market-Waste Electrical and Electronic Equipment*	1 January 2017
IC Interpretation 7 *Applying the Restatement Approach under MFRS 129 Financial Reporting in Hyper inflationary Economies*	1 January 2017
IC Interpretation 9 *Reassessment of Embedded Derivatives*	1 January 2017
IC Interpretation 10 *Interim Financial Reporting and Impairment*	1 January 2017
IC Interpretation 12 *Service Concession Arrangements*	1 January 2017
IC interpretation 14 MFRS 119- *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction*	1 January 2017
IC Interpretation 16 *Hedges of a Net Investment in a Foreign Operation*	1 January 2017
IC Interpretation 17 *Distributions of Non-cash Assets to Owners*	1 January 2017
IC Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments*	1 January 2017
IC Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine*	1 January 2017
IC Interpretation 21 *Levies*	1 January 2017
IC Interpretation 107 *Introduction of the Euro*	1 January 2017
IC Interpretation 110 *Government Assistance – No Specific Relation to Operating Activities*	1 January 2017
IC Interpretation 112 *Consolidation – Special Purpose Entities*	1 January 2017
IC Interpretation 113 *Jointly Controlled Entities – Non-monetary Contributions by Ventures*	1 January 2017
IC Interpretation 115 *Operating Leases - Incentives*	1 January 2017
IC Interpretation 125 *Income Taxes - Changes in the Tax Status of an Entity or its Shareholders*	1 January 2017
IC Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*	1 January 2017
IC Interpretation 129 *Service Concession Arrangements: Disclosures*	1 January 2017
IC Interpretation 132 *Intangible Assets - Web Site Costs*	1 January 2017

The Group is in the process of assessing the impact of implementing these Standards since the effects would only be observable for the financial year ending 30 June 2018.

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. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

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 and inventories

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.

During the financial year, the Group temporarily rented out certain properties in inventories but decided not to treat this property as an investment property because it is not the intention of the Group to hold this property in the long-term for capital appreciation or rental income. Accordingly, this property is still classified as inventories.

(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) Investment in subsidiaries and impairment of amounts due from subsidiaries

Management reviews the investments in subsidiaries for impairment when there is an indication of impairment and assess the impairment of amounts due from subsidiaries when the receivables are long outstanding. The recoverable amounts of the investments in subsidiaries and amounts due from subsidiaries are assessed by reference to the fair value of the underlying assets.

(c) 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.

(d) 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.

(e) Fair value of borrowings

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

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

6.3 Key sources of estimation uncertainty (cont'd)

(f) Recognition of revenue from property development

The Group recognises property development revenue and expenses in profit or loss by using the stage of completion method. The stage of completion is measured by reference to the value of work certified to date as a percentage of the total value of the projects.

Significant 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.

(g) 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.

(h) 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.

(i) Fair value measurement

The fair value measurement of the financial and non-financial assets and liabilities of the Group utilises market observable inputs and data as far as possible, where applicable. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are:

(i) Level 1: Quoted prices in active markets for identical items (unadjusted);
(ii) Level 2: Observable direct or indirect inputs other than Level 1 inputs; and
(iii) Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used in the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The Group measures these elements in the financial statements at fair value:

(i) Property, plant and equipment (hotel properties), Note 7 to the financial statements;
(ii) Investment properties, Note 8 to the financial statements; and
(iii) Financial instruments; Note 35 to the financial statements.

7. PROPERTY, PLANT AND EQUIPMENT

Group 2014	Balance as at 1.7.2013 RM	Additions RM	Disposals RM	Written off RM	Depreciation charge for the financial year RM	Balance as at 30.6.2014 RM
Carrying amount						
Freehold land	5,410,566	-	-	-	-	5,410,566
Leasehold land	2,909,890	-	-	-	(36,374)	2,873,516
Hotel properties, at valuation	38,693,330	-	-	-	(558,315)	38,135,015
Buildings	8,766,609	375,700	-	-	(280,201)	8,862,108
Plant and machinery	7,904	12,563	-	(2)	(5,034)	15,431
Motor vehicles	1,825,700	457,655	-	(1)	(527,848)	1,755,506
Renovation	3,228,852	673,726	-	-	(514,597)	3,387,981
Furniture, fittings and office equipment	4,347,663	1,581,252	(1)	(887)	(846,715)	5,081,312
	65,190,514	3,100,896	(1)	(890)	(2,769,084)	65,521,435

Group 2014	At 30 June 2014 Cost RM	Valuation RM	Accumulated depreciation RM	Carrying amount RM
Freehold land	5,410,566	-	-	5,410,566
Leasehold land	3,164,506	-	(290,990)	2,873,516
Hotel properties, at valuation	-	40,997,058	(2,862,043)	38,135,015
Buildings	12,674,434	-	(3,812,326)	8,862,108
Plant and machinery	1,504,852	-	(1,489,421)	15,431
Motor vehicles	5,791,575	-	(4,036,069)	1,755,506
Renovation	8,964,560	-	(5,576,579)	3,387,981
Furniture, fittings and office equipment	17,627,786	-	(12,546,474)	5,081,312
	55,138,279	40,997,058	(30,613,902)	65,521,435

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

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	6,068,325	-	-	(657,759)	-	-	5,410,566
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	9,424,585	-	-	(382,409)	-	(275,567)	8,766,609
Plant and machinery	13,620	-	-	-	(105)	(5,611)	7,904
Motor vehicles	1,193,039	-	1,248,133	(38,880)	(1)	(576,591)	1,825,700
Renovation	1,140,284	-	2,458,730	-	-	(370,162)	3,228,852
Furniture, fittings and office equipment	2,577,486	-	2,437,150	(2,435)	(706)	(663,832)	4,347,663
	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	5,410,566	-	-	5,410,566
Leasehold land	3,164,506	-	(254,616)	2,909,890
Hotel properties, at valuation	-	40,997,058	(2,303,728)	38,693,330
Buildings	12,298,734	-	(3,532,125)	8,766,609
Plant and machinery	1,494,269	-	(1,486,365)	7,904
Motor vehicles	5,887,613	-	(4,061,913)	1,825,700
Renovation	8,290,834	-	(5,061,982)	3,228,852
Furniture, fittings and office equipment	16,087,220	-	(11,739,557)	4,347,663
	52,633,742	40,997,058	(28,440,286)	65,190,514

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

Company 2014	Balance as at 1.7.2013 RM	Additions RM	Written off RM	Depreciation charge for the financial year RM	Balance as at 30.6.2014 RM
Carrying amount					
Freehold land	2,256,097	-	-	-	2,256,097
Leasehold land	2,909,890	-	-	(36,374)	2,873,516
Hotel properties, at valuation	38,693,330	-	-	(558,315)	38,135,015
Buildings	8,330,553	-	-	(228,848)	8,101,705
Motor vehicles	1,263,609	-	-	(339,447)	924,162
Renovation	2,926,655	617,868	-	(458,085)	3,086,438
Furniture, fittings and office equipment	3,746,395	313,673	(358)	(663,170)	3,396,540
	60,126,529	931,541	(358)	(2,284,239)	58,773,473

Company 2014	At 30 June 2014 Cost RM	Valuation RM	Accumulated depreciation RM	Carrying amount RM
Freehold land	2,256,097	-	-	2,256,097
Leasehold land	3,164,506	-	(290,990)	2,873,516
Hotel properties, at valuation	-	40,997,058	(2,862,043)	38,135,015
Buildings	11,442,406	-	(3,340,701)	8,101,705
Plant and machinery	1,172,082	-	(1,172,082)	-
Motor vehicles	3,521,651	-	(2,597,489)	924,162
Renovation	8,230,468	-	(5,144,030)	3,086,438
Furniture, fittings and office equipment	14,147,457	-	(10,750,917)	3,396,540
	43,934,667	40,997,058	(26,158,252)	58,773,473

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	Disposal 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)

(a) The hotel properties of the Group and of the Company stated at valuation were last revalued on 15 May 2013 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 RM20,616,068 (2013: RM20,981,546).

(b) The fair value of hotel properties (at valuation) of the Group and the Company are categorised as follows:

Group and Company	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2014				
Hotel properties	-	38,135,015	-	38,135,015
2013				
Hotel properties	-	38,693,330	-	38,693,330

(i) There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the financial years ended 30 June 2014 and 30 June 2013.

(ii) Level 2 fair value of hotel properties (at valuation) was determined by external and independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

(iii) The fair value measurements of the hotel properties (at valuation) are based on the highest and best use which does not differ from their actual use.

(c) During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Purchase of property, plant and equipment	3,100,896	6,144,013	931,541	5,166,301
Financed by hire purchase and lease arrangements	(316,000)	(1,293,363)	-	(984,167)
Cash payments on purchase of property, plant and equipment	2,784,896	4,850,650	931,541	4,182,134

(d) The carrying amount of the property, plant and equipment of the Group and of the Company under finance leases at the end of the reporting period are as follows:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Carrying amount of motor vehicles under finance lease	1,536,223	1,734,946	921,482	1,257,152

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

(e) The carrying amount of the property, plant and equipment of the Group and of the Company that have been charged to the bank as security for bank borrowings as at the end of the reporting period are as follows:

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Carrying amount of property, plant and equipment pledged as security for bank borrowings (Note 19):				
- freehold land	2,256,097	5,410,566	2,256,097	2,256,097
- buildings	8,101,705	8,766,609	8,101,705	8,330,553
- hotel properties including leasehold land	41,008,531	41,603,220	41,008,531	41,603,220
	51,366,333	55,780,395	51,366,333	52,189,870

8. INVESTMENT PROPERTIES

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
At beginning of the financial year	24,875,625	35,294,061	11,635,000	20,553,436
Fair value adjustments	2,448,824	3,446,564	-	3,446,564
Reclassification to property, plant and equipment (Note 7)	-	(12,365,000)	-	(12,365,000)
Disposals	(1,475,500)	(1,500,000)	-	-
At end of the financial year	25,848,949	24,875,625	11,635,000	11,635,000
Investment properties pledged as security for borrowings (Note 19)	13,280,000	15,150,000	11,635,000	11,635,000

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

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Repair and maintenance	75,428	115,577	-	32,493
Quit rent and assessment	391,810	23,273	355,745	6,643

8. INVESTMENT PROPERTIES (cont'd)

(b) The fair value of investment properties of the Group and of the Company are categorised as follows:

Group	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2014				
Buildings	-	25,848,949	-	25,848,949
2013				
Buildings	-	24,875,625	-	24,875,625
Company				
2014				
Buildings	-	11,635,000	-	11,635,000
2013				
Buildings	-	11,635,000	-	11,635,000

(i) There was no transfer between Level 1, Level 2, and Level 3 fair value measurements during the financial years ended 30 June 2014 and 30 June 2013.

(ii) Investment properties at Level 2 fair value was recommended by the valuer as at the end of reporting period based on comparison method that makes reference to recent market value of a similar property in the vicinity on a price per square feet basis and by reference to market evidence of transaction prices for similar properties.

(iii) The fair value measurement of the investment properties are based on the highest and best use which does not differ from its actual use.

9. LAND HELD FOR PROPERTY DEVELOPMENT

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Freehold land including improvements, at cost:				
At beginning of the financial year	96,765,889	47,263,912	13,048,606	13,040,795
Additions	1,369,571	580,411	94,746	7,811
Transfer (to)/from property development costs (Note 12)	(14,872,509)	48,921,566	-	-
At end of the financial year	83,262,951	96,765,889	13,143,352	13,048,606
Carrying amount of land held for property development pledged as security for borrowings (Note 19)	40,751,439	84,281,603	6,282,249	564,320

10. INVESTMENT IN SUBSIDIARIES

	Company 2014 RM	Company 2013 RM
Unquoted shares, at cost	56,400,010	55,200,010
Less: Impairment losses	(5,000,000)	(5,000,000)
	51,400,010	50,200,010

(a) The details of subsidiaries are as follows:

Name of company	Interest in equity held by Company 2014 %	Company 2013 %	Subsidiaries 2014 %	Subsidiaries 2013 %	Principal activities
Subsidiaries					
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.	86.60%	86.19%	-	-	Property development
BCB Technologies Sdn. Bhd.	100%	100%	-	-	Property development and letting of properties
Laser Lagun Sdn. Bhd.	100%	100%	-	-	Property development and letting of properties
Luna Starcity Sdn. Bhd.	100%	100%	-	-	Property development and letting of properties
BCB Furniture Sdn. Bhd.	100%	100%	-	-	Furniture manufacturing
BCB Heights Sdn. Bhd.	60%	-	-	-	Property development
Subsidiary of BCB Development Sdn. Bhd.					
Total Builder Generation Sdn. Bhd.	-	-	100%	-	Provision of project construction services

10. INVESTMENT IN SUBSIDIARIES (cont'd)

(b) The subsidiaries of the Group that have material non-controlling interests ('NCI') are as follows:

	Global Earnest Sdn. Bhd.	BCB Development Sdn. Bhd.	BCB Heights Sdn. Bhd.	Total Builder Generation Sdn. Bhd.	Total
2014					
NCI percentage of ownership and voting interest	13.40%	30.00%	40.00%	30.00%	
Carrying amount of NCI (RM)	7,391,585	1,459,621	(101,678)	146,230	8,895,758
Profit/(loss) allocated to NCI (RM)	179,260	2,222,426	(501,678)	(78,770)	1,821,238

	Global Earnest Sdn. Bhd.	BCB Development Sdn. Bhd.	Total
2013			
NCI percentage of ownership and voting interest	13.81%	30.00%	
Carrying amount of NCI (RM)	7,431,238	(762,805)	6,816,200
Profit/(loss) allocated to NCI (RM)	887,202	(589,524)	297,678

10. INVESTMENT IN SUBSIDIARIES (cont'd)

(c) The summarised financial information before intra-group elimination of the subsidiaries that have material NCI as at the end of each reporting period are as follows:

	Global Earnest Sdn. Bhd.	BCB Development Sdn. Bhd.	BCB Heights Sdn. Bhd.	Total Builder Generation Sdn. Bhd.
2014				
Assets and liabilities				
Non-current assets	112,562	1,674,017	776,780	1,478,493
Current assets	82,918,517	179,152,819	34,653,512	10,815,141
Non-current liabilities	-	(97,910,014)	-	(62,510)
Current liabilities	(28,046,275)	(78,328,391)	(35,684,488)	(11,743,691)
Net assets	54,984,804	4,588,431	(254,196)	487,433
Results				
Revenue	300,000	35,485,189	-	9,645,635
Profit/(Loss) for the financial year	1,317,600	7,408,087	(1,254,196)	(262,567)
Total comprehensive income/(loss)	1,317,600	7,408,087	(1,254,196)	(262,567)
Cash flows from:				
- operating activities	21,998	(17,762,385)	(973,038)	1,168,073
- investing activities	1,813,231	(977,557)	-	(1,543,561)
- financing activities	(6,728,127)	17,655,138	1,000,000	750,000
Net (decrease)/increase in cash and cash equivalents	(4,892,898)	(1,084,804)	26,962	374,512
Dividend paid to NCI	143,356	-	-	-

10. INVESTMENT IN SUBSIDIARIES (cont'd)

(c) The summarised financial information before intra-group elimination of the subsidiaries that have material NCI as at the end of each reporting period are as follows (cont'd):

	Global Earnest Sdn. Bhd. RM	BCB Development Sdn. Bhd. RM
2013		
Assets and liabilities		
Non-current assets	182,417	868,675
Current assets	89,913,186	141,705,167
Non-current liabilities	-	(82,799,792)
Current liabilities	(36,285,043)	(62,593,706)
Net assets/(liabilities)	53,810,560	(2,819,656)
Results		
Revenue	18,400,143	-
Profit/(Loss) for the financial year	6,424,345	(2,242,054)
Total comprehensive income/(loss)	6,424,345	(2,242,054)
Cash flows from/(used in)		
- operating activities	6,167,002	(3,557,570)
- investing activities	(22,624,719)	5,881,550
- financing activities	10,491,712	1,258,422
Net (decrease)/increase in cash and cash equivalents	(5,966,005)	3,582,402

11. DEFERRED TAX

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

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Balance as at 1 July 2013/2012	(3,208,540)	(3,572,980)	(3,568,048)	(4,122,026)
Recognised in profit or loss (Note 27)	2,299,589	364,440	2,430,960	553,978
Balance as at 30 June 2014/2013	(908,951)	(3,208,540)	(1,137,088)	(3,568,048)
Presented after appropriate offsetting:				
Deferred tax assets	4,207,809	4,355,456	4,124,999	4,311,558
Offset against deferred tax liabilities	(4,207,809)	(4,311,558)	(4,124,999)	(4,311,558)
Net deferred tax asset	-	43,898	-	-
Deferred tax liabilities	(5,116,760)	(7,563,996)	(5,262,087)	(7,879,606)
Offset against deferred tax assets	4,207,809	4,311,558	4,124,999	4,311,558
Net deferred tax liabilities	(908,951)	(3,252,438)	1,137,088	(3,568,048)

(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 2013	(7,563,996)
Recognised in the profit or loss	2,447,236
At 30 June 2014	(5,116,760)
At 1 July 2012	(7,571,064)
Recognised in the profit or loss	7,068
At 30 June 2013	(7,563,996)

11. DEFERRED TAX (cont'd)

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

Deferred tax assets of the Group

	Unabsorbed capital allowances RM
At 1 July 2013	4,355,456
Recognised in the profit or loss	(147,647)
At 30 June 2014	4,207,809
At 1 July 2012	3,998,084
Recognised in the profit or loss	357,372
At 30 June 2013	4,355,456
At 1 July 2013	4,355,456
Recognised in the profit or loss	(147,647)
At 30 June 2014	4,207,809
At 1 July 2012	3,998,084
Recognised in the profit or loss	357,372
At 30 June 2013	4,355,456

Deferred tax liabilities of the Company

	Property, plant and equipment RM
At 1 July 2013	(7,879,606)
Recognised in the profit or loss	2,617,519
At 30 June 2014	(5,262,087)
At 1 July 2012	(7,924,994)
Recognised in the profit or loss	45,388
At 30 June 2013	(7,879,606)

11. DEFERRED TAX (cont'd)

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

Deferred tax assets of the Company

	Unabsorbed capital allowances RM
At 1 July 2013	4,311,558
Recognised in the profit or loss	(186,559)
At 30 June 2014	4,124,999
At 1 July 2012	3,802,968
Recognised in the profit or loss	508,590
At 30 June 2013	4,311,558

(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	
	2014 RM	2013 RM
Unutilised tax losses	4,722,638	3,763,777
Unabsorbed capital allowances	166,372	-
	4,889,010	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 profits of certain subsidiaries would be available against which the deductible temporary differences could be utilised. The deductible temporary differences do not expire under the current tax legislation.

12. PROPERTY DEVELOPMENT COSTS

Group 2014	Freehold land RM	Development costs RM	Accumulated cost charged to profit or loss RM	Total RM
At Cost				
At beginning of financial year	248,770,551	537,525,292	(339,305,184)	446,990,659
Costs incurred	-	238,985,299	-	238,985,299
Transfer from land held for property development (Note 9)	9,944,172	4,928,337	-	14,872,509
Transfer to inventories	(62,431)	(1,330,226)	-	(1,392,657)
Reversal of completed projects	(676,554)	(15,681,691)	16,358,245	-
Recognised as expense in profit or loss as part of cost of sales (Note 24)	-	-	(189,631,447)	(189,631,447)
At end of financial year	257,975,738	764,427,011	(512,578,386)	509,824,363

2013	Freehold land RM	Development costs RM	Accumulated cost charged to profit or loss RM	Total RM
At Cost				
At beginning of financial year	300,925,796	403,690,891	(268,360,531)	436,256,156
Costs incurred	-	159,799,339	-	159,799,339
Transfer to land held for property development (Note 9)	(48,921,566)	-	-	(48,921,566)
Transfer to inventories	(76,500)	(614,267)	-	(690,767)
Reversal of completed projects	(3,157,179)	(25,350,671)	28,507,850	-
Recognised as expense in profit or loss as part of cost of sales (Note 24)	-	-	(99,452,503)	(99,452,503)
At end of financial year	248,770,551	537,525,292	(339,305,184)	446,990,659

12. PROPERTY DEVELOPMENT COSTS (cont'd)

Company 2014	Freehold land RM	Development costs RM	Accumulated cost charged to profit or loss RM	Total RM
At Cost				
At beginning of financial year	79,157,493	229,304,197	(124,210,343)	184,251,347
Costs incurred	-	121,591,387	-	121,591,387
Transfer to inventories	(62,431)	(1,330,226)	-	(1,392,657)
Reversal of completed projects	(676,554)	(15,681,691)	16,358,245	-
Recognised as expense in profit or loss as part of cost of sales (Note 24)	-	-	(110,452,005)	(110,452,005)
At end of financial year	78,418,508	333,883,667	(218,304,103)	193,998,072
2013				
At Cost				
At beginning of financial year	79,157,493	158,192,125	(83,043,255)	154,306,363
Costs incurred	-	71,112,072	-	71,112,072
Recognised as expense in profit or loss as part of cost of sales (Note 24)	-	-	(41,167,088)	(41,167,088)
At end of financial year	79,157,493	229,304,197	(124,210,343)	184,251,347

The freehold land held under development has been charged to banks for credit facilities granted as disclosed in Note 19 to the financial statements.

Borrowing costs of the Group and of the Company amounting of RM17,115,328 and RM9,061,152 (2013: RM20,459,624 and RM2,332,488) respectively, arose from bank borrowings for property development activities, were capitalised during the financial year on interest rates ranging from 6.8% to 8.6% (2013: 5.1% to 8.6%) per annum.

13. INVENTORIES

	Group		Company	
At cost	**2014 RM**	**2013 RM**	**2014 RM**	**2013 RM**
Completed development units	65,995,107	64,738,665	10,232,181	9,047,905
Food and beverages	275,862	271,384	275,862	271,384
Consumable stocks	1,777,924	173,778	-	-
	68,048,893	65,183,827	10,508,043	9,319,289
Inventories pledged as securities for borrowings (Note 19)	32,244,233	18,617,153	5,245,039	9,047,905

During the financial year, the Group has written off inventories amounted to RM897 (2013:RM528).

14. TRADE AND OTHER RECEIVABLES

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Trade receivables				
Third parties	52,933,502	27,256,441	28,833,460	8,193,644
Related parties	2,616,538	8,819,273	-	4,171
Amounts due from customers for contract works (Note 22)	10,517,579	11,230,383	-	-
	66,067,619	47,306,097	28,833,460	8,197,815
Other receivables				
Other receivables	9,494,748	7,555,659	1,326,328	1,415,256
Amounts due from subsidiaries	-	-	182,624,567	169,260,458
	9,494,748	7,555,659	183,950,895	170,675,714
Loans and receivables	75,562,367	54,861,756	212,784,355	178,873,529
Deposits and prepayments				
Deposits	40,639,712	3,711,110	3,986,073	1,886,072
Prepayments	980,209	859,817	309,302	200,269
	41,619,921	4,570,927	4,295,375	2,086,341
	117,182,288	59,432,683	217,079,730	180,959,870

(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 (2013: 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 due from subsidiaries are 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 and related parties exclude amounts due from customers for contract works) of the Group and of the Company are as follows:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Neither past due nor impaired	24,885,662	19,446,358	18,487,207	6,149,455
Past due but not impaired				
Under 30 days	12,835,089	3,676,276	2,054,920	799,830
31 to 60 days	5,842,361	1,264,073	784,550	150,416
61 days to 120 days	10,642,661	5,659,420	7,506,783	1,098,114
Over 120 days	1,344,267	6,029,587	-	-
	30,664,378	16,629,356	10,346,253	2,048,360
Past due and impaired	-	-	-	-
	55,550,040	36,075,714	28,833,460	8,197,815

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 and 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 of RM1,229,596 (2013: RM2,226,994). The retention sums are unsecured, interest-free and are expected to be collected within one (1) year.

(f) Included in deposits of the Group are earnest deposits paid for acquisition of land amounting of RM34,600,000 (2013: RMNil).

(g) In the previous financial year, the Group had written off bad debts of RM51,631 against other receivables.

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

15. CASH AND BANK BALANCES

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Cash and bank balances	19,024,610	19,905,281	9,760,711	6,495,150
Deposits with licensed banks	2,859,814	2,548,999	1,900,000	1,900,000
	21,884,424	22,454,280	11,660,711	8,395,150

(a) Included in cash and bank balances of the Group and of the Company are amounts of RM12,360,458 (2013: RM5,605,604) and RM7,707,326 (2013: RM3,694,785) 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 bank balances 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 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Cash and bank balances	19,024,610	19,905,281	9,760,711	6,495,150
Deposits with licensed banks	2,859,814	2,548,999	1,900,000	1,900,000
Bank overdrafts included in borrowings (Note 19)	(57,038,217)	(54,518,586)	(54,123,317)	(52,678,071)
	(35,153,793)	(32,064,306)	(42,462,606)	(44,282,921)
Less: Deposits pledged to licensed banks	(2,859,814)	(2,548,999)	(1,900,000)	(1,900,000)
	(38,013,607)	(34,613,305)	(44,362,606)	(46,182,921)

The Group's and Company's deposits with licensed banks are pledged as securities for credit facilities granted to the Group and the Company (Note 19).

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

16. SHARE CAPITAL

	Group and Company 2014 RM	2013 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 200,234,400 (2013: 200,236,400).

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 6,015,600 (2013: 6,013,600) treasury shares at cost of RM3,116,712 (2013: RM3,115,220) were held by the Company in accordance with Section 67A (3B) of the Companies Act, 1965 in Malaysia.

During the financial year, the Company repurchased 2,000 (2013: 2,100) of its issued share capital from the open market on Bursa Malaysia Securities Berhad for RM1,492 (2013: RM947). The average price paid for the shares repurchased was RM0.75 (2013: RM0.45) 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 2014.

17. REVALUATION RESERVE

	Group and Company 2014 RM	2013 RM
Hotel properties		
At 1 July/30 June	6,788,088	6,788,088

18. RETAINED EARNINGS

The Company had moved to a single tier system, and as a result, there are no longer any restrictions on the Company to frank the payment of dividends out of its entire retained earnings as at the end of the reporting period.

19. BORROWINGS

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Current liabilities				
Bridging loans	53,356,468	15,334,801	53,356,468	15,334,801
Term loans	23,270,741	55,278,531	11,430,884	42,930,138
Hire purchase creditors (Note 21)	568,948	505,056	366,281	388,113
Revolving credits	28,420,000	33,420,000	3,920,000	3,920,000
Bankers' acceptances	17,682,088	18,609,470	10,846,088	11,752,470
Bank overdrafts (Note 15(c))	57,038,217	54,518,586	54,123,317	52,678,071
	180,336,462	177,666,444	134,043,038	127,003,593
Non-current liabilities				
Term loans	144,097,211	163,182,165	27,745,971	45,091,778
Bridging loans	9,439,479	-	-	-
Hire purchase creditors (Note 21)	715,236	943,126	319,058	698,908
	154,251,926	164,125,291	28,065,029	45,790,686
Total				
Bridging loans	62,795,947	15,334,801	53,356,468	15,334,801
Term loans	167,367,952	218,460,696	39,176,855	88,021,916
Hire purchase creditors (Note 21)	1,284,184	1,448,182	685,339	1,087,021
Revolving credits	28,420,000	33,420,000	3,920,000	3,920,000
Bankers' acceptances	17,682,088	18,609,470	10,846,088	11,752,470
Bank overdrafts (Note 15(c))	57,038,217	54,518,586	54,123,317	52,678,071
	334,588,388	341,791,735	162,108,067	172,794,279

(a) The bridging loans of the Group and of the Company are secured by way of legal charges over certain development properties (Note 9 and Note 12) and inventories (Note 13) of the Group and of the Company. The bridging loans are repayable by way of fixed monthly instalments or on redemption of titles of properties sold, whichever is earlier.

The term loans of the Group and of the Company are secured by way of legal charges over certain investment properties (Note 8), deposits with licensed banks (Note 15(c)), inventories (Note 13) and land and buildings (Note 7) 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 of the company. 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 excluding hire purchase creditors of the Group and of the Company are secured by legal charges over investment properties (Note 8), hotel properties and certain freehold land and buildings (Note 7) of the Group and of the Company as well as certain development properties (Note 9 and Note 12) 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 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Trade payables				
Third parties	76,330,396	35,366,707	35,254,782	11,830,606
Amounts due to subsidiaries	-	-	24,020,089	30,735,978
Amounts due to customers for contract works (Note 22)	16,112,611	11,598,393	-	-
Related parties	26,713,207	20,085,290	26,545,331	-
	119,156,214	67,050,390	85,820,202	42,566,584
Other payables				
Other payables and accruals	37,122,501	6,746,758	2,772,635	3,189,096
Deposits received	1,221,285	1,220,703	1,131,750	1,097,870
	38,343,786	7,967,461	3,904,385	4,286,966
	157,500,000	75,017,851	89,724,587	46,853,550

(a) Credit terms of trade payables granted to the Group and the Company varies from cash term to 150 days (2013: 150 days).

(b) Trade amounts due to related parties and subsidiaries are unsecured, interest free and payable upon demand in cash and cash equivalents.

(c) Included in trade payables of the Group and Company are retention sums for contract works of RM10,213,717 (2013: RM8,248,206) and RM6,723,382 (2013: RM6,723,082) respectively. The retention sums are unsecured, interest-free and are expected to be collected within one (1) year.

(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 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Minimum hire purchase payments:				
- not later than (1) year	613,530	567,311	393,041	435,866
- later than (1) year but not later than (5) years	757,376	949,071	339,437	735,492
- later than five (5) years	14,123	56,555	-	-
Total minimum hire purchase payments	1,385,029	1,572,937	732,478	1,171,358
Less: Future finance charges	(100,845)	(124,755)	(47,139)	(84,337)
Present value of hire purchase payments	1,284,184	1,448,182	685,339	1,087,021
Repayable as follows:				
Current liabilities:				
- not later than (1) year	568,948	505,056	366,281	388,113
Non-current liabilities:				
- later than (1) year but not later than (5) years	701,232	888,189	319,058	698,908
- later than five (5) years	14,004	54,937	-	-
	715,236	943,126	319,058	698,908
	1,284,184	1,448,182	685,339	1,087,021

Information on financial risks of hire purchase creditors are disclosed in Note 36 to the financial statements.

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

	Group 2014 RM	Group 2013 RM
Aggregate costs incurred to date	461,193,867	443,042,853
Add: Attributable profits	43,737,416	42,950,969
Less: Provision for foreseeable losses	(59,323)	(905,436)
	504,871,960	485,088,386
Less: Progress billings	(510,466,992)	(485,456,396)
	(5,595,032)	(368,010)
Represented by:		
Amounts due from customers for contract works (Note 14)	10,517,579	11,230,383
Amounts due to customers for contract works (Note 20)	(16,112,611)	(11,598,393)
	(5,595,032)	(368,010)

23. REVENUE

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Property development	259,380,954	121,160,913	140,282,575	54,685,869
Completed properties	813,000	26,374,644	263,000	3,372,600
Hotel operations	7,567,165	6,977,569	7,567,165	6,977,569
Construction contracts	10,113,700	8,758,951	-	-
Rental income	3,631,293	409,566	3,108,084	56,000
Sales of goods	264,372	210,676	-	-
Project management services	174,495	686,546	-	-
Dividend income	-	-	10,717,333	3,761,334
	281,944,979	164,578,865	161,938,157	68,853,372

24. COST OF SALES

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Property development costs (Note 12)	189,631,447	99,452,503	110,452,005	41,167,088
Cost of completed properties sold	540,754	6,135,418	208,382	1,954,637
Hotel operation costs	1,876,862	1,450,771	1,876,862	1,450,771
Construction contract costs	5,621,901	4,058,128	-	-
Cost of goods sold	236,273	704,823	-	-
	197,907,237	111,801,643	112,537,249	44,572,496

25. FINANCE INCOME AND COSTS

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Finance income				
Interest income from deposits with licensed banks	(12,117)	(16,217)	-	-
Finance costs				
Interest expense on:				
- bridging loans	-	629	-	-
- term loans	2,221,540	2,849,118	2,267,885	1,776,040
- hire purchase creditors	617,625	53,318	37,200	40,861
- bank overdrafts	4,325,912	4,218,853	4,174,157	4,092,256
- revolving credits	2,323,420	1,684,780	749,589	280,903
- short term borrowings	1,760,351	913,300	1,241,417	459,751
- others	182,338	329,494	178,434	196,015
	11,431,186	10,049,492	8,648,682	6,845,826

26. PROFIT BEFORE TAX

Profit before tax is arrived at after charging/(crediting):

		Group		Company	
	Note	2014 RM	2013 RM	2014 RM	2013 RM
Auditors' remuneration:					
- Statutory		174,500	155,000	72,500	72,000
- non-statutory		5,000	5,000	5,000	5,000
Bad debts written off		-	51,631	-	-
Directors' remuneration paid and payable to the Directors:					
- by the Company:					
- fees		150,000	150,000	150,000	150,000
- emoluments other than fees		1,146,540	1,064,761	1,146,540	1,064,761
- by the subsidiaries:					
- fees		168,000	-	-	-
- emoluments other than fees		2,156,573	1,681,858	-	-
Inventories written off		897	528	-	-
Property, plant and equipment:					
- depreciation	7	2,769,084	2,257,241	2,284,239	1,932,720
- written off	7	890	812	358	706
Rental of premises		570,150	637,100	315,000	425,300
Fair value adjustment on investment properties	8	(2,448,824)	(3,446,564)	-	(3,446,564)
Rental income					
- investment properties		(288,397)	(409,566)	(165,104)	(56,000)
- others		(7,668,247)	(6,587,718)	(2,942,980)	(2,579,256)
Management fees		-	-	(1,440,000)	(1,440,000)
Gain on disposals of:					
- property, plant and equipment		(65,049)	(556,223)	(65,000)	(118,176)
- investment properties		(411,850)	(202,367)	-	-

27. TAX EXPENSE

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Income tax				
- current financial year	13,510,119	5,228,683	5,617,290	667,028
- under/(over) provision in prior years	83,303	(41,564)	27,664	82,189
	13,593,422	5,187,119	5,644,954	749,217
Deferred tax (Note 11)				
- relating to origination and reversal of temporary differences	181,868	1,035,772	100,213	1,016,343
- over provision in prior years	(2,481,457)	(1,400,212)	(2,531,173)	(1,570,321)
	(2,299,589)	(364,440)	(2,430,960)	(553,978)
	11,293,833	4,822,679	3,213,994	195,239

27. TAX EXPENSE (cont'd)

The Malaysian income tax is calculated at the statutory tax rate of 25% (2013: 25%) of the estimated taxable profits for the fiscal year.

The numerical reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rate of the Group and of the Company are as follows:

	Group		Company	
	2014 %	2013 %	2014 %	2013 %
Applicable tax rate	25	25	25	25
Tax effects in respect of:				
Non-allowable expenses	6	7	8	24
Non-taxable income	(1)	(2)	(7)	(18)
Deferred tax assets not recognised	1	-	-	-
	31	30	26	31
(Over)/Under provision in prior years				
- income tax	1	(1)	1	2
- deferred tax	(6)	(6)	(12)	(29)
Average effective tax rate	26	23	15	4

28. EMPLOYEE BENEFITS

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

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Wages, salaries and bonus	12,352,304	9,187,795	6,752,596	5,588,493
Defined contribution plan	1,653,289	1,112,759	930,321	657,325
Other employee benefits	2,078,791	1,330,261	1,366,625	1,177,874
	16,084,384	11,630,815	9,049,542	7,423,692

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 owners of the parent by the weighted average number of ordinary shares in issue (after adjusting for treasury shares) during the financial year.

	Group	
	2014 RM	2013 RM
Profit attributable to owners of the parent	30,692,340	15,803,860
Weighted average number of ordinary shares in issue	200,234,400	200,236,400

	2014 Sen	2013 Sen
Basic earnings per ordinary share attributable to the equity owners of the parent	15.33	7.89

(b) Diluted

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

30. CONTINGENT LIABILITIES

	Company	
	2014 RM	2013 RM
Unsecured		
Corporate guarantees for trade credits granted to subsidiaries	45,763,668	26,000,000
Secured		
Corporate guarantees for borrowing facilities granted by financial institutions to subsidiaries	305,305,649	88,105,649
	351,069,317	114,105,649

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 and Tan Lindy.
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 2014 RM	Company 2013 RM
Progress billings by a subsidiary:		
- BCB Construction Sdn. Bhd.	6,979,431	57,552,524
Purchase of goods from a subsidiary:		
- BCB Trading Sdn. Bhd.	-	466,213
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 expenses 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	
	2014	**2013**
	RM	**RM**
Office rental paid to JIE	300,000	300,000

	Group	
	2014	**2013**
	RM	**RM**
Hiring of machineries from MPD	647,758	163,438
Maintenance fees paid to JIE	59,000	37,800
Construction contracts to JIE	4,777,500	3,399,500
Construction contracts to MPD	5,336,200	6,108,758

Information regarding outstanding balances from related parties as at 30 June 2014 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	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Non-executive Directors:				
- fees	318,000	150,000	150,000	150,000
Executive Directors:				
- salaries and bonus	2,811,501	2,363,928	962,810	894,194
- defined contribution plan	491,612	382,691	183,730	170,567
	3,621,113	2,896,619	1,296,540	1,214,761

The estimated monetary value of benefits in kind paid to the Directors of the Group and of the Company during the financial year amounted to RM89,650 and RM89,650 (2013: RM70,125 and RM41,700) respectively.

32. CAPITAL COMMITMENT

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

	Group	
	2014 RM	2013 RM
Capital expenditure in respect of purchase of land held for property development:		
Contracted but not provided for	89,023,752	-

33. ACQUISITIONS OF SUBSIDIARIES

(a) On 24 December 2013, the Company completed the acquisition of 600,000 ordinary shares of RM1.00 each in BCB Heights Sdn. Bhd. ("Heights"), representing 60% of the issued and paid-up share capital of Heights, at par for cash ("Subscription"). The subscription has no material financial effect to the Group.

(b) On 16 May 2014, BCB Development Sdn. Bhd., a 70% owned subsidiary of the Company, had subscribed for 750,000 ordinary shares of RM1.00 each in Total Builder Generation Sdn. Bhd. ("TBG"), representing 100% of the issued and paid-up share capital of TBG, at par for cash. The subscription has no material financial effect to the Group.

(c) On 18 December 2013, the Company had further acquired 0.41% equity interest in Global Earnest Sdn. Bhd. ("GE"), representing 375,000 ordinary shares of RM0.50 each in GESB for a consideration of RM600,000 from GMT Nominees Sdn. Bhd., the difference of RM376,676 between the purchase consideration and share of net assets was recognised in the retained earnings as transaction with owners.

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:

(a) Property development and management services

Development and property management of residential and commercial properties.

(b) Construction and related activities

Securing and carrying out construction contracts.

(c) Hotel operations

Provision of hotel services as well as food and beverages services.

34. OPERATING SEGMENTS (cont'd)

Other operating segments that do not constitute reportable segments comprise companies that are 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.

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:

2014	**Property development and management activities RM**	**Construction and related activities RM**	**Hotel operations RM**	**Others RM**	**Total RM**
Revenue					
Total revenue	274,028,810	71,780,584	8,522,281	-	354,331,675
Inter-segment revenue	(10,717,333)	(61,669,363)	-	-	(72,386,696)
Revenue from external customer	263,311,477	10,111,221	8,522,281	-	281,944,979
Results					
Interest income	12,117	-	-	-	12,117
Finance costs	(10,295,326)	(1,085,935)	(49,925)	-	(11,431,186)
Net finance expense	(10,283,209)	(1,085,935)	(49,925)	-	(11,419,069)
Depreciation of property, plant and equipment	1,191,639	186,138	1,391,307	-	2,769,084
Segment profit/(loss) before income tax	40,794,774	2,920,893	102,310	(10,566)	43,807,411
Tax expense	(10,629,823)	(664,010)	-	-	(11,293,833)

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)

2014	Property development and management activities RM	Construction and related activities RM	Hotel operations RM	Others RM	Total RM
Other material non-cash item:					
Fair value adjustment on investment properties	-	2,448,824	-	-	2,448,824
Additions to non-current assets other than financial instruments and deferred tax assets	1,663,949	1,936,369	870,149	-	4,470,467
Segment assets	816,469,113	39,330,452	37,427,560	32,064	893,259,189
Segment liabilities	442,176,862	56,829,578	1,092,646	6,807	500,105,893
2013					
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
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	707,688,021	37,336,925	37,808,020	28,279	782,861,245
Segment liabilities	373,672,073	47,160,450	1,038,891	5,265	421,876,679

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 2013.

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. 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 0.85 times (2013: 0.95 times) and the Company's gearing ratio is 0.51 times (2013: 0.58 times). No changes were made in the objectives, policies or processes during the financial years ended 30 June 2014 and 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
2014					
Financial assets					
Trade and other receivables	75,562,367	-	-	-	75,562,367
Cash and bank balances	21,884,424	-	-	-	21,884,424
	97,446,791	-	-	-	97,446,791

	Fair value through profit or loss RM	Other financial liabilities RM	Total RM
Financial liabilities			
Trade and other payables	-	157,500,000	157,500,000
Borrowings	-	334,588,388	334,588,388
	-	492,088,388	492,088,388

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
2013					
Financial assets					
Trade and other receivables	54,861,756	-	-	-	54,861,756
Cash and bank balances	22,454,280	-	-	-	22,454,280
	77,316,036	-	-	-	77,316,036

	Fair value through profit or loss RM	Other financial liabilities RM	Total RM
Financial liabilities			
Trade and other payables	-	75,017,851	75,017,851
Borrowings	-	341,791,735	341,791,735
	-	416,809,586	416,809,586

Company	Loan and receivables RM	Fair value through profit or loss RM	Available for sale RM	Held to maturity RM	Total RM
2014					
Financial assets					
Trade and other receivables	212,784,355	-	-	-	212,784,355
Cash and bank balances	11,660,711	-	-	-	11,660,711
	224,445,066	-	-	-	224,445,066

35. FINANCIAL INSTRUMENTS (cont'd)

(b) Financial instruments (cont'd)

	Fair value through profit or loss RM	Other financial liabilities RM	Total RM
Financial liabilities			
Trade and other payables	-	89,724,587	89,724,587
Borrowings	-	162,108,067	162,108,067
	-	251,832,654	251,832,654

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	178,873,529	-	-	-	178,873,529
Cash and bank balances	8,395,150	-	-	-	8,395,150
	187,268,679	-	-	-	187,268,679

	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

(c) Methods and assumptions used to estimate fair value

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

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

The carrying amounts of financial assets and liabilities, such as trade and other receivables, trade and other payables and 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.

The carrying amounts of the current position of borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

(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.

35. FINANCIAL INSTRUMENTS (cont'd)

(d) Fair value hierarchy

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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:

	Group		Company	
2014	**Carrying amount RM**	**Level 2 Fair value RM**	**Carrying amount RM**	**Level 2 Fair value RM**
Financial liabilities				
Hire purchase creditors	1,284,184	1,303,153	685,339	713,626

	Group		Company	
2013	**Carrying amount RM**	**Level 2 Fair value RM**	**Carrying amount RM**	**Level 2 Fair value RM**
Financial liabilities				
Hire purchase creditors	1,448,182	1,414,656	1,087,021	1,057,212

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.

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

(a) Credit risk

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

The Group's primary exposure to credit risk arises through its trade receivables.

The trading terms of the Group with its customers are mainly on credit. The credit period generally ranges from cash terms to a period of three (3) months. The Group seeks to maintain strict control over its outstanding receivables to minimise its credit risk. Overdue balances are reviewed regularly by senior management.

<u>Exposure to credit risk</u>

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.

<u>Credit risk concentration profile</u>

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.

<u>Financial assets that are neither past due nor impaired</u>

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.

<u>Financial assets that are either past due or impaired</u>

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

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

(b) Liquidity and cash flow risk

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

Analysis of financial instruments by remaining contractual maturities

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

As at 30 June 2014	Within 1 year RM	1 - 5 years RM	More than 5 years RM	Total RM
Group				
Financial liabilities				
Trade and other payables	157,500,000	-	-	157,500,000
Borrowings	182,996,045	101,512,411	9,806,871	294,315,327
Total undiscounted financial liabilities	340,496,045	101,512,411	9,806,871	451,815,327
As at 30 June 2013				
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 2014	Within 1 year RM	1 - 5 years RM	More than 5 years RM	Total RM
Company				
Financial liabilities				
Trade and other payables	89,724,587	-	-	89,724,587
Borrowings	136,935,764	24,198,715	9,120,586	170,255,065
Total undiscounted financial liabilities	226,660,351	24,198,715	9,120,586	259,979,652

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

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

As at 30 June 2014	Within 1 year RM	1 - 5 years RM	More than 5 years RM	Total RM
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

(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 fixed and 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	
	2014 RM	2013 RM	2014 RM	2013 RM
Profit after tax				
- Increase by 1% (2013: 1%)	(3,395,824)	(2,563,438)	(2,098,361)	(1,295,957)
- Decrease by 1% (2013: 1%)	3,395,824	2,563,438	2,089,361	1,295,957

The sensitivity is higher in 2014 than in 2013 as a result of an increase in interest expense on those borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on current observable market environment.

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

(c) 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:

	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 2014							
Fixed rates							
Hire purchase creditors	21	4.3	568,948	471,668	229,564	14,004	1,284,184
Floating rates							
Bridging loans	19	7.9	53,356,468	9,439,479	-	-	62,795,947
Term loans	19	8.3	23,270,741	10,237,884	125,000,827	8,858,500	167,367,952
Revolving credits	19	8.6	28,420,000	-	-	-	28,420,000
Bankers' acceptances	19	6.8	17,682,088	-	-	-	17,682,088
Bank overdrafts	19	8.6	57,038,217	-	-	-	57,038,217
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)

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 2014							
Fixed rates							
Hire purchase creditors	21	4.3	366,281	212,287	106,771	-	685,339
Floating rates							
Bridging loans	19	7.9	53,356,468	-	-	-	53,356,468
Term loans	19	8.3	11,430,884	10,058,276	9,286,671	8,401,024	39,176,855
Revolving credits	19	8.6	3,920,000	-	-	-	3,920,000
Bankers' acceptances	19	6.8	10,846,088	-	-	-	10,846,088
Bank overdrafts	19	8.6	54,123,317	-	-	-	54,123,317
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	6.8	11,752,470	-	-	-	11,752,470
Bank overdrafts	19	8.2	52,678,071	-	-	-	52,678,071

37. SUPPLEMENTARY INFORMATION ON REALISED AND UNREALISED PROFITS OR LOSSES

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

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Total retained earnings of the Company and its subsidiaries				
- Realised	182,071,902	143,528,540	104,765,519	89,479,399
- Unrealised	(908,951)	(3,252,438)	(1,137,088)	(3,568,048)
	181,162,951	140,276,102	103,628,431	85,911,351
(Less)/Add: Consolidation adjustments	(6,826,789)	3,969,396	-	-
Total retained earnings	174,336,162	144,245,498	103,628,431	85,911,351

SHARE BUY-BACK

During the financial year ended 30 June 2014, the details of shares purchased by the Company were as follows:-

Transaction Date	Units	Lowest Price (RM)	Highest Price (RM)	Average Price (RM)	Consideration Paid (RM)
2 September 2013	1,000	0.670	0.670	0.670	711.21
27 February 2014	1,000	0.740	0.740	0.740	781.22
	2,000				**1,492.43**

All the shares so purchased during the financial year were retained as treasury shares. There was no resale of treasury shares during the financial year ended 30 June 2014. As at 30 June 2014, a total of 6,015,600 ordinary shares were held as treasury shares.

There was no cancellation of treasury shares by the Company during the financial year ended 30 June 2014.

UTILISATION OF PROCEEDS

During the financial year, there were no proceeds raised by the Company from any corporate proposals.

OPTIONS OR CONVERTIBLE SECURITIES

There were no options or convertible securities issued to any party during the financial year.

DEPOSITORY RECEIPT PROGRAMME

During the financial year, the Company did not sponsor any depository receipt programme.

SANCTIONS AND / OR PENALTIES

There were no sanctions and / or penalties imposed on the Company and its subsidiaries, Directors or Management by any regulatory body during the financial year.

NON-AUDIT FEES

The non-audit fees paid to the external auditors, BDO by the Company for the financial year ended 30 June 2014 amounted to RM11,000.00

VARIATION IN RESULTS

There was no material variance between the results for the financial year and the unaudited results previously announced.

PROFIT GUARANTEE

No profit guarantee was given by the Company in respect of the financial year.

MATERIAL CONTRACTS

There was no material contracts entered into by the Company and its subsidiaries, involving Directors' and major shareholders' interest, either still subsisting at the end of the financial year, or entered into since the end of the previous financial year.

DIRECTORS' RESPONSIBILITIES STATEMENTS IN RELATION TO THE FINANCIAL STATEMENTS

This statement is prepared as required by the Companies Act, 1965 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are responsible to ensure 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 each financial year, and of the results and cash flows of the Group and of the Company for that year then ended.

The Directors consider that in preparing the financial statements:
- The Group and the Company have used appropriate accounting policies and are consistently applied;
- Reasonable and prudent judgments and estimates were made; and
- All applicable approved accounting standards in Malaysia have been adhered to.

The Directors are responsible for ensuring that the Company maintains accounting records that disclose with reasonable accuracy the financial position of the Group and of the Company, and that the financial statements comply with the requirements of the Companies Act, 1965.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities.

RECURRENT RELATED PARTY TRANSACTION ("RRPT") OF REVENUE NATURE FOR THE YEAR ENDED 30 JUNE 2014

The class and nature of the Recurrent Related Party Transactions of BCB Group are tabulated as follows:

BCB Group with the following Related Parties	BCB Berhad and/or Its Subsidiary Companies	Nature of Transactions	Amount Transacted (RM'000)
Ju-Ichi Enterprise Sdn Bhd ("Ju-Ichi") *(a)*	BCB Berhad ("BCB")	Provision of office rental	300
Marvel Plus Development Sdn Bhd ("Marvel Plus") *(b)*	BCB Construction Sdn Bhd ("BCSB")	Hiring of machinery	648
Ju-Ichi	BCB	Car park maintenance for shopping complex	59
Ju-Ichi	BCSB	Provision of building construction services	4,778
Marvel Plus	BCSB	Provision of building construction services	5,336
		Grand Total	**11,121**

Notes:
(a) A related party by virtue of the directorship of certain Directors of the Company, Dato' Tan Seng Leong and Tan Lindy.
(b) A related party by virtue of the directorship of certain Directors of the Company, Tan Lindy, Tan Vin Shyan, Tan Vin Sern and Dato' Tan Seng Leong's spouse, namely Datin Lim Sui Yong in Marvel Plus. Both Datin Lim Sui Yong and Tan Vin Sern are also major shareholders in Marvel Plus.

Shareholdings Statistics
As at 16 October 2014

Authorised share capital	:	RM500,000,000
Issued and paid-up capital	:	RM206,250,000 (inclusive of 6,016,600 as Treasury Shares)
Types of shares	:	Ordinary shares of RM1.00 each
No. of shareholders	:	3, 091
Voting rights	:	One vote per ordinary share

Analysis of Shareholdings By Range Groups

	No. of Shares	% Over Total Shares	No. of Holders	% Over Total Shareholders
less than 100 shares	219	0.000	7	0.226
100 to 1,000 shares	304,600	0.152	348	11.258
1,001 to 10,000 shares	8,418,581	4.204	2,257	73.018
10,001 to 100,000 shares	11,451,100	5.718	396	12.811
100,001 to less than 5% of issued shares	115,754,400	57.809	81	2.620
5% and above of issued shares	64,304,500	32.114	2	0.064
Total	200,233,400	100.000	3,091	100.000

List of Thirty Largest Shareholders as at 16 October 2014 (as per Record of Depositors)

No.	Name	Shares Held	%
1.	Tan Seng Leong	45,000,000	22.473
2.	Effective Strategy Sdn Bhd	19,304,500	9.640
3.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lai Chee Hoong (REM 646-Margin)	9,160,000	4.574
4.	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Soh Jin Chai (M14)	6,536,200	3.264
5.	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lim Boon Seng (M14)	5,762,900	2.878
6.	Tan Chin Ee	5,605,500	2.799
7.	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lim Key Siew (M14)	5,215,200	2.604
8.	Tan Lay Kim	4,720,000	2.357
9.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Seng Leong	4,294,500	2.144
10.	Tho Siu Chu	3,951,500	1.973
11.	Tan Seng Hoo	3,950,000	1.972
12.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Seng Leong (001066682131)	3,750,000	1.872

No.	Name	Shares Held	%
13.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Seng Leong (REM 646-Margin)	3,711,300	1.853
14.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Haven Venture Sdn Bhd (REM 646-Margin)	3,573,800	1.784
15.	EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account For Tho Siu Chu (BPT)	3,500,000	1.747
16.	EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account For Tan Seng Leong (BPT)	3,078,000	1.537
17.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lasercoin (M) Sdn Bhd (REM 646-Margin)	2,895,900	1.446
18.	EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account For Tan Vin Sern (BTP)	2,534,500	1.265
19.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chew Siow Geok (8041848)	2,009,300	1.003
20.	Puncak Angkasa Sdn Bhd	2,000,000	0.998
21.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Hon Lai Yin	1,971,000	0.984
22.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ong Li Tak (REM 646)	1,903,700	0.950
23.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Seng Leong (8076737)	1,839,200	0.918
24.	EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account For Tan Chin Ee (BPT)	1,816,000	0.906
25.	AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chew Siow Geok	1,738,800	0.868
26.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lim Siew Kean (E-BPT)	1,711,100	0.854
27.	Tan Seng Keng	1,665,000	0.831
28.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lim Boon Seng (1301002)	1,413,500	0.705
29.	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Seng Hong (M14)	1,412,100	0.705
30.	Review Merge (M) Sdn Bhd	1,401,000	0.699

Substantial Shareholders as at 16 October 2014 (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 16 October 2014 (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 2014 are as follows:

Location	Description	Tenure	Age of building	Size (acre)	Net book value/Cost as at 30 June 2014 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)	17 years	0.35	28,873	15/05/2013
PTB 8370 No. 20, Jalan Bakawali, 86000 Kluang, Johor.	Boutique hotel / bistro	Leasehold (expiring 10.11.2093)	17 years	0.23	23,771	15/05/2013
PTD 49840 No. 1, Jalan 6, Taman Sri Kluang, 86000 Kluang, Johor.	Single storey hypermarket	Freehold	14 years	1.44	4,264	21/08/2014
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	14 years	0.84	2,275	27/06/1998
PTD 50047 - 50049 No. 29-33, Jalan 20, Taman Sri Kluang, 86000 Kluang, Johor.	3 units industry factory	Freehold	12.5 years	3.29	3,819	06/04/2012
PTD 65321, 65322, 65325, 65326 PTD 65371, 65373, 65375 - 65380 PTD 65425 - 65426, 65431 - 65433 PTD 65328, 75581 - 75584 PTD 75598, 75599, 75600, 75601 Mukim of Kluang District of Kluang, Johor	18 units of shop lot & 8 units of residential Taman Saujana	Freehold	3 years	1.4	10,807	23/03/2012
Lot 6806 & 6808 Mukim of Kluang District of Kluang, Johor	Being developed as Taman Sri Kluang	Freehold	N/A	34.39	33,665	12/01/1996
Lot 1574 Mukim of Kluang District of Kluang, Johor	Proposed residential & commercial development	Freehold	N/A	17.97	564	25/01/1991
Lot 4562 Mukim of Kluang District of Kluang, Johor	Being developed as Taman Berlian Biru	Freehold	N/A	2.99	1,010	25/05/1996
Lot 321 & Lot 440 Mukim of Kluang District of Kluang, Johor	Being developed as Taman Kluang Baru 2	Freehold	N/A	10.83	2,257	29/12/1999

Location	Description	Tenure	Age of building	Size (acre)	Net book value/Cost as at 30 June 2014 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	3,979	15/04/1993
BATU PAHAT, JOHOR						
Lot 4091 Mukim of Simpang Kanan, District of Batu Pahat, Johor	Being developed as Taman Bukit Perdana II	Freehold	N/A	11.64	7,356	07/12/1994
Lot 559, 2954-2959, 2656 & 2660	Being developed as Taman Bukit Perdana III	Freehold	N/A	18.54	7,558	07/12/1994
Lot 2664-2666 Mukim of Simpang Kanan, District of Batu Pahat, Johor	Being developed as Taman Bukit Perdana II	Freehold	N/A	21.04	5,213	27/06/1994
Lot 3131 Mukim of Simpang Kanan, District of Batu Pahat, Johor	Proposed residential development	Freehold	N/A	4.05	259	06/09/1994
Lot 8096 Mukim of Sri Gading District of Batu Pahat, Johor	Proposed residential development	Freehold	N/A	2	569	13/12/2006
Lot 8097 Mukim of Sri Gading District of Batu Pahat, Johor	Proposed residential development	Freehold	N/A	2	575	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	02/12/1993
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	27/05/2009
Lot 5267 & 7918 Mukim of Simpang Kanan, District of Batu Pahat, Johor	Proposed residential & commercial development	Freehold	N/A	7.07	10,269	20/03/2001
HS(D) 23287, 23308-23337, 23526-23540, 23551-23565, 23581-23596, 23371-23388, 23464-23474, 23485-23525, 23566-23580, 36168, 36169, 36165, 36166 Mukim of Simpang Kanan, District of Batu Pahat, Johor	Being developed as Evergreen Heights	Freehold	N/A	113.5	83,475	06/02/2002

Location	Description	Tenure	Age of building	Size (acre)	Net book value/Cost as at 30 June 2014 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	23/09/2003
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	89,300	28/09/2009
PONTIAN, JOHOR						
Lot 4681, Mukim of Pontian District of Pontian, Johor	Being developed as Taman Megah	Freehold	N/A	17.29	18,528	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	17,376	30/10/2008
PTD 102771, 102772, 102775, 102758 PTD 141053 Mukim of Pulai Distric of Johor Bahru, Johor	5 units of Shop Offices	Freehold	6 year	0.19	2,816	01/02/2009 & 16/03/2009
SEREMBAN, NEGERI SEMBILAN						
Lot 5527 Mukim of Rantau, District of Seremban, Negeri Sembilan	Being developed as Taman Seremban Jaya	Freehold	N/A	3.47	2,641	15/07/1994
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	3,605	04/02/2010
Lot 1844 & Lot 1845 (HS (M) 12718 PT 25954) Mukim Batu Daerah Kuala Lumpur	Proposed residential development	Freehold	N/A	5.03	121,976	10/03/2010
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	169,019	11/03/2011
					676,483	

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty-Sixth 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 Thursday, 18 December 2014 at 10.30 a.m. to transact the following businesses:

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 30 June 2014 and the Reports of the Directors and Auditors thereon. **(Please refer to Explanatory Note 1)**

2. To approve the payment of first and final single tier dividend of RM0.03 per share for the financial year ended 30 June 2014. **Ordinary Resolution 1**

3. To re-elect the following Directors who retire by rotation as Directors pursuant to Article 105 of the Company's Articles of Association:

   (a) Dato' Tan Seng Leong **Ordinary Resolution 2**

   (b) Ms Tan Lindy **Ordinary Resolution 3**

4. To re-elect Encik Abd Manap Bin Hussain who is retiring as a Director pursuant to Article 112 of the Company's Articles of Association. **Ordinary Resolution 4**

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

As Special Business

To consider and if thought fit, to pass the following resolutions, with or without modifications:-

6. **PAYMENT OF DIRECTORS' FEES** **Ordinary Resolution 6**

   "THAT the payment of Directors' fees of RM150,000.00 for the financial year ended 30 June 2014 be and is hereby approved."

7. **RE-APPOINTMENT OF DIRECTORS RETIRING PURSUANT TO SECTION 129(6) OF THE COMPANIES ACT, 1965**

   (a) "THAT Datuk Seri Ismail Bin Yusof, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed a Director to hold office until the next Annual General Meeting." **Ordinary Resolution 7**

   (b) "THAT Encik Ash'ari Bin Ayub, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed a Director to hold office until the next Annual General Meeting." **Ordinary Resolution 8**

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

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

   (b) "THAT subject to the passing of Resolution 8, approval be and is hereby given to Encik Ash'ari Bin Ayub, who has served as an Independent Non-Executive Director for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director." **Ordinary Resolution 10**

9. **AUTHORITY TO ISSUE SHARES** **Ordinary Resolution 11**

"THAT subject always to the Companies Act, 1965, Articles of Association of the Company and approvals from Bursa Malaysia Securities Berhad and any other governmental/regulatory bodies, where such approval is necessary, authority be and is hereby given to the Directors pursuant to Section 132D of the Companies Act, 1965 to issue not more than ten per centum (10%) of the issued capital of the Company at any time upon any such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force until the conclusion of the next Annual General Meeting of the Company and that the Directors be and are hereby further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof."

10. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE** **Ordinary Resolution 12**

"THAT subject to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), approval be and is hereby given to the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the related parties ("Recurrent Related Party Transactions") as set out in Section 2.1.5 of the Circular to the Shareholders dated 25 November 2014 ("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 Annual General Meeting ("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."

11. **PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK** **Ordinary Resolution 13**

"THAT subject always to compliance with the Companies Act, 1965 ("Act"), the Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("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 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 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 Annual General Meeting ("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 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 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."

12. **PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY ("PROPOSED AMENDMENTS")** **Special Resolution 1**

"THAT the Articles of Association of the Company be and are hereby amended in the form and manner as set out in Appendix I.

AND THAT the Directors be and are hereby authorised to do all such acts and things as are necessary and/or expedient in order to give full effect to the Proposed Amendments with full powers to assent to any conditions, modifications and/or amendments as may be required by any relevant authorities."

13. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965.

NOTICE OF DIVIDEND PAYMENT AND ENTITLEMENT DATE

NOTICE IS ALSO HEREBY GIVEN THAT the first and final single tier dividend of RM0.03 per share in respect of the financial year ended 30 June 2014, if approved by the shareholders at the forthcoming Annual General Meeting, will be paid on 16 February 2015.

The entitlement date shall be fixed on 20 January 2015 and a depositor shall qualify for entitlement only in respect of:

a. Shares transferred to the depositor's securities account before 4.00 p.m. on 20 January 2015 in respect of transfers.

b. Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

WONG WEI FONG (MAICSA 7006751)
ANG HONG PENG (MAICSA 7052695)
Secretaries

Kluang, Johor
25 November 2014

Notes:

(i) For the purpose of determining a member who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 72(b) of the Company's Articles of Association to issue a General Meeting Record of Depositors as at 10 December 2014. Only depositor whose name appears on the Record of Depositors as at 10 December 2014 shall be entitled to attend this meeting or appoint proxies to attend and/or votes on his/her behalf.

(ii) A member shall be entitled to appoint not more than two (2) proxies to attend and vote in his stead and where a member appoints more than one (1) proxy to attend and vote at the same meeting, such appointment shall be invalid unless the member specified the proportions of his shareholdings to be represented by each proxy.

(iii) A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

(iv) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

(v) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("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.

(vi) The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Registered Office of the Company at No. 4B, 2nd & 3rd Floor, Jalan Sentol, South Wing - Kluang Parade, 86000 Kluang, Johor Darul Takzim, not less than forty-eight (48) hours before the time appointed for holding the meeting i.e. before 10.30 a.m., Tuesday, 16 December 2014, or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

Explanatory Note on Ordinary and Special Business:

1. **Item 1 of the Agenda**

   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 Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. **Item 6 of the Agenda**

   The proposed Ordinary Resolution 6 is in accordance with Article 113 of the Company's Articles of Association and if passed, will authorize the payment of Directors' fees to the Non-Executive Directors of the Company for their services as Directors for the financial year ended 30 June 2014.

3. **Item 7 of the Agenda**

   The re-appointment of Datuk Seri Ismail Bin Yusof and Encik Ash'ari Bin Ayub, who are over the age of seventy years to hold office until the conclusion of the next Annual General Meeting of the Company shall take effect if the proposed Ordinary Resolutions 7 and 8 are passed by a majority of not less than three-fourth (¾) of members entitled to vote in person or by proxy, at the forthcoming Annual General Meeting.

4. **Item 8 of the Agenda**

   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 years, and recommended them to continue act as Independent Non-Executive Director of the Company based on the following justifications:

Ordinary Resolution 9 - Datuk Seri Ismail Bin Yusof

a) 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 able to function as a check and balance, bring an element of objectivity to the Board;
b) His vast experience in the industry and background would enable him to provide the Board with a diverse set of experience, expertise and independent judgment to better manage and run the Group;
c) He has been with the Company for more than 9 years from 1998 to 2014 and is familiar with the Company's business operations; and
d) He has exercised his due care during his tenure as an Independent Non-Executive Director of the Company and carried out his professional duties in the interest of the Company and shareholders.

Ordinary Resolution 10 - Encik Ash'ari Bin Ayub

a) 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 able to function as a check and balance, bring an element of objectivity to the Board;
b) His vast experience in the industry and background would enable him to provide the Board with a diverse set of experience, expertise and independent judgment to better manage and run the Group;
c) He has been with the Company for more than 9 years from 2001 to 2014 and is familiar with the Company's business operations; and
d) He has exercised his due care during his tenure as an Independent Non-Executive Director of the Company and carried out his professional duties in the interest of the Company and shareholders.

5. Item 9 of the Agenda

The proposed Ordinary Resolution 11, if passed, will authorize the Directors to issue not more than ten per centum (10%) of the issued share capital of the Company subject to the approvals of all relevant governmental/regulatory bodies.

This is the renewal of the mandate obtained from the members at the last Annual General Meeting ("the previous mandate"). The previous mandate was not utilized and accordingly no proceeds were raised.

The purpose of the renewal of the mandate is for further possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of borrowings and/or acquisitions.

6. Item 10 of the Agenda

The proposed Ordinary Resolution 12, 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. For more information, please refer to the Circular to Shareholders dated 25 November 2014.

7. Item 11 of the Agenda

The proposed Ordinary Resolution 13, if passed, will empower the Directors to purchase the Company's shares of up to ten per centum (10%) 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. For more information, please refer to the Circular to Shareholders dated 25 November 2014.

8. Item 12 of the Agenda

The proposed Special Resolution 1 is proposed for administrative efficiency and ensure consistency of the Articles of Association within the Group.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

The Proposed Amendments to the Articles of Association of the Company (for which the differences are highlighted in bold) to be made are as follows:

	Existing Articles	Proposed Amendments
140	A resolution in writing signed or approved by letter, telegram, telex or telefax by all the Directors who may be present in Malaysia and who are sufficient to form a quorum, shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted; provided that where a Director is not so present but has an alternate who is so present, then such resolution shall also be signed by such alternate. All such resolutions shall be described as "Directors' Circular Resolutions" and shall be forwarded or otherwise delivered to the Secretary without delay, and shall be recorded by him in the Company's Minute Book. Any such resolution may consist of several documents in like form, each signed by one or more Directors or their alternates.	A resolution in writing signed or approved by **facsimile or other electrical or digital message purporting to include a signature of the Director, by a majority of** the Directors who may be present in Malaysia and who are sufficient to form a quorum, shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted; provided that where a Director is not so present but has an alternate who is so present, then such resolution shall also be signed by such alternate. All such resolutions shall be described as "Directors' Circular Resolutions" and shall be forwarded or otherwise delivered to the Secretary without delay, and shall be recorded by him in the Company's Minute Book. Any such resolution may consist of several documents in like form, each signed by one or more Directors or their alternates.

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

PROXY FORM

No. of ordinary shares held

CDS Account No. of Authorised Nominee *

I/We ______________________________________ Tel. No.: ____________________

(Full name in block and NRIC No./Company No.)

of ____

(Address)

being a member/members of **BCB Berhad**, hereby appoint :-

Full Name (in Block)	NRIC/Passport/Company No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Full Name (in Block)	NRIC/Passport/Company No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the meeting as my/our proxy, to attend and vote for me/us on my/our behalf and, if necessary, to demand for a poll at the Twenty-Sixth Annual General Meeting of the Company to be held at **Prime City Hotel, Venus Room, 6th Floor, 20, Jalan Bakawali, 86000 Kluang, Johor Darul Takzim on Thursday, 18 December 2014** at **10.30 a.m.** or any adjournment thereof, and to vote as indicated below :-

ITEM	AGENDA	RESOLUTION	FOR	AGAINST
1.	Payment of First and Final Single Tier Dividend	Ordinary Resolution 1		
2.	Re-election of Director - Dato' Tan Seng Leong	Ordinary Resolution 2		
3.	Re-election of Director - Ms Tan Lindy	Ordinary Resolution 3		
4.	Re-election of Director - Encik Abd Manap Bin Hussain	Ordinary Resolution 4		
5.	Re-appointment of Auditors	Ordinary Resolution 5		
6.	Payment of Directors' Fees	Ordinary Resolution 6		
7.	Re-appointment of Director - Datuk Seri Ismail Bin Yusof	Ordinary Resolution 7		
8.	Re-appointment of Director - Encik Ash'ari Bin Ayub	Ordinary Resolution 8		
9.	Continuing in office as Independent Non-Executive Director - Datuk Seri Ismail Bin Yusof	Ordinary Resolution 9		
10.	Continuing in office as Independent Non-Executive Director - Encik Ash'ari Bin Ayub	Ordinary Resolution 10		
11.	Authority to issue shares	Ordinary Resolution 11		
12.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature	Ordinary Resolution 12		
13.	Proposed Renewal of Authority for Share Buy-back	Ordinary Resolution 13		
14.	Proposed Amendments to the Articles of Association of the Company	Special Resolution 1		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy may vote or abstain as he thinks fit.

Signed this ______________ day of ____________________ , 2014.

____

Signature of Shareholding(s)/Common Seal

Notes:

(i) For the purpose of determining a member who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 72(b) of the Company's Articles of Association to issue a General Meeting Record of Depositors as at 10 December 2014. Only depositor whose name appears on the Record of Depositors as at 10 December 2014 shall be entitled to attend this meeting or appoint proxies to attend and/or votes on his/her behalf.

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(v) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("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.

(vi) The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Registered Office of the Company at No. 4B, 2nd & 3rd Floor, Jalan Sentol, South Wing - Kluang Parade, 86000 Kluang, Johor Darul Takzim, not less than forty-eight (48) hours before the time appointed for holding the meeting i.e. before 10.30 a.m., Tuesday, 16 December 2014, or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

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AFFIX
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The Company Secretary

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

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

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BCB BERHAD (172003-W)

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