

ANNUAL REPORT 2004



CREATING
New Beginnings

BCB

龍城集團

BCB BERHAD

(172003-W)

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OUR VISION

to be the choice developer;
enhancing the quality of life of our
valued customers, making available a
diversified range of products and services.

We shall strive for

- Total customer satisfaction through the provision of quality, desirable and affordable products, consistent delivery and a dedication to continuous improvement.
- Sustained growth and earnings capacity.
- Greater environmental concern and a more caring, nurturing eco-friendly development.
- And an efficient and effective work culture emphasising personal development, teamwork and performance-based rewards.



Corporate Information

Board of Directors

Dato' Ismail Bin Yusof Independent Non-Executive Chairman

Dato' Tan Seng Leong Group Managing Director

Tan Lay Kim Executive Director

Tan Lay Hiang Executive Director

Tan Seng Hong Executive Director

Sofian Bin Arshad Independent Non-Executive Director

Ash'ari Bin Ayub Independent Non-Executive Director

Audit Committee

Chairman
Dato' Ismail Bin Yusof
Independent Non-Executive
Director

Member
Dato' Tan Seng Leong
Group Managing Director

Member
Sofian Bin Arshad
Independent Non-Executive
Director

Member
Ash'ari Bin Ayub
Independent Non-Executive
Director

Nomination & Remuneration Committee

Chairman
Ash'ari Bin Ayub
Independent Non-Executive
Director

Member
Dato' Ismail Bin Yusof
Independent Non-Executive
Director

Member
Sofian Bin Arshad
Independent Non-Executive
Director

Company Secretary

Yeap Kok Leong, ACIS
(MAICSA: 0862549)

Auditors

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

Registered Office

7th Floor, Plaza BCB
(Hotel Tower Block)
No 20 Jalan Bakawali
86000 Kluang
Johor Darul Takzim
Tel : 07-772 2567
Fax: 07-772 2108

Share Registrar

Tenaga Koperat Sdn Bhd
(118401-V)
20th Floor, East Wing
Plaza Permata
Jalan Kampar
Off Jalan Tun Razak
50400 Kuala Lumpur
Tel : 03-4041 6522
Fax: 03-4042 6352

Principal Bankers

Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
AmMerchant Bank Berhad
Bank Islam Malaysia Berhad
Southern Finance Berhad

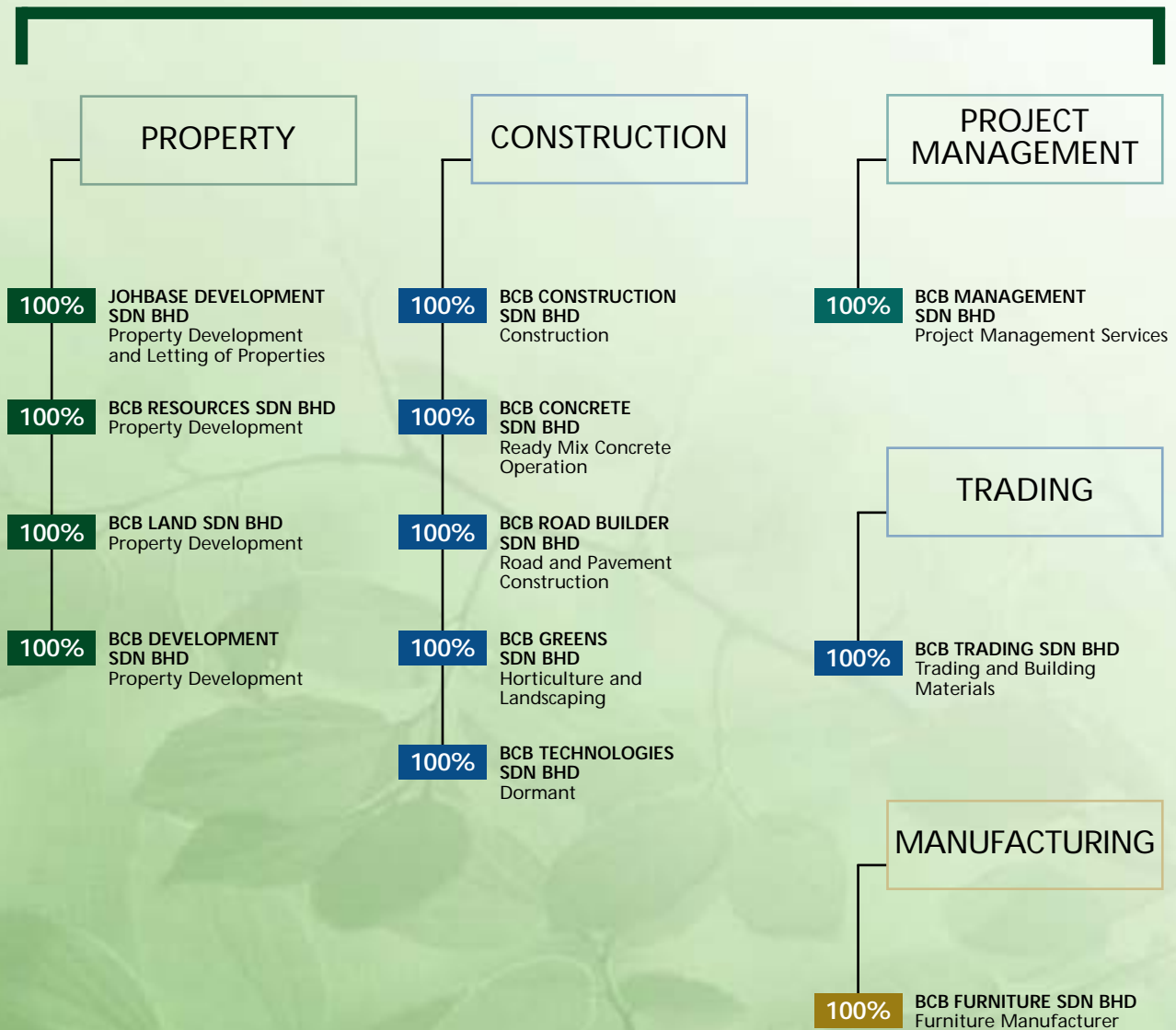
Stock Exchange Listing

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

Corporate Structure

BCB BERHAD

INVESTMENT HOLDING, PROPERTY DEVELOPMENT AND HOTEL OPERATIONS



Board of Directors and Profile

Dato' Ismail bin Yusof*[@]

Dato' Ismail Bin Yusof, aged 60, a Malaysian, was appointed to the Board on 14 July 1998 as an Independent Non-Executive Chairman. He holds a Bachelor of Arts (Hons) from University of Malaya. Previously, he was The Secretary of The Federal Territory Development Division in the Prime Minister's Department. Dato' Ismail also holds other non-executive directorships in Minho (M) Bhd, South Malaysia Industries Bhd and Mercury Industries Bhd.

Dato' Tan Seng Leong*

Dato' Tan Seng Leong, aged 48, a Malaysian, was appointed to the Board on 9 November 1988. He is presently the Group Managing Director. Dato' Tan is the founding member of BCB. He holds directorships in all of BCB's wholly-owned subsidiaries. Dato' Tan is an entrepreneur with considerable experience in the property development industry, particularly in the State of Johor. Dato' Tan is deemed in conflict of interest with the Company by virtue of his interests and directorships in certain privately-owned companies which are also involved in property development/holdings. However, these privately-owned companies are presently not in direct

competition with the business of the Company. Except for Dato' Tan's deemed interest as disclosed under Additional Compliance Information on page 19 of the Annual Report, there are no other business arrangements with the Company in which he has personal interests.

Ash'ari Bin Ayub*[@]

Encik Ash'ari Bin Ayub, aged 62, a Malaysian, was appointed to the Board on 16 May 2001. He is a member of the Malaysian Institute of Accountants (MIA) and the Malaysian Institute of Certified Public Accountants (MICPA). He was previously the Partner-in-Charge of the Tax Department of Coopers & Lybrand, Kuala

Lumpur. Encik Ash'ari also holds non-executive directorships in Auto Industries Ventures Berhad, Jotech Holdings Berhad and Metrod (Malaysia) Berhad.

Sofian Bin Arshad*[@]

Encik Sofian Bin Arshad, aged 40, a Malaysian, was appointed to the Board on 4 December 2000. He holds a Bachelor Degree in Urban and Regional Planning from UTM, Malaysia. Encik Sofian has more than 15 years of experience in project management.



Dato' Ismail Bin Yusof



Dato' Tan Seng Leong



Ash'ari Bin Ayub



Sofian Bin Arshad

Tan Lay Kim

Ms Tan Lay Kim, aged 42, a Malaysian, was appointed to the Board on 9 November 1988. She is responsible for the daily management and operations of BCB's Prime City Hotel in Kluang. She also holds directorships in BCB's subsidiaries.

Tan Lay Hiang

Ms Tan Lay Hiang, aged 36, a Malaysian, was appointed to the Board on 16 July 1994. She manages the sales, marketing and conveyancing aspects of BCB's property development projects. Prior to joining BCB in 1989, she was attached to several other property developers in Kluang. She also holds directorships in BCB's subsidiaries.

Tan Seng Hong

Mr Tan Seng Hong, aged 29, a Malaysian, was appointed to the Board on 21 September 1999 and is responsible for the Group's Construction and Trading Divisions. He holds a Bachelor of Business Administration in Finance from Western Michigan University, USA. Upon his graduation, Mr Tan joined the BCB Group as the Corporate Planning Manager. He was subsequently appointed to his present position. He holds directorships in all of BCB's wholly-owned subsidiaries.

Other Information

- Dato' Tan Seng Leong, Ms Tan Lay Kim, Ms Tan Lay Hiang and Mr Tan Seng Hong are siblings.
- 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 has been convicted for any offences within the past ten (10) years.

* Member of Audit Committee
@ Member of Nomination and Remuneration Committee



Tan Seng Hong



Tan Lay Kim

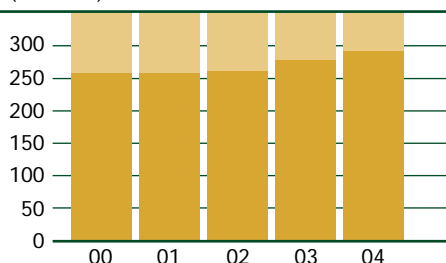


Tan Lay Hiang

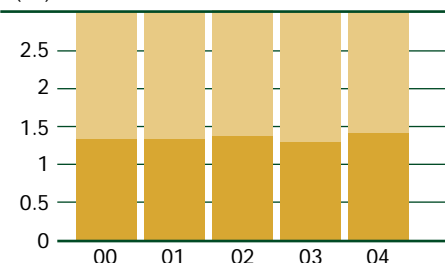


5 Years' Financial Highlights

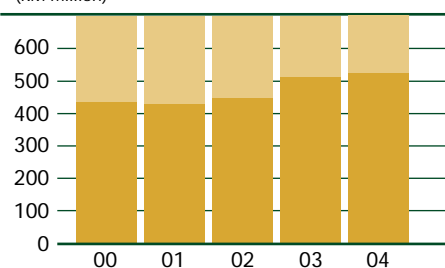
Shareholders' Equity
(RM million)



Net Tangible Assets Per Share
(RM)



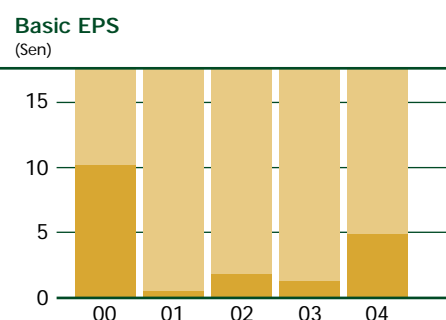
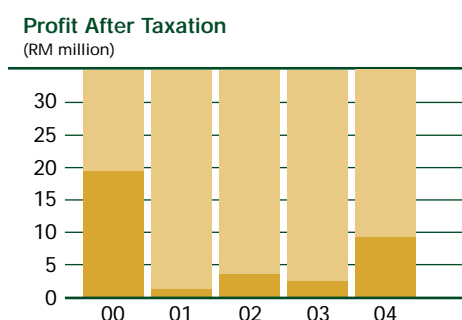
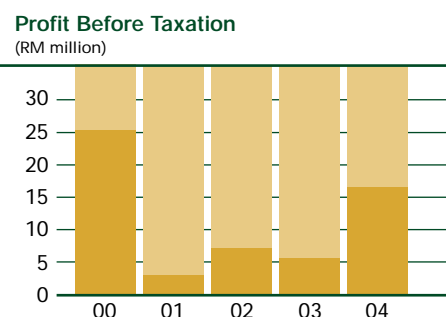
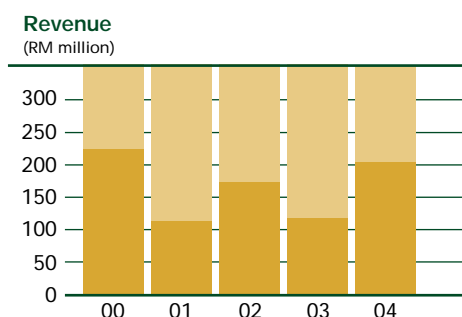
Total Assets
(RM million)



Consolidated Balance Sheets as at 30 June

	2000*	2001*	2002*	2003*	2004
	RM'000	RM'000	RM'000	RM'000	RM'000
Share Capital	187,500	187,500	187,500	206,250	206,250
Treasury Shares	-	-	-	-	(153)
Non-Distributable Reserve	7,199	7,199	7,199	7,199	7,199
Retained Earnings	65,593	65,848	69,385	71,767	81,232
Shareholders' Equity	260,292	260,547	264,084	285,216	294,528
Represented by:					
Property, Plant and Equipment	51,171	58,246	65,596	59,878	56,323
Investment Properties	19,482	19,482	19,482	19,482	19,482
Land Held for Development	25,596	19,682	18,957	64,594	68,403
Deferred Tax Assets	-	-	-	-	13
Current Assets	341,424	336,573	352,458	368,904	376,697
Current Liabilities	(151,898)	(133,164)	(155,614)	(165,604)	(175,974)
Less: Non Current Liabilities	189,526	203,409	196,844	203,300	200,723
	(25,483)	(40,272)	(33,795)	(62,038)	(50,416)
	260,292	260,547	264,084	285,216	294,528
Number of Ordinary Shares of RM1.00 in Issue ('000)	187,500	187,500	187,500	206,250	206,250
Net Tangible Assets Per Share (RM)	1.39	1.39	1.41	1.38	1.43
Total Assets	437,673	433,983	453,494	512,858	520,918

* Restated to reflect the changes in accounting policy due to adoption of MASB 25



Consolidated Income Statements for the Years Ended 30 June

	2000*	2001*	2002*	2003*	2004
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	228,188	114,483	174,699	118,292	202,318
Profit Before					
Charging Depreciation and Interest Expenses	31,760	12,264	17,779	16,249	27,290
Depreciation	(2,985)	(3,572)	(4,059)	(4,133)	(3,768)
Interest Expenses	(3,429)	(5,647)	(6,137)	(6,750)	(6,337)
Profit Before Taxation	25,346	3,045	7,583	5,366	17,185
Taxation	(5,538)	(2,790)	(4,046)	(2,984)	(7,719)
Profit After Taxation	19,808	255	3,537	2,382	9,466
Adjusted Weighted Average Number of Shares in Issue	187,500	187,500	187,500	204,247	206,180
Gross EPS (sen)	13.52	1.62	4.04	2.63	8.33
Basic EPS (sen)	10.56	0.14	1.89	1.17	4.59
Dividend Rate	3.5	-	-	-	-

* Restated to reflect the changes in accounting policy due to adoption of MASB 25



The Group will continue to focus its efforts to build its
CORE BUSINESS



< Dato' Ismail bin Yusof
Independent Non-Executive Chairman

...The favourable performances

were attributed to higher revenue from our core businesses of property development and construction activities.



Chairman's Statement

On behalf of the Board of Directors, it is my pleasure to present to you the Annual Report and Financial Statements of the Group and of the Company for the financial year ended 30 June 2004.

Overview

Overall, the property market operated under much favorable conditions compared to previous financial year. The Malaysian economy registered a strong Gross Domestic Product (GDP) growth of 7.7% for the first half of year 2004. Domestic demand remained resilient as a result of strong growth in consumer spending as well as an up swing in export market. These have resulted in the positive sentiments for housing sector for current financial year under review.

Financial Review

Group revenue for the financial year rose by 71% to RM202.3 million in the face of buoyant property market; as compared to previous financial year of RM118.3 million. Profit before tax stood at RM17.1 million from RM5.4 million achieved in year 2003.

The favorable performances were attributed to higher revenue from our core business of property development and construction activities. Group's development projects in Kluang, Batu Pahat and Seremban, in particular, Taman Sri Kluang, Evergreen Heights and Taman Seremban Jaya have contributed to the improvement with margins from the higher-end landed residential and shopoffices.

Dividend

In order to conserve the cash resources of the Group, the Board does not recommend any dividend for the financial year ended 30 June 2004.

Property Development and Project Management Division

The core division of the Group continues to contribute its performance with 72% of total Group revenue. Sales launches were intensified and product mix modified in response to strong demand experienced; particularly in the second half of financial year 2004 as purchasers take advantage of the incentives granted by the government stimulus package prior to May 2004 expiry date. These positive sentiments in general, have created surged interest amongst developers leading to considerable increase in the supply and keen competition of residential properties. Nevertheless, the Group shall continue to offer quality, innovative and value-for-money products to the purchasers.

Overall property sold increased by 16% in number and 29% in value to 752 units and RM128.8 million respectively as compared to the previous financial year. The improvement in sales was recorded for all locations and across all price range. Our projects in Kluang and Batu Pahat which accounted for 65% of the Group sale value, posted a growth of 31% while maintaining the average selling price per unit.

Similarly, revenue from project management services also had a good year. In January 2004, the Group was engaged to provide project management and sales marketing services for a 250 acre mixed development project in Kluang by a related party; Marvel Plus Development Sdn Bhd ("MPD"). The Group's appointment was for a duration of 5 years to January 2009. Revenue from this business segment improved by 29% to RM1.55 million from RM1.20 million with total property sold increased by 62% in number and 74% in value to 490 units and RM64 million respectively.



productivity





The town of Kluang and Batu Pahat where the Group commands majority market share, our flagship development projects of Taman Sri Kluang, Taman Bukit Perdana II and Evergreen Heights continued to enjoy good demand due to its good location, ease of accessibility and availability of a wide range of affordable houses with good infrastructure and community facilities. Both the Administrative Districts of Kluang and Batu Pahat where our flagship developments are located, are ranked amongst the fastest growing districts in Johor state.

The Group has been leveraging on its strong brand name to maintain and to make further inroads into the market share. In November 2004, the Group teamed up with Great Eastern Life Assurance (M) Berhad to offer the Group's purchasers at no additional costs; an investment-linked life insurance plan; dubbed THE EMAS PLAN. This investment-linked plan grows in value over the years and the purchaser has the option to withdraw the accumulated cash value of the investment at any time even if he has disposed off the property. This EMAS PLAN is another value-added feature to the Group's product.

In supporting the Government's efforts in nation and community building, the Group is committed to developing fully integrated township providing affordable homes to communities from all income range. With the vision in mind, the Group will be launching approximately 500 units of low/medium-cost terrace houses and flats in Kluang, Batu Pahat and Johor Bahru.

Construction Division

The Group's Construction division contributed revenue of RM35.4 million for the financial year ended 2004 as compared to RM12.9 million in year 2003. Acting as the main contractor to the Group's development projects, the division's main objective is to



... amongst first to provide anti-termite piping system and use of metal formwork system in construction of houses.



Anti-termite piping

assist the Group in the timely delivery of quality product, at an affordable price with innovative and attractive designs. The importance of these attributes cannot be underestimated as the brand name represents a mark of trust; creating in existing and potential customers the perception of reputable performance and quality.

The Group is amongst the first to provide anti-termite piping system for the houses constructed. This system will enable the purchasers to have a long term maintenance control of the pest well after the handing over period of the properties.



Metal formwork

The Group also adopted the EFCO Home Building System; a revolutionary metal formwork system first introduced in USA. The use of the EFCO system gives a smooth share wall finishing with accurate and aligned right angles. Together with its superior load distribution application, this system eliminates the need for the conventional internal overhead beams. Overall usage of the system results in a more spacious interior area of the units constructed (between 5% to 6%) and increased efficiency in construction time.

Manufacturing Division

With keen competition from steel frame furniture manufacturers based in China, the manufacturing division's performance remains sluggish. Steps had been taken to increase its customer base with marketing forays to the EU and Middle East regions. Existing customers from Australia and New Zealand remain the division's major export market.



Increased efficiency

The division also supplies to the Group's metalwork requirements of the houses constructed, providing the complete service from the design to the installation of powder coating and wrought iron grills, gates and staircase railings for all projects within the Group. The division posted a lower loss of for the year of RM0.2 million as compared to a loss of RM2.3 million in year 2003. The outlook for the division remains challenging and competitive.

Hotel Division

The Group's Prime City Hotel, a 126 room hotel in the heart of Kluang maintains its market position as the premier avenue for the town's main commercial and social gathering and activities. The hotel occupancy rate recorded during the financial year is comparable to the industry average of 55% to 60%.

The division recorded a higher PBT of RM1.4 million as compared to RM0.4 million in year 2003 as a result of various cost-cutting and streamlining of various outlets' activities carried out in early 2004.

Growth Prospects for 2005

With positive outlook of the Malaysian economy and growth projected at 6.5%, the property sector should continue to be favorable supported by low interest rates and high liquidity. Malaysia has a predominantly young population, with Johor state having 75% of the estimated 2 million population aged below 40. The Group sees continued demand for residential properties.

House purchasers are now better educated, more informed and sophisticated. They are increasingly spoilt for choice. Therefore, the Group is constantly reviewing and updating the planning and design of its range of products in anticipation of changing demands and needs of the various target groups, to keep ahead of the market.



techniques



Paver blocks entrance





The Group will continue to focus its effort to build its core business of property development. With more property launches by developers, we expect the housing market to moderate and projects that are well located and reasonably priced will continue to perform well. Nevertheless, with strong recognizable brand name, solid fundamentals and a proven track record for delivery, we expect the Group to maintain its profitability for the financial year 2005.

Acknowledgement

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 various government 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 continued support in the future.

Dato' Ismail bin Yusof
Independent Non-Executive Chairman



Report of the Audit Committee

Members

The Audit Committee comprises the following members:

Chairman

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

Members

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

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

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

TERMS OF REFERENCE

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) Provide greater emphasis on the audit function by serving as the focal point for communication between non-Committee Directors, the external auditors, internal auditors and the management and providing a forum for discussion that is independent of the management. It is the Board's principal agent in assuring the independence of the Company's external auditors, the objectivity of the Company's internal auditors, the integrity of the management and the adequacy of disclosure to shareholders.
- (iii) Undertake all such additional duties as may be deemed appropriate and necessary to assist the Board.

2) COMPOSITION OF AUDIT COMMITTEE

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

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

- (ii) 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.

The Committee shall elect a Chairman from among its members who is an independent Director. No alternate Director can be appointed as a member of the Committee.

In the event of vacancy in the Committee should a member resigns, dies or for any other reason ceases to be a member resulting in the number of members reduced to below three (3), the Board of Directors shall, within three (3) months of that event, appoint such new members to make up the minimum number of three (3) members.

The term of office and performance of the Committee and each of its members must be reviewed by the Board of Directors at least once every three (3) years.

3) MEETING AND REPORTING PROCEDURES

(i) Frequency

The Committee shall meet at least four (4) times a year and such additional meetings as the Chairman shall decide in order to fulfill its duties. The Chairman shall also convene a meeting of the Committee if requested to do so by any member, the management, the external or internal auditors to consider any matter within the scope of responsibilities of the Committee.

(ii) Quorum

A quorum shall consist of a majority of independent Directors.

(iii) Secretary and Minutes

The Company Secretary shall be the secretary of the Committee and as reporting procedures, the minutes shall be circulated to all members of the Board.

(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. At least once a year, the Committee shall meet with the external auditors without the presence of any executive Board member.

(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.

4) AUTHORITY OF THE AUDIT COMMITTEE

The Committee is authorized by the Board to investigate any activity within its terms of reference. It shall have:

- (i) The resources which are required to perform its duties;

- (ii) Full and unrestricted access to any information pertaining to the Company and its subsidiary companies;

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

- (iv) Able to obtain independent professional or other advice; and

- (v) Able to convene meetings with external auditors, excluding the attendance of the executive members of the committee, 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:

- (i) the going concern assumption;
- (ii) changes in or implementation of major accounting policy changes;
- (iii) significant and unusual events; and
- (iv) compliance with accounting standards and other legal 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:

- (i) the audit plan;
- (ii) the evaluation of the system of internal controls;
- (iii) the audit report;
- (vi) the management letter and management's response;
- (v) 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 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 action is 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 review any appraisal or assessment of the performance of members of the internal audit function (if any); and
 - (e) to inform itself of any resignation of internal audit staff member (if any); and provide the resigning staff member an opportunity to submit his reasons for resigning.
- (v) To promptly report such matter to the Bursa Malaysia if the Committee is of the view that the matter reported by it to the Board of Directors has not been satisfactorily resolved resulting in a breach of the Listing Requirements.
- (vi) To carry out such other functions as may be agreed to by the Committee and the Board of Directors.

6) AUDIT COMMITTEE MEETINGS

The Audit Committee held six (6) meetings during the financial year ended 30 June 2004. Details of the attendance of the meetings by the Committee Members are as follows:

Members	No. of Meetings Attended	%
Dato' Ismail Bin Yusof	6/6	100.00
Dato' Tan Seng Leong	6/6	100.00
Sofian Bin Arshad	5/6	83.33
Ash'ari Bin Ayub	6/6	100.00

7) ACTIVITIES UNDERTAKEN BY THE AUDIT COMMITTEE

During the financial year, the main activities undertaken by the Audit Committee include:

- (i) review of the external auditors' scope of work and audit plan;
- (ii) review the external auditors' reports, management letter and management's response;
- (iii) review of the appointed firm of internal auditors' scope of work and their audit plan for the financial year;
- (iv) review of the audit reports presented by the appointed firm of internal auditors on findings and recommendations and ensure management's adequate response thereto;
- (v) review the audited financial statements and unaudited quarterly financial results before recommending them for the Board of Directors for consideration and approval;
- (vi) review of the related party transaction; and
- (vii) review the Company's compliance with the Listing Requirements of 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 functions to BDO Governance Advisory Sdn Bhd ("BDOGA"); a reputed firm of internal audit professionals to provide independent assurance to, and assist, the Board in discharging its duties and responsibilities.

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

Three (3) internal audit assignments were completed during the financial year on three (3) business units of the Group; namely Furniture, Hotel and Trading Divisions. In addition, three (3) follow-up reviews were conducted on reports issued on Hotel, Furniture and Construction divisions. Internal audit reports were issued to the Committee and the Board of Directors, incorporating BDOGA's findings, recommendations for improvements and follow-ups on the implementations of the recommendations and Management's improvement actions.

Corporate Governance Statement

Their intimate knowledge of the business and their “hands-on” management practices have enabled the Group to have leadership positions.

The Board of Directors is committed to the principles and best practices outlined in the Malaysian Code on Corporate Governance (“the Code”). The Board is pleased to provide the following description on the manner in which the Group has applied the principles and the extent of its compliance with the best practices set out in the Code.

BOARD OF DIRECTORS

Roles and Principal Duties

The Board has overall responsibility for the strategic direction and control of the Company and of the Group.

The executive directors take on primary responsibility for managing the Group's business and resources. Their intimate knowledge of the business and their “hands-on” management practices have enabled the Group to have leadership positions in its business divisions.

The independent non-executive directors are involved in various Board committees and contribute to areas such as performance monitoring and enhancement of corporate governance and controls. They provide a broader view, independent assessment and opinions on management proposals sponsored by the executive directors.

Board Committees

The Board has delegated specific responsibilities to three (3) committees to assist in its functions. The committees, namely; Audit, ESOS and Nomination and Remuneration Committee, have the authority to examine particular issues according to their respective terms of reference and report back to the Board with their recommendations. The ultimate responsibility for the final decision on all matters, however, rests with the entire Board.

Board Composition and Balance

The Board currently comprises seven (7) 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. A brief profile of each directors is presented on pages 4 to 5 of the Annual Report.

There is a clear division of responsibility between the Chairman and the Group Managing Director to ensure that there is balance of power and authority. The key functions of the Chairman are to conduct Board Meetings and meetings of shareholders and to ensure that all Directors are properly briefed for a full and constructive part in Board discussions. The Group Managing Director is responsible for the day-to-day management of the Group in ensuring that the strategies, policies and matters approved by the Board and/or respective Board Committees are effectively implemented. The separation of duties together with the ratio of Board membership between Executive and Non-Executive Directors ensures that there is a balance of power and authority at the head of the Group.

Dato' Ismail Bin Yusof has been identified as the Senior Independent Non-Executive Director of the Board to whom concerns may be conveyed.

Board Meetings

The Board ordinarily meets four times a year at quarterly intervals with additional meetings convened when necessary. In intervals between Board meetings, for matters requiring Board decisions, Board approvals are sought via circular resolutions (DCR) with sufficient information required to make an informed decision. A summary of the DCR approved will be tabled at the following Board meetings for notation.

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

Shown below is the number of meetings attended by each Director for the financial year ended 30 June 2004:

Name of Directors	Designation	No. of Meetings Attended	%
Dato' Ismail Bin Yusof	Chairman, Independent Non-Executive Director	7/7	100.00
Dato' Tan Seng Leong	Group Managing Director	7/7	100.00
Tan Lay Kim	Executive Director	7/7	100.00
Tan Lay Hiang	Executive Director	7/7	100.00
Tan Seng Hong	Executive Director	7/7	100.00
Sofian Bin Arshad	Independent Non-Executive Director	6/7	85.71
Ash'ari Bin Ayub	Independent Non-Executive Director	7/7	100.00

Supply of Information

All Board members are supplied with information in a timely manner. The Board report includes, amongst others, financial and corporation information, significant operational, financial and corporate issues, performance of the Group and management proposals, which requires the approval of the Board. All directors are entitled to call for additional clarification and information to assist them in matters that required their decision.

All directors have access to the services of the Company Secretary for any information or advice they may require, and if need be, they may take independent advice if necessary at the Company's expense.

Appointments to the Board

The Nomination and Remuneration Committee is responsible for making recommendations for any appointments to the Board. In making these recommendations, the Committee considers the required mix of skills and experience, which the Director(s) brings to the Board. Any new nomination received is put to the full Board for assessment and endorsement. No nominations were received during the year.

Directors' Training

All the Directors have attended the Mandatory Accreditation Programme ("MAP") conducted by the Bursa Malaysia Training Sdn. Bhd.. The Directors will continue to undergo other relevant training programmes to keep abreast with new regulatory development and requirements in compliance with Bursa Malaysia Listing Requirements on the Continuing Education Programme.

Re-election

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

Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

Upon the recommendation of the Nomination & Remuneration Committee, Sofian Bin Arshad and Ash'ari Bin Ayub shall retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

Nomination and Remuneration Committee

The Committee comprises the following Independent Non-Executive Directors:

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

The Committee ordinarily meets once a year with additional meetings convened when necessary to make its recommends on the candidates for any appointments to the Board. The Committee also meets to review composition of and assess the performance of the Board and all Board Committees. In addition, the Committee is tasked to evaluate and make its recommendations on all aspects of the Executive Directors' performance, terms of employment, remuneration package and incentives.

Directors' Remuneration

The Nomination and Remuneration Committee recommends to the Board the remuneration structure and performance linked incentives for each Executive Directors. The Committee has the right to obtain independent consultants' advice and information on remuneration practices adopted elsewhere.

Non-Executive Directors' remuneration will be a matter to be decided by the Board as a whole. Nevertheless, the determination of remuneration packages for all Directors (Executive and Non-Executive Directors) is a matter to be decided by the Board as a whole with the Director concerned abstaining from deliberations and voting on decision in respect of the individual's remuneration.

Fees for directors are recommended by the Committee to the Board for endorsement and subsequent approval by the shareholders of the Company at its Annual General Meeting.

The individual Directors' remuneration paid/payable to all Directors of the Company by the Group and categorized in appropriate components for the financial year are as follows:

	← RM'000 →					
	Directors' Fees	Salaries	Bonuses	Benefits in kind	EPF	Total
Dato' Ismail Bin Yusof	60	-	-	-	-	60
Dato' Tan Seng Leong	-	1,485	-	53	282	1,820
Tan Lay Kim	-	187	-	10	35	232
Tan Lay Hiang	-	187	16	33	37	273
Tan Seng Hong	-	187	16	12	37	252
Sofian Bin Arshad	36	-	-	-	-	36
Ash'ari Bin Ayub	36	-	-	-	-	36
	132	2,046	32	108	391	2,709

SHAREHOLDERS

Relationship with Shareholders and Investors

The Board recognises the importance of an effective communication channel between the Board, shareholders and the general public. The annual reports, quarterly results, press releases and any announcements on material corporate exercises are the primary modes of disseminating information on the Group's business activities and performance.

The Annual General Meeting (AGM)

The Company's AGM provides an opportunity for direct interaction with shareholders where questions and concerns raised could be addressed. The questions and concerns raised would serve as feedback to the Group's business and corporate decisions. The notice of AGM will be published in at least one newspaper of national circulation for a wider dissemination of such notice and to encourage greater shareholder participation at general meetings.

ACCOUNTABILITY AND AUDIT

Directors' Responsibility for Preparing the Annual Audited Financial Statements

The Directors are required by the Companies Act, 1965 ("the Act") to prepare financial statements, which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cash flows of the Group and the Company for the financial year then ended.

Following discussions with the external auditors, the Directors consider that in preparing the financial statements, the company has:

- Adopted appropriate accounting policies and applied them consistently;
- Made judgments and estimates that are reasonable and prudent;
- Ensured that all applicable approved accounting standards in Malaysia have been followed; and

- Considered the going concern basis used as being appropriate.

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

The Directors have overall responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Group and of the Company, and to prevent and detect fraud and other irregularities

Financial Reporting

The Board aims to provide and present a balanced and meaningful assessment of the Group's performance and prospects in all their reports and announcements to the shareholders, investors, regulatory bodies and the general public. The Board is assisted by the Audit Committee to oversee the Group's financial reporting process and the quality of its financial reporting.

Internal Controls

The Board acknowledges that it is responsible for maintaining a sound system of internal controls covering financial controls, operational, compliance as well as risk management. The internal control system is designed to meet the Group's particular needs and to manage the risks to which it is exposed to. The system, by its nature, can only provide reasonable but not absolute assurance against misstatement or loss.

The Board's Statement on Internal Control is set out on page 20 of the Annual Report.

Relationship with the Auditors

An appropriate relationship is maintained with the Group's Auditors through the Audit Committee. The Audit Committee has been accorded the power to communicate directly with both the External and

Internal Auditors. From time to time, the External Auditors will bring to the attention of the Audit Committee, any significant deficiency in the Group's system of control.

A full Audit Committee Report and its terms of reference, detailing its role in relation to the Auditors, is set out on pages 13 to 15 of the Annual Report.

ADDITIONAL COMPLIANCE INFORMATION

To comply with the Bursa Malaysia Securities Berhad Listing Requirements, the following additional information is provided:

Share buy-back

On December 2003, the Company obtained its shareholders' approval to buy-back its own shares. During the financial year, the Company repurchased a total of 248,800 shares from the open market of Bursa Malaysia for a total consideration of RM153,219. Details of the shares repurchased are as shown below.

Since the implementation of the share buy back scheme, the Company has purchased 744,800 of its own shares (up to 5.11.2004) at a total purchase consideration of RM428,016 or at an average price of RM0.57 per share. These shares are now being held as treasury shares.

Material Contracts

Save as disclosed below, there are no material contracts of the Company and/or its subsidiaries, involving directors' and major shareholders' interest, either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year:

- (i) Project management agreement dated 19th January 2004 between BCB Management Sdn Bhd ("BCBM"), a wholly-owned subsidiary of the Company and Marvel Plus Development Sdn Bhd ("MPD"). The principal activity of MPD is that of a property developer. MPD is a related party as it is a 100% controlled company by the spouse and son of Dato' Tan Seng Leong; the Director of the Company.

The agreement entered is for purposes of engagement and appointment of BCBM to provide project management and sales marketing services for MPD's project for duration of 5 years from January 2004 to January 2009.

Options, Warrants or Convertible Securities

A total of 5,621,000 options in respect of the ESOS Scheme remain unexercised to the date of this report. The total represents the total options granted since the inception of the ESOS Scheme in year 2000.

American Depository Receipt (ADR) or Global Depository Receipt (GDR)

During the financial year, the Company did not sponsor any ADR or GDR programme.

Imposition of Sanctions / Penalties

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies.

Non-audit fees

During the financial year, non-audit fees payable to the external auditors, Messrs PricewaterhouseCoopers by the Company in respect of professional services on tax compliance amounted to RM15,000.

Profit Estimate, Forecast or Projection

There were no profit estimation, forecast or projection made or released by the Company during the financial year.

Profit Guarantee

The Company in respect of the financial year gave no profit guarantees.

Contracts Relating to Loans

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

Revaluation of Landed Properties

The Company's revaluation policy is disclosed in note 3(f) of the Notes to the financial statements – 30 June 2004.

Month	No. of Ordinary Shares of RM1 each	Total Consideration RM	Highest Price Paid Per Share RM	Lowest Price Paid Per Share RM	Average Price Paid Per Share RM
February 2004	49,000	31,039	0.63	0.62	0.63
March 2004	199,800	122,180	0.61	0.60	0.61
	248,800	153,219			

Statement on Internal Control

INTRODUCTION

This Statement is made pursuant to the Bursa Malaysia Securities Berhad Listing Requirements with regard to the Group's compliance with the Principles and Best Practices provisions relating to internal controls as stipulated in the Malaysia Code on Corporate Governance.

As a follow through from last year's disclosure, set out below is the Board of Directors ("Board") Statement on Internal Control providing a status review of the Group's state of internal control.

BOARD RESPONSIBILITY

The Board affirms its overall responsibility for the Group's systems of internal controls that includes the assurance of its adequacy and integrity at all times, and its alignment with our business objectives at all times. It should be appreciated that such systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives. However effective systems are, they can only provide reasonable and not absolute assurance against misstatement or loss.

NATURE OF OUR INTERNAL CONTROLS

The Group has in place an on-going process for identifying, evaluating and managing the significant risks that may affect the achievement of its business objectives. This process is on-going and reviewed by the Board on a quarterly basis.

RISK MANAGEMENT FRAMEWORK

The Board has established an organization structure with clearly defined lines of accountability and delegated authority. The risk management functions and effectiveness of such controls have been formalized in February 2002. The risk management framework which in the Board's opinion, provides an adequate and satisfactory mechanism for on-going process of identification, evaluation, managing and monitoring of significant risks. In that regard, the Board affirms that the state of internal controls of the Group is satisfactory and adequate in addressing its principal risks.

INTERNAL AUDIT FUNCTION

The internal audit function of the Group has been outsourced to a reputed professional consultancy firm, BDO Governance Advisory Sdn Bhd ("BDOGA"). The Audit Committee reviews and approves the internal audit plan for the year prior to their execution. BDOGA independently review the internal controls in the various operating business units of the Group and reports to the Audit Committee on a quarterly basis. BDOGA's reviews highlight weaknesses in control procedures and makes recommendations for improvements. Additionally, it monitors the Management's implementation and improvement actions on their recommendations made.

Apart from its risk management and internal audits, the other key elements of the Group's internal control systems are as follows:

- An organizational structure with clearly defined delegations of responsibilities to committees of the board and to management which promotes accountabilities for appropriate risk management and control procedures. The procedures include the establishment of authority levels for all aspects of the business which is subject to regular review as to their implementation and continuing suitability;
- Independent assurance on the system of internal controls from regular internal audit visits by the appointed consultants;
- Regular information provided to management on key business indicators, such as sales performance, staff turnover and cash flow positions;
- Scheduled operations and management meetings; and
- Centralised procurement function that ensures approval procedures are adhered to as well as to leverage on the Group's purchasing power.

The management is taking appropriate measures to strengthen the control environment and certain aspects of the controls identified and highlighted by BDOGA are currently being improved.

The Board is pleased to report that there are no material control failure or weaknesses in internal control system that would have resulted in any material losses, contingencies or uncertainties, which would require disclosure in the Group's annual report for the financial year under review.

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Directors' Report

for the financial year ended 30 June 2004

The Directors are pleased to submit their annual report to the members together with the audited financial statements of the Group and Company for the financial year ended 30 June 2004.

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of investment holding, property development and hotel operations. The principal activities of the Group consist of property development, letting of properties, provision of project management, road construction and landscaping services, manufacturing of concrete products and furniture, and trading of building materials.

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

FINANCIAL RESULTS

	Group RM	Company RM
Profit after tax	9,465,613	876,360

DIVIDENDS

No dividends have been paid or declared by the Company since 30 June 2003.

The Directors do not recommend the payment of any dividend for the financial year ended 30 June 2004.

RESERVES AND PROVISIONS

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

TREASURY SHARES

During the financial year, the Company repurchased 248,800 of its issued share capital from the open market on the Bursa Malaysia (formerly known as Kuala Lumpur Stock Exchange) for RM153,219. The average price paid for the shares repurchased was RM0.62 per share.

Details of the treasury shares are set out in Note 25 to the financial statements.

EMPLOYEE SHARE OPTION SCHEME ("ESOS")

The Company implemented an ESOS in year 2000 for a period of 5 years. The ESOS is governed by the by-laws which were approved by the shareholders on 4 February 2000.

Details of the ESOS are set out in Note 25 to the financial statements.

DIRECTORS

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

Dato' Ismail bin Yusof
Dato' Tan Seng Leong
Tan Lay Kim
Tan Lay Hiang
Tan Seng Hong
Sofian bin Arshad
Ash'ari bin Ayub

In accordance with Article 105 of the Company's Articles of Association, Sofian bin Arshad and Ash'ari bin Ayub retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than the Company's ESOS (as disclosed in Note 25 to the financial statements).

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than Directors' remuneration disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

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

<u>Shareholdings in the name of the Director</u>	Number of ordinary shares of RM1.00 each in the Company			At 30.6.2004
	At 1.7.2003	Bought	Sold	
Dato' Tan Seng Leong	62,480,800	6,250,400	3,405,700	65,325,500
Tan Lay Kim	6,820,700	55,000	-	6,875,700
Tan Lay Hiang	40,000	451,000	-	491,000
Tan Seng Hong	1,907,000	851,900	461,100	2,297,800

<u>Shareholdings in which the Director is deemed to have an interest</u>	Number of ordinary shares of RM1.00 each in the Company			At 30.6.2004
	At 1.7.2003	Bought	Sold	
Dato' Tan Seng Leong	123,000 *	8,000	-	131,000
Tan Seng Hong	1,971,000 *	-	-	1,971,000

	Number of options over ordinary shares of RM1.00 each in the Company			At 30.6.2004
	At 1.7.2003	Granted	Exercised	
Dato' Tan Seng Leong	500,000	-	-	500,000
Tan Lay Kim	500,000	-	-	500,000
Tan Seng Hong	500,000	-	-	500,000
Tan Lay Hiang	500,000	-	-	500,000

Note:

* By virtue of the shareholdings of their spouse.

By virtue of their deemed interests in the shares of the Company, Dato' Tan Seng Leong, Tan Lay Kim, Tan Seng Hong and Tan Lay Hiang are also deemed interested in the shares of the subsidiaries.

Other than disclosed above, according to the register of Directors' shareholdings, the Directors in office at the end of the financial year did not hold any interest in shares and options over shares in the Company or shares, options over shares and debentures of its related corporations during the financial year.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the income statements and balance sheets were made out, the Directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and Company misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group or the Company to meet their obligations when they fall due.

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

- (a) any charge on the assets of the Group or Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group or Company which has arisen since the end of the financial year.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

- (a) the results of the Group's and Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or Company for the financial year in which this report is made.

AUDITORS

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

Signed on behalf of the Board of Directors in accordance with their resolution dated 21 October 2004.

Dato' Tan Seng Leong
Group Managing Director

Tan Seng Hong
Executive Director

Statement by Directors

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

We, Dato' Tan Seng Leong and Tan Seng Hong, two of the Directors of BCB Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 27 to 62 are drawn up so as to give a true and fair view of the state of affairs of the Group and Company as at 30 June 2004 and of the results and cash flows of the Group and Company for the financial year ended on that date in accordance with the provisions of the Companies Act 1965 and the applicable approved accounting standards in Malaysia.

Signed on behalf of the Board of Directors in accordance with their resolution dated 21 October 2004

Dato' Tan Seng Leong
Group Managing Director

Tan Seng Hong
Executive Director

Statutory Declaration

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

I, Dato' Tan Seng Leong, the Director primarily responsible for the financial management of BCB Berhad, do solemnly and sincerely declare that the financial statements set out on pages 27 to 62 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Dato' Tan Seng Leong

At : Kluang

On : 21 October 2004

Before me : SUCHA SINGH
NO: J023
COMMISSIONER FOR OATHS

Report of the Auditors

To the Members of BCB Berhad

We have audited the financial statements set out on pages 27 to 62. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with approved auditing standards in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been prepared in accordance with the provisions of the Companies Act 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - (i) the matters required by Section 169 of the Companies Act 1965 to be dealt with in the financial statements; and
 - (ii) the state of affairs of the Group and Company as at 30 June 2004 and of the results and cash flows of the Group and Company for the financial year ended on that date;
- and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiaries have been properly kept in accordance with the provisions of the Act.

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 consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under subsection 3 of section 174 of the Act.

PricewaterhouseCoopers
(No: AF:1146)
Chartered Accountants

Johor Bahru

21 October 2004

Yee Wai Yin
(No. 2081/08/06(J))
Partner of the firm

Income Statements

For the financial year ended 30 June 2004

	Note	Group		Company	
		2004 RM	2003 RM	2004 RM	2003 RM
Revenue	4	202,317,960	118,292,287	93,156,812	69,526,689
Cost of sales	5	(156,366,470)	(83,606,508)	(72,075,169)	(50,076,262)
Gross profit		45,951,490	34,685,779	21,081,643	19,450,427
Non-operating income		1,008,635	555,817	3,435,382	2,642,870
Administrative expenses		(10,896,709)	(8,830,188)	(3,400,135)	(3,419,767)
Marketing expenses		(4,861,037)	(5,089,061)	(4,177,647)	(4,392,334)
Other operating expenses		(7,680,578)	(9,206,826)	(6,026,643)	(7,913,182)
Profit from operations	6	23,521,801	12,115,521	10,912,600	6,368,014
Finance cost	10	(6,336,889)	(6,749,712)	(5,361,564)	(5,780,081)
Profit from ordinary activities before tax		17,184,912	5,365,809	5,551,036	587,933
Tax	11	(7,719,299)	(2,984,195)	(4,674,676)	(1,494,712)
Net profit/(loss) for the financial year		9,465,613	2,381,614	876,360	(906,779)
Basic earnings per share (sen)	12	4.59	1.17		

The notes on pages 32 to 62 form an integral part of these financial statements.

Balance Sheets

As at 30 June 2004

	Note	Group		Company	
		2004 RM	2003 RM	2004 RM	2003 RM
Non current assets					
Property, plant and equipment	13	56,322,675	59,877,435	46,791,933	48,331,386
Investment properties	14	19,482,436	19,482,436	18,762,436	18,762,436
Land held for development	15	68,403,429	64,593,967	2,014,739	1,440,631
Subsidiaries	16	-	-	13,300,010	10,300,010
Deferred tax assets	17	12,889	-	-	-
		144,221,429	143,953,838	80,869,118	78,834,463
Current assets					
Land and development					
Expenditure	18	206,288,857	202,262,962	144,845,731	138,344,404
Inventories	19	56,676,240	60,967,535	26,877,507	34,278,961
Tax recoverable		143,832	135,039	-	-
Receivables, deposits and prepayments	20	108,644,965	100,694,994	122,272,350	133,869,138
Deposits, bank and cash balances	21	4,941,975	4,843,805	3,340,172	2,669,274
		376,695,869	368,904,335	297,335,760	309,161,777
Less: Current liabilities					
Payables	22	62,559,399	45,534,286	8,941,539	5,514,347
Current tax liabilities		4,136,317	971,030	2,635,504	291,670
Borrowings (interest bearing)	23	83,877,387	88,912,513	55,139,502	64,227,118
Bank overdrafts	24	25,400,823	30,186,301	23,254,536	26,674,606
		175,973,926	165,604,130	89,971,081	96,707,741
Net current assets		200,721,943	203,300,205	207,364,679	212,454,036
Less: Non current liabilities					
Borrowings (interest bearing)	23	45,813,351	57,790,586	13,180,916	17,342,929
Deferred tax liabilities	17	4,602,548	4,248,378	4,421,000	4,036,830
		50,415,899	62,038,964	17,601,916	21,379,759
		294,527,473	285,215,079	270,631,881	269,908,740
Capital and reserves					
Share capital	25	206,250,000	206,250,000	206,250,000	206,250,000
Treasury shares		(153,219)	-	(153,219)	-
Revaluation reserves	26	7,198,677	7,198,677	6,865,267	6,865,267
Retained earnings		81,232,015	71,766,402	57,669,833	56,793,473
Shareholders' equity		294,527,473	285,215,079	270,631,881	269,908,740

The notes on pages 32 to 62 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the financial year ended 30 June 2004

	Note	Issued and fully paid ordinary shares of RM1.00 each		Non-distributable		Distributable	Total RM
		Number of shares	Nominal value RM	Treasury shares RM	Revaluation reserves RM	Retained earnings RM	
At 1 July 2002		187,500,000	187,500,000	-	7,198,677	69,384,788	264,083,465
Net profit for the financial year		-	-	-	-	2,381,614	2,381,614
Issue of shares	25	18,750,000	18,750,000	-	-	-	18,750,000
At 30 June 2003		206,250,000	206,250,000	-	7,198,677	71,766,402	285,215,079
At 1 July 2003		206,250,000	206,250,000	-	7,198,677	71,766,402	285,215,079
Net profit for the financial year		-	-	-	-	9,465,613	9,465,613
Buy back of shares	25	-	-	(153,219)	-	-	(153,219)
At 30 June 2004		206,250,000	206,250,000	(153,219)	7,198,677	81,232,015	294,527,473

The notes on pages 32 to 62 form an integral part of these financial statements.

Company Statement of Changes in Equity

For the financial year ended 30 June 2004

	Note	Issued and fully paid ordinary shares of RM1.00 each		Non-distributable		Distributable	Total
		Number of shares	Nominal value RM	Treasury shares RM	Revaluation reserves RM	Retained earnings RM	
At 1 July 2002		187,500,000	187,500,000	-	6,865,267	57,700,252	252,065,519
Net profit for the financial year		-	-	-	-	(906,779)	(906,779)
Issue of shares	25	18,750,000	18,750,000	-	-	-	18,750,000
At 30 June 2003		206,250,000	206,250,000	-	6,865,267	56,793,473	269,908,740
At 1 July 2003		206,250,000	206,250,000	-	6,865,267	56,793,473	269,908,740
Net profit for the financial year		-	-	-	-	876,360	876,360
Buy back of shares	25	-	-	(153,219)	-	-	(153,219)
At 30 June 2004		206,250,000	206,250,000	(153,219)	6,865,267	57,669,833	270,631,881

The notes on pages 32 to 62 form an integral part of these financial statements.

Cash Flow Statements

For the financial year ended 30 June 2004

	Note	Group		Company	
		2004 RM	2003 RM	2004 RM	2003 RM
Operating activities					
Net profit/(loss) for the financial year		9,465,613	2,381,614	876,360	(906,779)
Adjustments to reconcile net profit/(loss) for the financial year to cash from operations:					
Property, plant and equipment:					
- depreciation		3,767,596	4,132,643	1,478,718	1,764,740
- written off		18,532	23,919	15,638	141
- gain on disposal		(393,578)	(203,475)	(139,337)	(54,286)
Interest income		(59,717)	(95,534)	(1,098,487)	(1,683,495)
Interest expenses		6,336,889	6,749,712	5,361,564	5,780,081
Realised foreign exchange loss/(gain)		8,209	12,165	(7,634)	(3,818)
Allowance for diminution in value of a subsidiary		-	-	-	2,000,000
Allowance for foreseeable losses		388,503	848,610	388,503	848,610
Tax		7,719,299	2,984,195	4,674,676	1,494,712
		27,251,346	16,833,849	11,550,001	9,239,906
Changes in working capital:					
- land and development expenditure		1,181,652	(21,172,857)	(5,807,603)	4,990,480
- inventories		4,291,295	4,452,936	7,401,454	4,420,137
- receivables, deposits and prepayments		(7,958,342)	10,493,756	803,950	9,668,190
- payables		17,025,276	(440,027)	3,427,192	(3,128,939)
- amounts with subsidiaries		-	-	7,800,472	(38,655,162)
Cash from operations		41,791,227	10,167,657	25,175,466	(13,465,388)
Interest received		59,717	95,534	1,098,487	1,683,495
Interest paid		(12,094,894)	(12,991,516)	(7,017,899)	(8,198,205)
Tax paid		(4,230,006)	(3,957,118)	(1,946,672)	(2,267,709)
Net cash flow from operating activities		25,526,044	(6,685,443)	17,309,382	(22,247,807)
Investing activities					
Investment in a subsidiary		-	-	-	(300,000)
Property, plant and equipment					
- additions	13	(1,179,400)	(838,289)	(200,838)	(368,332)
- proceeds from disposals		1,403,090	1,035,132	385,270	55,496
Land held for development		(3,647,508)	(50,599,272)	-	-
Net cash flow from investing activities		(3,423,818)	(50,402,429)	184,432	(612,836)
Financing activities					
Proceeds from issue of share capital		-	18,750,000	-	18,750,000
Purchase of treasury shares	25	(153,219)	-	(153,219)	-
Proceeds from bank borrowings		81,007,855	71,153,973	66,428,574	24,095,985
Repayments of bank borrowings		(96,922,623)	(26,582,174)	(79,329,400)	(19,149,736)
Finance lease principal payments		(1,150,591)	(1,638,779)	(348,801)	(297,076)
Net cash flow from financing activities		(17,218,578)	61,683,020	(13,402,846)	23,399,173
Net increase in cash and cash equivalents		4,883,648	4,595,148	4,090,968	538,530
Cash and cash equivalents					
- at start of financial year		(25,357,784)	(29,952,932)	(24,005,332)	(24,543,862)
- at end of financial year	28	(20,474,136)	(25,357,784)	(19,914,364)	(24,005,332)

The principal non-cash transactions are the acquisition of property, plant and equipment by means of finance leases (Note 13) and the increase in investment in subsidiary by the Company of RM3,000,000 during the financial year by way of capitalising the amount due from the subsidiary.

The notes on pages 32 to 62 form an integral part of these financial statements.

Notes to the Financial Statements

For the financial year ended 30 June 2004

1 GENERAL INFORMATION

The principal activities of the Company consist of investment holding, property development and hotel operations. The principal activities of the Group consist of property development, letting of properties, provision of project management, road construction and landscaping services, manufacturing of concrete products and furniture, and trading of building materials.

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

The principal place of business and the address of the registered office of the Company are located 7th Floor, Plaza BCB (Hotel Tower Block), 20 Jalan Bakawali, 86000 Kluang, Johor Darul Takzim.

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's overall financial risk management objective is to optimise the value creation for its shareholders. In addition, the Group seeks to ensure that adequate financial resources are available for the Group's business operations whilst managing its risk.

(a) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's interest rate risk relates primarily to the Group's debt obligations.

The Group actively reviews its debt portfolio, taking into account the nature and requirements of its businesses as well as the current business and economic environment. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and to achieve an optimum cost of capital whilst also looking into long term funding rates for long term investments.

(b) Liquidity and cash flow risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Cash flow risk is the risk that future cash flow associated with a financial instrument will fluctuate.

The Group actively manages its debts maturity profile, operating cash flow and the availability of funding so as to ensure that all operating, investing and financing needs are met. As part of its overall prudent liquidity management, the Group forecasts its cash commitments, monitors and maintains sufficient levels of cash and cash equivalents to meet its working capital requirements. The Group strives to maintain available banking facilities at a reasonable level against its overall debt position.

(c) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Group is exposed to credit risk mainly from trade receivables. The Group extends credit to its customers based upon careful evaluation of the customers' creditworthiness. Trade receivables are monitored on an ongoing basis via the Group's management reporting procedures. If necessary, the Group may obtain collaterals/assignments as a mean of mitigating the risk of default.

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

(d) Foreign currency exchange risk

Foreign currency exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group is exposed to foreign currency risk as a result of the foreign currency transactions entered into by subsidiaries. The currency giving rise to the risk is primarily US Dollar.

With the imposition of currency controls via pegging of RM to USD at the fixed exchange rate of USD1.00 to RM3.80 by Bank Negara Malaysia, the Group's exposure to foreign currency exchange risk is minimal.

All balances are denominated in Ringgit Malaysia unless otherwise stated.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

(a) Basis of preparation

The financial statements of the Group and Company have been prepared under the historical cost convention except as disclosed in this summary of significant accounting policies.

The financial statements comply with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act 1965. The new accounting standard adopted in these financial statements is as follows:

- MASB Standard 29 "Employee Benefits"

There are no changes in accounting policy that affect net profit or shareholders' equity as the Group was already following the recognition and measurement principles in those standards.

(b) Subsidiaries

Subsidiaries are those corporations in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Subsidiaries are consolidated using acquisition method of accounting.

Under the acquisition method of accounting, subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. The cost of an acquisition is the amount of cash paid and the fair value at the date of acquisition of other purchase consideration given by the acquirer, together with directly attributable expenses of the acquisition. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the consolidated financial statements. The difference between the cost of acquisition over the Group's share of the fair value of the identifiable net assets of the subsidiary acquired at the date of acquisition is reflected as goodwill or negative goodwill. See accounting policy Note (g) on goodwill.

Intragroup transactions, balances and unrealised gains on transactions are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets together with any unamortised balance of goodwill on acquisition and exchange differences which were not previously recognised in the consolidated income statement.

(c) Investments

Investments in subsidiaries are shown at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note (e) an impairment of assets.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged/credited to income statement.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Property, plant and equipment

Property, plant and equipment are initially stated at cost. Property, plant and equipment (except for hotel property and other equipment which are further explained below) are stated at cost less accumulated depreciation and impairment losses.

Freehold land is not depreciated as it has an infinite life. Other property, plant and equipment are depreciated on the straight line basis to write off the cost of the assets, or their revalued amounts, to their residual values over their estimated useful lives, summarised as follows:

	Years
Buildings	50
Plant and machinery	5
Motor vehicles	5
Renovation	6.67 - 50
Furniture, fittings, office and site equipment	5 - 10
Electrical and kitchen equipment	10

Crockeries, glassware, cutleries, linen, kitchen utensils and general supplies are included as other equipment and are capitalised at the minimum level required for normal hotel operations. These base stocks are not depreciated but subsequent additions are charged out to income statement on a replacement basis.

Hotel property comprises land, hotel and their integral plant and machinery.

Freehold hotel property is initially stated at cost and is subsequently stated at fair value based on valuation by independent valuers.

It is the Group's policy to revalue its hotel property once in every five years.

Surpluses arising on revaluation are credited to revaluation reserve except that a surplus, to the extent that such surplus is related to and not greater than a deficit arising on revaluation previously recorded as an expense, is credited to the income statement. Deficit arising from revaluation is charged against the revaluation reserve to the extent of the surplus previously held in the revaluation reserve for the same asset. In all other cases, a decrease in carrying amount is charged to income statement.

It is the Group's policy to maintain its freehold hotel property in the highest standard and condition in order to maintain its image and market share. Consequently, the Directors are of the opinion that freehold hotel property maintains residual values at least equal to their respective book values such that depreciation would be insignificant. The related maintenance expenditure is charged to the income statement when incurred.

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

Repairs and maintenance are charged to the income statement during the period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

(e) Impairment of assets

Property, plant and equipment and other non-current assets, including intangible assets, are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. Recoverable amount is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

The impairment loss is charged to the income statement unless it reverses a previous revaluation in which case it is charged to the revaluation reserves. Any subsequent increase in recoverable amount is recognised in the income statement unless it reverses an impairment loss on a revalued asset in which case it is credited to revaluation reserves.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Investment properties

Investment properties, comprising principally retail space in a shopping complex, are held for long term rental yields and are not occupied by the Group. These properties are treated as long term investments and carried at fair value determined by independent professional valuers once in every five years. Investment properties are not subject to depreciation.

Increases in carrying amount are credited to revaluation reserve. Decreases that offset previous increases of the same assets are charged against revaluation reserve; all other decreases are charged to the income statement.

On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is charged or credited to the income statement; Any amount in revaluation reserve relating to that investment property is transferred to retained earnings.

(g) Goodwill

Goodwill represents the excess of the cost of acquisition of subsidiaries over the Group's share of the fair value of their identifiable net assets at the date of acquisition.

Goodwill on consolidation is written off to income statement. Intra group transactions, balances and unrealised gains on transactions are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(h) Land held for development

Land held for development consists of land held for future development where no significant development has been undertaken and are stated at cost of acquisition including all related costs incurred subsequent to the acquisition on activities necessary to prepare the land for its intended use.

Such assets are transferred to development properties at carrying value when significant development work has been undertaken and are expected to be completed within the normal operating cycle.

The carrying amounts of land held for development are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amounts of the assets are estimated. An impairment loss is recognised whenever the carrying amount of land held for development exceeds its recoverable amount. The impairment loss is charged to the income statement.

(i) Land and development expenditure

Land and development expenditure whereby significant development work has been undertaken and is expected to be completed within the normal operating cycle are classified as land and development expenditure. Land and development expenditure are stated at cost plus profits less losses and applicable progress billings. Cost includes cost of land, all direct building cost and other related development expenditure, including interest expenses incurred during the period of development.

(j) Finance leases

Leases of property, plant and equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases.

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance charge is charged to the income statement over the lease period.

Property, plant and equipment acquired under finance leases is depreciated over the estimated useful life of the asset and the lease term.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of completed development properties comprises proportionate land and development expenditure determined on the specific identification basis. Cost of food and beverages and general supplies comprises the purchase price and other directly attributable cost determined on a weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and an appropriate proportion of production overheads (based on normal operating capacity).

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

(l) Construction contracts

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised over the period of the contract as revenue and expenses respectively. The Group uses the percentage of completion method to determine the appropriate amount of revenue and costs to recognise in a given period; the stage of completion is measured by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total costs for the contract.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that is probable will be recoverable; contract costs are recognised when incurred.

The aggregate of the costs incurred and the profit/loss recognised on each contract is compared against the progress billings up to the financial year end. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is shown as amounts due from customers on construction contracts under receivables, deposits and prepayments (within current assets). Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as amounts due to customers on construction contracts under payables (within current liabilities).

(m) Trade receivables

Trade receivables are carried at invoice amount less an allowance for doubtful debts. The allowance is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, discounted at the market rate of interest for similar borrowers. Bad debts are written off when identified.

(n) Cash and cash equivalents

For the purpose of the cash flow statements, cash and cash equivalents comprise cash in hand, deposits held at call with banks, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(o) Income taxes

Current tax expense is determined according to the Malaysian tax laws and include all taxes based upon the taxable profits.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Income taxes (Cont'd)

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

Tax rates enacted or substantively enacted by the balance sheet date are used to determine deferred tax.

(p) Employee benefits

(i) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

(ii) Post-employment benefits

Defined contribution plans

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

The Group contributes to the Employees Provident Fund, the national defined contribution plan. Once the contributions have been paid, the Group has no further payment obligations.

(q) Revenue recognition

Sales of goods are recognised upon delivery of products and customers' acceptance, if any, or performance of services, net of sales tax and discounts, and after eliminating sales within the Group.

When the outcome of the development activity can be estimated reliably, property development revenue and expenses are recognised by using the stage of completion method. The stage of completion of development properties is measured by reference to the proportion that property development costs incurred bear to the total estimated total costs for the property development.

The recognition of contract revenue and contract costs is similar to that of property development mentioned above.

Management fees, interest income and rental income are recognised on a receivable basis unless collectibility is in doubt.

Revenue from hotel operations is recognised when earned.

(r) Foreign currencies

(i) Reporting currency

The financial statements are presented in Ringgit Malaysia.

(ii) Foreign currency transactions and balances

Foreign currency transactions in Group companies are accounted for at exchange rates prevailing at the transaction dates. Foreign currency monetary assets and liabilities are translated at exchange rates prevailing at the balance sheet date. Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in the income statement.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Foreign currencies (Cont'd)

(iii) Closing rates

The principal closing rate used in translation of foreign currency amounts is as follows:

Foreign currency	2004 RM	2003 RM
1 US Dollar	3.800	3.800

(s) Share capital

(i) Classification

Ordinary shares are classified as equity.

Distribution to holders of a financial instrument is charged directly to equity.

(ii) Dividends to shareholders of the Company

Dividends on ordinary shares are recognised as liabilities when proposed or declared before the balance sheet date. A dividend proposed or declared after the balance sheet date is not recognised as a liability at the balance sheet date until it is approved by the shareholders at the forthcoming Annual General Meeting.

(t) Treasury shares

When the Company purchase the Company's equity share capital, the consideration paid including any attributable transaction costs is deducted from total shareholders' equity as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

(u) Borrowings

(i) Classification

Borrowings are initially recognized based on the proceeds received, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings.

Interest, dividends, losses and gains relating to a financial instrument, or a component part, classified as a liability is reported within finance cost in the income statement.

(ii) Capitalisation of borrowing cost

Borrowing costs incurred to finance the construction of property, plant and equipment are capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use. Borrowing costs incurred to finance property development activities and construction contracts are accounted for in a similar manner. All other borrowing costs are expensed.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) Contingent liabilities and contingent assets

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstance where there is a liability that cannot be recognised because it cannot be measured reliably.

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

(w) Financial instruments

(i) Description

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

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

(ii) Financial instruments recognised on the balance sheet

The particular recognition method adopted for financial instruments recognised on the balance sheet is disclosed in the individual policy statements associated with each item.

(iii) Fair value estimation for disclosure purposes

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

(x) Segment reporting

Segment reporting is presented for enhanced assessment of the Group's risks and returns. Business segments provide products or services that are subject to risk and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those components operating in other economic environments.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expense, assets and segment liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transactions are between group enterprises within a single segment.

4 REVENUE

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Property development	143,751,941	89,397,287	82,409,887	59,094,716
Rental income	2,437,268	2,140,361	2,267,548	1,925,164
Hotel revenue	8,479,377	8,506,809	8,479,377	8,506,809
Construction contracts	35,447,278	12,892,756	-	-
Sales of goods	10,656,034	4,149,286	-	-
Project management services	1,546,062	1,205,788	-	-
	202,317,960	118,292,287	93,156,812	69,526,689

5 COST OF SALES

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Property development and management costs	122,274,299	65,202,384	69,939,424	47,434,755
Cost of inventories sold	10,201,168	6,983,467	2,135,745	2,641,507
Construction contract costs	23,891,003	11,420,657	-	-
	156,366,470	83,606,508	72,075,169	50,076,262

6 SUPPLEMENTARY INCOME STATEMENTS DISCLOSURES

The following items have been charged/(credited) in arriving at profit from operations:

	Note	Group		Company	
		2004 RM	2003 RM	2004 RM	2003 RM
Directors' remuneration	9	2,709,320	2,973,950	1,055,152	1,061,350
Auditors' remuneration	7	119,000	97,100	58,000	37,000
Allowance for diminution in value of a subsidiary		-	-	-	2,000,000
Property, plant and equipment:					
- depreciation		3,767,596	4,132,643	1,478,718	1,764,740
- written off		18,532	23,919	15,638	141
- gain on disposal		(393,578)	(203,475)	(139,337)	(54,286)
Subcontractors' costs		68,273,031	34,365,844	-	-
Staff costs	8	9,417,927	9,382,487	4,349,731	4,569,491
Rental of premises		226,660	209,972	140,500	133,200
Hire charges of machinery		1,100,067	581,385	-	-
Allowance for foreseeable losses		388,503	848,610	388,503	848,610
Allowance for doubtful debts		-	79,157	-	-
Rental income		(370,341)	(560,894)	-	-
Rental of office equipment		1,350	-	-	-
Realised foreign exchange loss/(gain)		8,209	12,165	(7,634)	(3,818)
Interest income:					
- subsidiaries		-	-	(1,050,783)	(1,595,861)
- overdue interest		(29,125)	(64,005)	(29,125)	(64,005)
- others		(30,592)	(31,529)	(18,579)	(23,629)

7 AUDITORS' REMUNERATION

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Current year	112,000	91,000	50,000	37,000
Under accruals in respect of prior year	7,000	6,100	8,000	-
Fee for other services: - tax services	15,000	15,000	15,000	15,000
Total remuneration	134,000	112,100	73,000	52,000

8 STAFF COSTS

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Wages, salaries and bonus	8,134,094	8,061,342	3,669,377	3,816,826
Defined contribution retirement plan	873,086	914,970	358,988	398,147
Other employee benefits	410,747	406,175	321,366	354,518
	9,417,927	9,382,487	4,349,731	4,569,491

The number of employees at the end of the financial year amounted to 398 (2003: 427) employees in the Group and 205 (2003: 214) employees in the Company respectively.

9 DIRECTORS' REMUNERATION

The Directors of the Company in office during the financial year are as follows:

Independent Non-Executive Directors

Dato' Ismail bin Yusof
Sofian bin Arshad
Ash'ari bin Ayub

Executive Directors

Dato' Tan Seng Leong
Tan Lay Kim
Tan Lay Hiang
Tan Seng Hong

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

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Non-executive Directors: - fees	132,000	156,000	132,000	156,000
Executive Directors: - estimated money value of benefits in kind	107,888	80,950	83,700	78,300
- basic salaries and bonus	2,078,400	2,300,000	710,650	695,000
- defined contribution retirement plan	391,032	437,000	128,802	132,050
	2,709,320	2,973,950	1,055,152	1,061,350

9 DIRECTORS' REMUNERATION (CONT'D)

Executive Directors of the Company have been granted options under the ESOS on the same terms and conditions as those offered to other employees of the Group (as disclosed in Note 25) as follows:

Grant date	Expiry date	Exercise price RM/shares	At start of financial year	Number of shares			At end of financial year
				Granted	Exercise	Lapsed	
2004							
14.03.2000	14.03.2005	1.44	800,000	-	-	-	800,000
14.03.2000	14.03.2005	1.00	1,200,000	-	-	-	1,200,000
2003							
14.03.2000	14.03.2005	1.44	800,000	-	-	-	800,000
14.03.2000	14.03.2005	1.00	1,200,000	-	-	-	1,200,000
						2004	2003
Number of share options vested at balance sheet date						2,000,000	2,000,000

10 FINANCE COST

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Interest expenses:				
- term loans/bridging loans	1,675,189	1,675,632	1,104,416	1,154,075
- short term borrowings	4,173,626	4,675,928	4,054,609	4,454,328
- finance leases	214,964	266,891	51,928	44,310
- others	273,110	131,261	150,611	127,368
	6,336,889	6,749,712	5,361,564	5,780,081

11 TAX

(a) Tax charge for the financial year

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Income tax				
- current year	4,932,320	2,797,402	1,797,000	1,250,000
- underaccrual in prior years	2,445,698	241,793	2,493,506	252,712
Deferred taxation (Note 17)				
- current year	348,190	(8,000)	384,170	(8,000)
- overaccrual in prior years	(6,909)	(47,000)	-	-
	341,281	(55,000)	384,170	(8,000)
	7,719,299	2,984,195	4,674,676	1,494,712

11 TAX (CONT'D)

(b) Numerical reconciliation between the average effective tax rate and the applicable tax rate

The average effective tax rate of the Group and Company differs from the statutory income tax rate of Malaysia as follows:

	Group		Company	
	2004	2003	2004	2003
	%	%	%	%
Statutory income tax rate of Malaysia	28.0	28.0	28.0	28.0
Effect of different tax rates apply to different levels of taxable income	(1.4)	(0.4)	-	-
Income not subject to tax	0	(0.8)	-	-
Deferred tax assets not recognised	0	11.1	-	0.1
Expenses not deductible for tax purposes	4.3	14.4	11.3	183.2
Utilisation of unabsorbed losses to reduce current income tax	-	(0.3)	-	-
Under/(over) accrual in prior years				
- current income tax liability	14.1	4.5	44.9	43.0
- deferred tax liability	(0.1)	(0.9)	-	-
Average effective tax rate	44.9	55.6	84.2	254.3

The Company has unabsorbed capital allowances and Investment Tax Allowance amounting to approximately RM1,875,000 (2003: RM3,406,000) and RM18,000,000 (2003: RM18,000,000) respectively, available to be set off against the future taxable income of the hotel business.

There are sufficient Section 108 tax credit and tax exempt account to frank all the retained earnings of the Group and Company as at 30 June 2004 if paid out as dividends.

12 BASIC EARNINGS PER SHARE

Basic earnings per share of the Group is calculated by dividing the net profit for the financial year by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2004	2003
	RM	RM
Net profit for the financial year (RM)	9,465,613	2,381,614
Weighted average number of ordinary shares in issue	206,179,633	204,246,576
Basic earnings per share (sen)	4.59	1.17

No account is taken of the outstanding ESOS granted to Directors and employees in the computation of diluted earnings per share as the effect on the basic earnings per share is anti-dilutive.

13 PROPERTY, PLANT AND EQUIPMENT

Group	Hotel	Freehold	Buildings	Plant and	Motor	Renovation	Furniture	Electrical	Other	Total
	property	land	RM	machinery	vehicles	RM	fittings,	and	equipment	RM
2004	RM	RM	RM	RM	RM	RM	office	kitchen	equipment	RM
At 1 July 2003										
At cost	-	5,021,725	13,440,483	5,719,749	8,496,058	5,304,276	6,993,258	3,322,226	588,925	48,886,700
At valuation	31,796,564	-	-	-	-	-	-	-	-	31,796,564
Additions	-	144,000	336,000	203,143	101,480	72,575	310,026	65,176	-	1,232,400
Disposals	-	(483,089)	(463,277)	(32,431)	(620,210)	-	(41,008)	-	-	(1,640,015)
Write off	-	-	-	-	(26,000)	(19,671)	(3,782)	-	-	(49,453)
At 30 June 2004	31,796,564	4,682,636	13,313,206	5,890,461	7,951,328	5,357,180	7,258,494	3,387,402	588,925	80,226,196
Accumulated Depreciation										
At 1 July 2003	-	-	1,005,545	3,243,835	5,785,126	3,966,836	4,640,937	2,163,550	-	20,805,829
Charge for the financial year	-	-	272,680	960,092	1,214,787	219,128	764,367	336,542	-	3,767,596
Disposals	-	-	(26,270)	(32,311)	(555,097)	-	(25,306)	-	-	(638,984)
Write off	-	-	-	-	(23,400)	(6,329)	(1,191)	-	-	(30,920)
At 30 June 2004	-	-	1,251,955	4,171,616	6,421,416	4,179,635	5,378,807	2,500,092	-	23,903,521
Net book value										
30 June 2004	31,796,564	4,682,636	12,061,251	1,718,845	1,529,912	1,177,545	1,879,687	887,310	588,925	56,322,675

13 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group (Cont'd)

2003	Hotel property RM	Freehold land RM	Buildings RM	Plant and machinery RM	Motor vehicles RM	Renovation RM	Furniture fittings, office and site equipment RM	Electrical and kitchen equipment RM	Other equipment RM	Total RM
At 1 July 2002	-	5,017,704	13,563,683	5,744,336	7,999,894	5,174,390	6,600,209	3,270,434	588,925	47,959,575
At cost	31,796,564	-	-	5,744,336	7,999,894	5,174,390	6,600,209	3,270,434	588,925	47,959,575
At valuation	31,796,564	5,017,704	13,563,683	5,744,336	7,999,894	5,174,390	6,600,209	3,270,434	588,925	47,959,575
Additions	-	337,021	246,400	349,473	694,064	130,496	432,043	51,792	-	31,796,564
Disposals	-	(333,000)	(369,600)	(149,360)	(196,900)	-	(38,534)	-	-	2,241,289
Write off	-	-	-	(224,700)	(1,000)	-	(460)	-	-	(1,087,394)
Discount	-	-	-	-	-	(610)	-	-	-	(226,160)
										(610)
At 30 June 2003	31,796,564	5,021,725	13,440,483	5,719,749	8,496,058	5,304,276	6,993,258	3,322,226	588,925	80,683,264
Accumulated Depreciation										
At 1 July 2002	-	-	715,271	2,492,620	4,809,171	3,507,831	3,801,286	1,833,553	-	17,159,732
Charge for the financial year	-	-	300,335	1,012,297	1,173,604	459,005	857,405	329,997	-	4,132,643
Disposals	-	-	(10,061)	(59,651)	(196,899)	-	(17,694)	-	-	(284,305)
Write off	-	-	-	(201,431)	(750)	-	(60)	-	-	(202,241)
At 30 June 2003	-	-	1,005,545	3,243,835	5,785,126	3,966,836	4,640,937	2,163,550	-	20,805,829
Net book value										
30 June 2003	31,796,564	5,021,725	12,434,938	2,475,914	2,710,932	1,337,440	2,352,321	1,158,676	588,925	59,877,435

13 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company

2004	Hotel property RM	Freehold land RM	Buildings RM	Plant and machinery RM	Motor vehicles RM	Renovation RM	Furniture fittings, office and site equipment RM	Electrical and kitchen equipment RM	Other equipment RM	Total RM
At 1 July 2003	-	2,364,542	10,539,283	1,154,012	4,300,992	3,917,251	4,561,897	3,322,226	588,925	30,749,128
At cost	31,796,564	-	-	-	-	-	-	-	-	31,796,564
At valuation	-	-	-	17,095	-	22,240	96,327	65,176	-	200,838
Additions	-	(108,445)	(96,877)	-	(271,730)	-	(28,750)	-	-	(505,802)
Disposals	-	-	-	-	-	(19,671)	(3,402)	-	-	(23,073)
Write off	-	-	-	-	-	-	-	-	-	-
At 30 June 2004	31,796,564	2,256,097	10,442,406	1,171,107	4,029,262	3,919,820	4,626,072	3,387,402	588,925	62,217,655
Accumulated depreciation										
At 1 July 2003	-	-	918,543	1,145,096	2,712,667	3,613,474	3,660,976	2,163,550	-	14,214,306
Charge for the year	-	-	210,302	5,774	444,554	70,410	411,136	336,542	-	1,478,718
Disposals	-	-	(11,625)	-	(228,201)	-	(20,042)	-	-	(259,868)
Write off	-	-	-	-	-	(6,329)	(1,105)	-	-	(7,434)
At 30 June 2004	-	-	1,117,220	1,150,870	2,929,020	3,677,555	4,050,965	2,500,092	-	15,425,722
Net book value										
30 June 2004	31,796,564	2,256,097	9,325,186	20,237	1,100,242	242,265	575,107	887,310	588,925	46,791,933

13 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company (Cont'd)

2003	Hotel property RM	Freehold land RM	Buildings RM	Plant and machinery RM	Motor vehicles RM	Renovation RM	Furniture fittings, office and site equipment RM	Electrical and kitchen equipment RM	Other equipment RM	Total RM
At 1 July 2002	-	2,364,542	10,539,283	1,144,212	3,753,878	3,862,745	4,403,783	3,270,434	588,925	29,927,802
At cost	-	2,364,542	10,539,283	1,144,212	3,753,878	3,862,745	4,403,783	3,270,434	588,925	29,927,802
At valuation	31,796,564	-	-	-	-	-	-	-	-	31,796,564
Additions	-	-	-	9,800	640,340	54,506	164,894	51,792	-	921,332
Disposals	-	-	-	-	(93,226)	-	(6,600)	-	-	(99,826)
Write off	-	-	-	-	-	-	(180)	-	-	(180)
At 30 June 2003	31,796,564	2,364,542	10,539,283	1,154,012	4,300,992	3,917,251	4,561,897	3,322,226	588,925	62,545,692
Accumulated depreciation										
At 1 July 2002	-	-	707,757	1,141,626	2,408,798	3,300,096	3,156,391	1,833,553	-	12,548,221
Charge for the year	-	-	210,786	3,470	397,095	313,378	510,014	329,997	-	1,764,740
Disposals	-	-	-	-	(93,226)	-	(5,390)	-	-	(98,616)
Write off	-	-	-	-	-	-	(39)	-	-	(39)
At 30 June 2003	-	-	918,543	1,145,096	2,712,667	3,613,474	3,660,976	2,163,550	-	14,214,306
Net book value										
30 June 2003	31,796,564	2,364,542	9,620,740	8,916	1,588,325	303,777	900,921	1,158,676	588,925	48,331,386

13 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Net book value of assets under finance leases:				
- motor vehicles	1,165,294	1,484,566	1,015,457	1,341,123
- machinery	222,569	1,630,084	-	-
Net book value of assets pledged for bank borrowings:				
- freehold land	4,619,616	5,021,725	2,256,097	2,364,542
- buildings	12,061,253	12,434,938	9,325,186	9,620,740
	16,680,869	17,456,663	11,581,283	11,985,282

During the financial year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM1,232,400(2003: RM2,241,289) and RM200,838 (2003: RM921,332) respectively, of which RM53,000 (2003: RM1,403,000) for the Group and RM Nil (2003: RM553,000) for the Company were acquired by means of finance leases and term loan agreements. Cash payments of RM1,179,400 (2003: RM838,289) and RM200,838 (2003: RM368,332) were made to purchase the assets for the Group and Company respectively.

The Company's freehold land and buildings with a net book value of RM1,538,377 (2003:RM1,562,792) have been pledged to a bank as security for credit facilities granted to a subsidiary.

The hotel property of the Group stated at valuation was last revalued in January 2000 by the following independent qualified valuer, using a combination of the comparison, depreciated replacement cost and investment methods to reflect fair value:

- Hj Sukiman bin Kasmin, member of the Institution of Surveyors, Malaysia, a registered valuer with Henry Butcher, Lim & Long (Kluang) Sdn. Bhd.

14 INVESTMENT PROPERTIES

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
At valuation:				
- long term leasehold land and buildings	18,762,436	18,762,436	18,762,436	18,762,436
- freehold land and buildings	720,000	720,000	-	-
	19,482,436	19,482,436	18,762,436	18,762,436
Investment properties pledged as security for borrowings	18,762,436	18,762,436	18,762,436	18,762,436

Investment properties were revalued once in every five years and were last revalued in June 2001 by the Directors based on a comparative method basis by Hj Sukiman bin Kasmin, member of the Institution of Surveyors, Malaysia, a registered valuer with Henry Butcher, Lim & Long (Kluang) Sdn. Bhd.

15 LAND HELD FOR DEVELOPMENT

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Freehold land, at cost	49,890,558	56,912,677	1,801,932	1,304,569
Development expenditure	18,512,871	7,681,290	212,807	136,062
	68,403,429	64,593,967	2,014,739	1,440,631
Land held for development pledged as security for borrowings	66,951,930	63,716,576	563,240	563,240

Interest capitalised during the financial year amounting to RM1,722,222 (2003: RM1,822,196) and RM Nil (2003: RM Nil) for the Group and Company respectively.

16 SUBSIDIARIES

	Company	
	2004 RM	2003 RM
Unquoted shares, at cost	15,300,010	12,300,010
Allowance for diminution in value	(2,000,000)	(2,000,000)
	13,300,010	10,300,010

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

Name of Company	Group's effective interest		Principal activities
	2004 %	2003 %	
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 Furniture Sdn. Bhd.	100	100	Manufacturing of furniture
BCB Development Sdn. Bhd. *	100	100	Property development
BCB Resources Sdn. Bhd.	100	100	Property development
BCB Land Sdn. Bhd.	100	100	Property development
BCB Trading Sdn. Bhd.	100	100	Trading of building materials
BCB Greens Sdn. Bhd.	100	100	Provision of landscaping services
BCB Technologies Sdn. Bhd. *	100	100	Dormant

* These subsidiaries have not commenced operations.

All subsidiaries are incorporated in Malaysia and audited by PricewaterhouseCoopers, Malaysia.

17 DEFERRED TAX

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 taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheet:

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Deferred tax assets	1,186,214	1,591,327	1,173,325	1,581,327
Deferred tax liabilities				
- subject to income tax	(5,775,873)	(5,839,705)	(5,594,325)	(5,618,157)
	(4,589,659)	(4,248,378)	(4,421,000)	(4,036,830)
At beginning of the year	(4,248,378)	(4,303,378)	(4,036,830)	(4,044,830)
Credited/(charged) to income Statement				
- property, plant and equipment	(362,389)	(173,610)	(405,278)	(229,610)
- others	21,108	228,610	21,108	237,610
At end of the year	(4,589,659)	(4,248,378)	(4,421,000)	(4,036,830)
Deferred tax assets (prior to offsetting)				
- others	650,712	626,715	637,823	616,715
Offsetting	(637,823)	(626,715)	(637,823)	(616,715)
Deferred tax assets (after offsetting)	12,889	-	-	-
Deferred tax liabilities (prior to offsetting)				
- revaluation reserve	(2,962,378)	(2,962,378)	(2,944,830)	(2,944,830)
- property, plant and equipment	(2,277,993)	(1,912,715)	(2,113,993)	(1,708,715)
Offsetting	(5,240,371)	(4,875,093)	(5,058,823)	(4,653,545)
	637,823	626,715	637,823	616,715
Deferred tax liabilities (after offsetting)	(4,602,548)	(4,248,378)	(4,421,000)	(4,036,830)

Deferred tax assets are not recognised for tax losses carried forward as there is no clear indication of future profitability. This precludes a practicable basis for determining the probability of future utilisation of potential tax benefits.

The amount of deductible temporary differences and unused tax losses (both of which have no expiry date) for which no deferred tax asset is recognised in the balance sheet are as follows:

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Deductible temporary differences	2,557,963	1,989,962	-	-
Tax losses	3,164,061	3,991,709	-	-
	5,722,024	5,981,671	-	-
Deferred tax asset not recognised at 28%	1,602,167	1,674,868	-	-

18 LAND AND DEVELOPMENT EXPENDITURE

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Freehold land, at cost	74,198,099	81,033,978	46,933,340	55,326,934
Development expenditure	264,278,808	261,535,566	183,818,036	191,031,118
Estimated attributable profit	33,583,539	36,479,074	26,377,080	30,159,025
	372,060,446	379,048,618	257,128,456	276,517,077
Progress billings received and receivable	(163,180,531)	(174,583,101)	(109,691,667)	(135,970,118)
Provision for foreseeable Losses	(2,591,058)	(2,202,555)	(2,591,058)	(2,202,555)
	206,288,857	202,262,962	144,845,731	138,344,404
Land and development expenditure pledged as security for borrowings	191,449,605	191,805,796	130,006,480	127,887,238

Included in the development expenditure is interest capitalised during the financial year amounting to RM4,041,408 (2003 : RM4,419,608) and RM1,656,335 (2003 : RM2,418,124) for the Group and Company respectively.

19 INVENTORIES

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
At cost				
Completed development properties	54,427,446	58,847,019	26,654,563	34,048,080
Raw materials	885,301	891,638	-	-
Work in progress	400,019	272,418	-	-
Finished goods	524,759	537,030	-	-
Food and beverages	183,961	172,315	183,961	172,315
General supplies	151,446	58,566	38,983	58,566
Consumable stocks	103,308	188,549	-	-
	56,676,240	60,967,535	26,877,507	34,278,961
Inventories pledged as security for borrowings	21,511,070	23,202,668	18,203,876	19,160,542

The Company's inventory of completed development properties with book value of RM586,329 (2003 : RM1,026,076) have been pledged to banks as securities for credit facilities granted to subsidiaries.

20 RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Trade receivables	82,903,359	79,202,566	12,907,871	14,963,035
Allowance for doubtful debts	(234,886)	(197,124)	-	-
	82,668,473	79,005,442	12,907,871	14,963,035
Amounts due from customers on contracts (Note 29)	9,515,517	6,925,932	-	-
Amount due from subsidiaries	-	-	95,443,940	106,244,412
Other receivables	14,685,121	12,440,118	12,701,970	11,286,536
Deposits	1,470,521	2,003,536	1,008,297	1,195,545
Prepayments	305,333	319,966	210,272	179,610
	108,644,965	100,694,994	122,272,350	133,869,138

20 RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

The currency exposure profile of trade receivable is as follows:

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
- Ringgit Malaysia	81,993,615	78,838,592	12,907,871	14,963,035
- US Dollar	674,858	166,850	-	-
	82,668,473	79,005,442	12,907,871	14,963,035

Other balances are denominated in Ringgit Malaysia.

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

Concentrations of credit risk with respect to trade receivables are limited due to the Group's large number of customers. The Group's historical experience in collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade receivables.

Included in other receivables of the Group and Company are advance payments made to a contractor amounting to RM8,331,269 (2003: RM11,070,741) and RM7,614,249 (2003 : RM10,340,110) respectively.

The amounts due from subsidiaries comprise the following:

	Company	
	2004 RM	2003 RM
Advances	44,388,762	5,684,779
Current account	51,055,178	100,559,633
	95,443,940	106,244,412

The weighted average effective interest rate of advances at balance sheet date is 7.88% (2003: 7.03%). The current account is interest free. Both accounts are unsecured and have no fixed terms of repayment.

21 DEPOSITS, BANK AND CASH BALANCES

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Deposits with a licensed bank	15,288	15,288	-	-
Bank and cash balances	4,926,687	4,828,517	3,340,172	2,669,274
	4,941,975	4,843,805	3,340,172	2,669,274

Included in bank and cash balances of the Group and Company is an amount of RM1,142,212 (2003: RM1,730,176) and RM837,627 (2003 : RM1,426,162) respectively held under Housing Development Accounts (maintained under Section 7A of the Housing Developers (Control and Licensing) Act 1966).

21 DEPOSITS, BANK AND CASH BALANCES (CONT'D)

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

The fixed deposit with a licensed bank is pledged as security to obtain bank guarantee facility.

	Group		Company	
	2004	2003	2004	2003
Weighted average effective interest rate at balance sheet date (%):				
- fixed deposit with a licensed bank	3.1	3.5	-	-
- Housing Development Accounts	2.1	2.1	2.1	2.1
Average maturity (days)				
- fixed deposits with a licensed bank	365	365	365	365

The fixed deposit with a licensed bank is denominated in Ringgit Malaysia.

22 PAYABLES

	Group		Company	
	2004	2003	2004	2003
	RM	RM	RM	RM
Trade payables	39,856,922	23,279,414	3,906,571	2,768,501
Amounts due to customers on contracts (Note 29)	15,096,607	16,780,204	-	-
Other payables	4,112,826	1,877,828	2,162,381	804,771
Payroll liabilities	468,625	353,913	402,009	312,506
Accrued expenses	1,330,275	1,510,135	777,734	488,898
Deposits received	1,694,144	1,732,792	1,692,844	1,139,671
	62,559,399	45,534,286	8,941,539	5,514,347

The currency exposure profile of trade payables is as follows:

	2004	2003	2004	2003
	RM	RM	RM	RM
- Ringgit Malaysia	39,697,642	23,167,395	3,906,571	2,768,501
- US Dollar	159,280	112,019	-	-
	39,856,922	23,279,414	3,906,571	2,768,501

Other balances are denominated in Ringgit Malaysia.

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

23 BORROWINGS

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Current				
Bridging loans	17,730,082	24,050,765	7,540,376	15,692,294
Term loans - repayable within 12 months	22,992,043	24,272,015	9,785,373	10,552,706
Finance lease liabilities (Note 27)	419,310	1,141,044	345,717	348,800
Revolving credits	18,402,811	18,724,308	18,402,811	18,724,308
Bankers' acceptances	24,333,141	20,724,381	19,065,225	18,909,010
	83,877,387	88,912,513	55,139,502	64,227,118
Non current				
Term loans	45,429,100	57,030,478	12,822,649	16,638,944
Finance lease liabilities (Note 27)	384,251	760,108	358,267	703,985
	45,813,351	57,790,586	13,180,916	17,342,929
Term loans				
- not later than 1 year	22,992,043	24,272,015	9,785,373	10,552,706
- later than 1 year and not later than 2 years	11,889,489	21,407,287	2,748,772	8,891,252
- later than 2 years and not later than 5 years	26,000,867	23,473,615	8,024,954	5,195,090
- later than 5 years	7,538,744	12,149,576	2,048,923	2,552,602
	68,421,143	81,302,493	22,608,022	27,191,650

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

The term loans of the Company are secured by way of legal charges over certain investment property, inventories, development properties, and land and buildings of the Company and are repayable by way of fixed monthly instalments or on redemption of titles of properties sold, whichever is earlier.

Other short term borrowings are secured by way of legal charges over the investment properties, hotel properties and certain freehold land and buildings of the Company as well as certain development properties of the Group.

The term loans of the Group are secured by way of legal charges over certain investment properties, inventories, development properties, and land and buildings, as well as joint and several guarantees by the Directors. The term loans of the Group are repayable by way of fixed monthly instalments or on redemption of titles of properties sold, whichever is earlier.

	Group		Company	
	2004 %	2003 %	2004 %	2003 %
Weighted average effective interest rates at balance sheet date:				
- bridging loans	7.4	7.9	7.7	8.0
- term loans	7.7	7.4	8.4	7.6
- revolving credits	7.1	7.1	7.1	7.1
- bankers' acceptances	4.7	4.8	5.0	5.0

The borrowings are denominated in Ringgit Malaysia.

23 BORROWINGS (CONT'D)

The carrying amount and fair value of term loans excluding Islamic borrowings of RM3,906,250 (2003: RM4,531,250) are as follows:

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Carrying amount	64,514,893	76,771,243	18,701,772	22,660,400
Fair value	57,304,104	68,780,183	16,145,316	20,129,268

24 BANK OVERDRAFTS

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

	Group		Company	
	2004 %	2003 %	2004 %	2003 %
Weighted average effective interest rate at balance sheet date	7.7	7.6	7.7	7.7

The bank overdrafts are denominated in Ringgit Malaysia.

25 SHARE CAPITAL

	Group and Company	
	2004 RM	2003 RM
Authorised:		
Ordinary shares of RM1.00 each	500,000,000	500,000,000
Issued and fully paid:		
Ordinary shares of RM1.00 each		
At start of financial year	206,250,000	187,500,000
Issued during the financial year	-	18,750,000
At end of financial year	206,250,000	206,250,000

(a) Treasury shares

The shareholders of the Company, by an ordinary resolution passed in an extra ordinary general meeting held on 20 December 2003, approved the Company's plan to repurchase up to 10% of the issued and paid-up share capital of the Company ("Share Buy Back"). The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the Share Buy Back can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company repurchased 248,800 of its issued share capital from the open market on the Bursa Malaysia (formerly known as Kuala Lumpur Stock Exchange) for RM153,219. The average price paid for the shares repurchased was RM0.62 per share. The Share Buy Back transactions were financed by internally generated funds. The shares bought back are being held as treasury shares as allowed under Section 67A of Companies Act, 1965. The Company has the right to reissue these shares at a later date. As treasury shares, the rights attached as to voting, dividends and participation in other distributions are suspended. None of the treasury shares repurchased has been sold as at 30 June 2004.

At the balance sheet date, the number of outstanding shares in issue after setting treasury shares off against equity is 206,001,200.

(b) Employees' share option scheme

The Company implemented a new Employees' Share Option Scheme ("ESOS") in year 2000 to eligible employees to subscribe for new shares of RM1.00 each in the Company pursuant to the BCB Berhad's Employees' Share Option Scheme ("Scheme"). The ESOS is governed by the by-laws which were approved by the shareholders on 4 February 2000.

25 SHARE CAPITAL (CONT'D)

(b) Employees' share option scheme (Cont'd)

The main features of the Scheme are as follows:

- (i) The total number of ordinary shares to be issued by the Company under the ESOS shall not exceed 10% of the total issued and paid-up ordinary shares of the Company.
- (ii) The option price under the ESOS is the average of the mean market quotation of the shares of the Company as quoted in the Daily Official List issued by the Bursa Malaysia (formerly known as Kuala Lumpur Stock Exchange) for the five market days preceding the offer date, or the par value of the shares of the Company of RM1.00, whichever is the higher.
- (iii) The options granted may be exercised at any time before the expiry of the ESOS on 14 March 2005.
- (iv) The basis on which the options may be exercised by virtue of By-Law 9.2 of the ESOS is as follows:

Number of option granted and unexercised as at 30 June 2004

800,000
1,200,000
500,000
2,333,000
788,000
5,621,000

Percentage of option exercisable

Year 2004 %	Year 2005 %
80	20
80	20
100	-
100	-
80	20

The movements during the financial year in the number of options over the shares of the Company are as follows:

At 1 July 2003	5,621,000
Lapsed	-
Granted	-
Exercised	-
At 30 June 2004	5,621,000

Set out below are details of options over the ordinary shares of the Company granted under the ESOS:

Grant date	Expiry date	Exercise price RM/shares	At start of financial year	Number of shares			At end of financial year
				Granted	Exercise	Lapsed	
2004							
14 March 2000	14 March 2005	1.44	800,000	-	-	-	800,000
14 March 2000	14 March 2005	1.00	4,821,000	-	-	-	4,821,000
2003							
14 March 2000	14 March 2005	1.44	800,000	-	-	-	800,000
14 March 2000	14 March 2005	1.00	4,821,000	-	-	-	4,821,000
				2004		2003	
Number of share options vested at balance sheet date				5,621,000		5,621,000	

26 REVALUATION RESERVES

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Revaluation reserve - hotel property				
At start of financial year	6,307,291	6,307,291	6,307,291	6,307,291
At end of financial year	6,307,291	6,307,291	6,307,291	6,307,291
Revaluation reserve - investment properties				
At start of financial year	891,386	891,386	557,976	557,976
At end of financial year	891,386	891,386	557,976	557,976
Revaluation reserves	7,198,677	7,198,677	6,865,267	6,865,267

27 FINANCE LEASE LIABILITIES

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Minimum lease payments:				
- not later than 1 year	480,144	1,310,170	397,398	400,728
- later than 1 year and not later than 2 years	357,671	459,928	337,448	397,398
- later than 2 years and not later than 5 years	83,964	413,022	75,574	413,022
Future finance charges	921,779 (118,218)	2,183,120 (281,968)	810,420 (106,436)	1,211,148 (158,363)
Present value of finance lease liabilities	803,561	1,901,152	703,984	1,052,785
Current (Note 23)	419,310	1,141,044	345,717	348,800
Non current (Note 23)	384,251	760,108	358,267	703,985
	803,561	1,901,152	703,984	1,052,785
Present value of finance lease liabilities				
- not later than 1 year	419,310	1,141,044	345,717	348,800
- later than 1 year and not later than 2 years	310,100	401,840	292,433	345,717
- later than 2 years and not later than 5 years	74,151	358,268	65,834	358,268
	803,561	1,901,152	703,984	1,052,785

	Group		Company	
	2004 %	2003 %	2004 %	2003 %
Weighted average effective interest rate of finance lease liabilities at the balance sheet date	7.5	8.6	7.6	7.6

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Fair value of finance lease liabilities at the balance sheet date	726,277	1,673,774	630,249	915,080

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

28 CASH AND CASH EQUIVALENTS

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Bank and cash balances	4,926,687	4,828,517	3,340,172	2,669,274
Bank overdrafts	(25,400,823)	(30,186,301)	(23,254,536)	(26,674,606)
	(20,474,136)	(25,357,784)	(19,914,364)	(24,005,332)

29 CONSTRUCTION CONTRACTS

	Group	
	2004 RM	2003 RM
Aggregate costs incurred to date	346,054,191	217,000,495
Add: Estimated attributable profits	31,352,892	20,199,498
Less: Recognised losses	(4,415,928)	(1,402,571)
	372,991,155	235,797,422
Less: Progress billings	(378,572,245)	(245,651,694)
	(5,581,090)	(9,854,272)
Represented by:		
Amounts due from customers on contracts (Note 20)	9,515,517	6,925,932
Amounts due to customers on contracts (Note 22)	(15,096,607)	(16,780,204)
	(5,581,090)	(9,854,272)
Retention sum on contracts	20,353,090	13,503,083

30 CONTINGENT LIABILITIES

	Group		Company	
	2004 RM	2003 RM	2004 RM	2003 RM
Unsecured				
Corporate guarantees for borrowings granted to third parties	37,213,488	38,735,545	37,213,488	38,735,545
Corporate guarantees for borrowings/trade credits granted to subsidiaries	-	-	62,111,920	62,741,319
	37,213,488	38,735,545	99,325,408	101,476,864
Secured				
Corporate guarantees for borrowing facilities granted by financial institutions to subsidiaries	-	-	5,437,467	2,118,088
	37,213,488	38,735,545	104,762,875	103,594,952

Guarantees for borrowings granted to third parties are in respect of the corporate guarantee on credit facilities granted to a land owner/developer for the development of a project undertaken by the subsidiaries. In the opinion of the Directors, these corporate guarantees have not become enforceable.

31 SIGNIFICANT RELATED PARTY DISCLOSURES

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. The related party transactions described below were carried out on terms and conditions obtainable in transactions with unrelated parties unless otherwise stated.

(a) Intercompany transactions

	Company	
	2004 RM	2003 RM
Interest income receivable from subsidiaries		
- BCB Construction Sdn. Bhd.	817,156	1,322,805
- Johbase Development Sdn. Bhd.	233,626	273,055
Progress billings from subsidiaries		
- BCB Concrete Sdn. Bhd.	-	5,207
- BCB Construction Sdn. Bhd.	56,972,414	29,598,303
- BCB Road Builder Sdn. Bhd.	2,405,943	1,596,022
Purchase of goods from subsidiaries:		
- BCB Trading Sdn. Bhd.	592,167	884,032
- BCB Furniture Sdn. Bhd.	8,041	31,972
- BCB Greens Sdn. Bhd.	225,075	201,472
Management fee receivable from subsidiaries:		
- BCB Concrete Sdn. Bhd.	96,000	4,200
- BCB Construction Sdn. Bhd.	840,000	456,000
- BCB Greens Sdn. Bhd.	48,000	28,800
- BCB Resources Sdn. Bhd.	360,000	18,000
- BCB Trading Sdn. Bhd.	180,000	45,000
- BCB Road Builder Sdn. Bhd.	96,000	21,000
- Johbase Development Sdn. Bhd.	240,000	174,000
(b) Project management services to:		
- Marvel Plus Development Sdn. Bhd. ("MPD")	177,394	-

MPD is a related party by virtue of the major shareholding and directorships of Datin Lim Sui Yong and Tan Vin Sern who are the spouse and son respectively of Dato' Tan Seng Leong, a Director of the Company.

(c) Share options granted to Directors

The options over ordinary shares of the Company granted pursuant to the Company's ESOS to certain Directors of the Company which remained unexercised were as follows:

	Number of unexercised options as at 30.06.2004
Dato' Tan Seng Leong	500,000
Tan Seng Hong	500,000
Tan Lay Hiang	500,000
Tan Lay Kim	500,000

32 SEGMENTAL REPORTING

The Group is organised into the following three main business segments:

- Properties development and management activities
- Construction and related activities

Others comprise hotel operations, manufacturing of furniture and trading of building material.

Intersegment sales comprise mainly:

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

Primary reporting format – business segments

Group 2004

	Properties development and management activities	Construction and related activities	Others	Elimination	Total
Revenue					
External sales	146,189,209	35,447,278	20,681,473	-	202,317,960
Inter-segment sales	76,717	115,728,758	24,079,202	(139,884,677)	-
Total revenue	146,265,926	151,176,036	44,760,675	(139,884,677)	202,317,960
Results					
Segment results	18,151,988	4,577,102	2,750,340		25,479,430
Unallocated expenses					(1,957,629)
Profit from operations					23,521,801
Finance cost					(6,336,889)
Profit from ordinary activities before tax					17,184,912
Tax					(7,719,299)
Net profit for the financial year					9,465,613
Other information					
Segment assets	441,222,775	73,485,240	6,181,106		520,889,121
Unallocated corporate assets					28,177
Consolidated total assets					520,917,298
Segment liabilities	16,680,782	42,918,808	5,953,138		65,552,728
Unallocated corporate liabilities					160,837,097
Consolidated total liabilities					226,389,825
Capital expenditure	237,197	827,934	167,269		1,232,400
Depreciation	1,487,548	1,239,684	1,040,364		3,767,596
Amortisation					-
Non cash items other than depreciation and amortisation	210,693	(126,762)	10,880		94,811

32 SEGMENTAL REPORTING (CONT'D)

Primary reporting format – business segments (Cont'd)

Group 2003

	Properties development and management activities	Construction and related activities	Others	Elimination	Total
Revenue					
External sales	91,537,648	12,892,756	13,861,883	-	118,292,287
Inter-segment sales	896,408	69,021,154	9,912,314	(79,829,876)	-
Total revenue	92,434,056	81,913,910	23,774,197	(79,829,876)	118,292,287
Results					
Segment results (external)	10,196,501	4,826,605	(865,782)		14,157,324
Unallocated expenses					(2,041,803)
Profit from operations					12,115,521
Finance cost					(6,749,712)
Profit from ordinary activities before tax					5,365,809
Tax					(2,984,195)
Net profit for the financial year					2,381,614
Other information					
Segment assets	442,363,207	65,224,454	5,120,185		512,707,846
Unallocated corporate assets					150,327
Consolidated total assets					512,858,173
Segment liabilities	43,696,955	31,046,919	5,224,091		79,967,965
Unallocated corporate liabilities					147,675,129
Consolidated total liabilities					227,643,094
Capital expenditure	979,796	1,261,493	-		2,241,289
Depreciation	1,842,479	1,205,743	1,084,421		4,132,643
Amortisation					-
Non cash items other than depreciation and amortisation	1,318,178	(60,090)	813,966		2,072,054

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

33 FAIR VALUE

The carrying amount of financial assets and liabilities with maturity of less than one year are assumed to approximate their fair value.

34 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

On 12 August 2003, the Company subscribed for an additional 3,000,000 ordinary shares of RM1.00 each of BCB Furniture Sdn Bhd by way of capitalising amount due from BCB Furniture Sdn Bhd of RM3,000,000. BCB Furniture Sdn Bhd is a wholly-owned subsidiary of the Company.

35 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 21 October 2004.

Shareholdings Statistics

as at 20 October 2004

Authorised share capital	:	RM500,000,000
Issued and paid-up capital	:	RM206,250,000
Type of shares	:	Ordinary shares of RM1.00 each
Voting rights	:	One vote per ordinary share

Analysis of Shareholdings By Range Groups

	No. of Shares	% Over Total Shares	No. of Holders	% Over Total Shareholders
Less than 1,000	645,919	0.31	695	11.21
1,001 to 10,000	17,939,000	8.70	4,628	74.63
10,001 to 100,000	19,809,800	9.60	787	12.69
100,001 to less than 5% of issued shares	112,195,781	54.40	87	1.40
5% and above of issued shares	55,659,500	26.99	4	0.07
Company Total	206,250,000	100.00	6,201	100.00

List of Thirty Largest Shareholders as at 20 October 2004 (as per Record of Depositors)

Name	No. of Shares Held	%
1. HLG Nominee (Asing) Sdn Bhd Commerzbank (SEA) Ltd for Puncak Angkasa Sdn Bhd	19,054,500	9.24
2. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged securities account for Dato' Tan Seng Leong	14,310,000	6.94
3. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged securities account for Dato' Tan Seng Leong	11,328,000	5.49
4. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged securities account for Dato' Tan Seng Leong	10,967,000	5.32
5. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged securities account for Dato' Tan Seng Leong	9,855,000	4.78
6. EB Nominees (Tempatan) Sendirian Berhad Pledged securities account for Lai Chee Hoong	5,316,000	2.58
7. HDM Nominees (Tempatan) Sdn Bhd Pledged securities account for Soh Jin Chai	5,113,900	2.48
8. HDM Nominees (Tempatan) Sdn Bhd Pledged securities account for Lim Key Siew	4,421,300	2.14
9. SFB Nominees (Tempatan) Sdn Bhd Pledged securities account for Abdul Manap Bin Hussain	4,095,000	1.99
10. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged securities account for Abdul Manap Bin Hussain	3,814,500	1.85
11. Mayban Nominees (Tempatan) Sdn Bhd Pledged securities account for Dato' Tan Seng Leong	3,750,000	1.82
12. Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged securities account for Haven Venture Sdn Bhd	3,477,600	1.69
13. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged securities account for Tan Lay Kim	3,180,000	1.54
14. EB Nominees (Tempatan) Sendirian Berhad Pledged securities account for Dato' Tan Seng Leong	3,078,000	1.49
15. SFB Nominees (Tempatan) Sdn Bhd Pledged securities account for Abdul Manap Bin Hussain	3,060,000	1.48

List of Thirty Largest Shareholders as at 20 October 2004 (as per Record of Depositors) (Cont'd)

Name	No. of Shares Held	%
16. Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged securities account for Lai Chee Hoong	2,765,200	1.34
17. Mayfin Nominees (Tempatan) Sdn Bhd Pledged securities account for Dato' Tan Seng Leong	2,410,500	1.17
18. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged securities account for Tan Seng Hoo	2,285,000	1.11
19. HLG Nominee (Asing) Sdn Bhd Commerzbank (Sea) Ltd for Brookvale Sdn Bhd	2,250,000	1.09
20. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged securities account for Wong Sek Hin	2,250,000	1.09
21. Armedius Sdn Bhd	2,186,500	1.06
22. HDM Nominees (Tempatan) Sdn Bhd Pledged securities account for Wan Mee Choo	2,136,300	1.04
23. Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged securities account for Lasercoin (M) Sdn Bhd	2,105,200	1.02
24. Matrix International Berhad	2,085,800	1.01
25. Mayban Nominees (Tempatan) Sdn Bhd Pledged securities account for Hon Lai Yin	1,971,000	0.96
26. Malaysia Nominees (Tempatan) Sendirian Berhad Pledged securities account for Tan Lay Kim	1,920,000	0.93
27. Southern Investment Bank Bhd Kumpulan Wang Simpanan Pekerja for Dato' Tan Seng Leong	1,839,200	0.89
28. Mayban Nominees (Tempatan) Sdn Bhd Pledged securities account for Dato' Tan Seng Leong	1,784,000	0.86
29. RHB Nominees (Tempatan) Sendirian Berhad RHB Asset Management Sdn Bhd for Dato' Tan Seng Leong	1,764,300	0.86
30. Malaysia Nominees (Tempatan) Sdn Bhd Pledged securities account for Tan Seng Hoo	1,665,000	0.81
Total Share	136,238,800	66.06

Substantial Shareholders as at 20 October 2004 (as per Register of Substantial Shareholders)

Name of Substantial Shareholders	No. of Shares Held		% of Issued Share Capital	
	Direct	Indirect	Direct	Indirect
1. Dato' Tan Seng Leong	65,325,500	*131,000	31.78	0.06
2. Puncak Angkasa Sdn Bhd	24,326,800	-	11.83	-
3. Abdul Manap Bin Hussain	11,794,500	-	5.74	-
4. Abdul Halim Bin Hj Hassan	-	#24,326,800	-	11.83

Notes:

* Deemed interest by virtue of his spouse, Datin Lim Sui Yong's shareholding in the Company.

Deemed interest by virtue of his directorship and substantial shareholding in Puncak Angkasa Sdn Bhd.

Directors' Shareholdings as at 20 October 2004 (as per Register of Directors' Shareholdings)

Shareholdings in the name of the Director	Number of ordinary shares of RM1.00 each			
	Direct	%	Indirect	%
1. Dato' Tan Seng Leong	65,325,500	31.78	*131,000	0.06
2. Tan Lay Kim	6,875,700	3.34	-	-
3. Tan Seng Hong	2,297,800	1.12	#1,971,000	0.96
4. Tan Lay Hiang	491,100	0.24	-	-

	Number of ordinary shares of RM1.00 each under ESOS Option	
	Direct	Indirect
1. Dato' Tan Seng Leong	500,000	* 55,000
2. Tan Lay Hiang	500,000	-
3. Tan Lay Kim	500,000	-
4. Tan Seng Hong	500,000	# 40,000

Notes:

* Deemed interest by virtue of his spouse, Datin Lim Sui Yong's shareholding in the Company.

Deemed interest by virtue of his spouse, Hon Lai Yin's shareholding in the Company.

List of Landed Properties

The details of the BCB Group's properties as at 30 June 2004 are as follows:

Location	Descriptions	Tenure	Age of building	Size (acre)	Net Book Value/Cost as at 30 June 2004 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)	9 years	0.35	31,797	15.01.2000 *
PTB 8370 No. 20, Jalan Bakawali, 86000 Kluang, Johor.	A basement and 4 storey shopping complex	Leasehold (expiring 10.11.2093)	9 years	0.23	18,762	15.01.2000 *
PTD 32927 - 32930 70, 72, 74, 76, Jalan Intan 3, Taman Intan, 86000 Kluang, Johor.	4 units double storey shop house	Freehold	11 years	0.15	720	15.01.2000 *
PTD 49840 No. 1, Jalan 6, Taman Sri Kluang, 86000 Kluang, Johor.	Single storey hypermarket	Freehold	6 years	1.44	4,165	24.06.1998
PTD 49657 - 49667 No. 54-56, Jalan 2, PTD 49770 - 49780 No. 49-59, Jalan 2, Taman Sri Kluang, 86000 Kluang, Johor.	22 units shop / badminton hall	Freehold	6 years	0.84	2,823	27.06.1998
PTD 50047 - 50049 No. 29-33, Jalan 20, Taman Sri Kluang, 86000 Kluang, Johor.	3 units industry factory	Freehold	4.5 years	3.29	4,594	12.01.2000
Lot 6806 & 6808 Mukim of Kluang District of Kluang, Johor.	Being developed as Taman Sri Kluang	Freehold	N/A	67.05	19,117	12.01.1996
Lot 276 Mukim of Kluang District of Kluang, Johor.	Being developed as Taman Emas II	Freehold	N/A	0.40	78	22.06.1990
Lot 7186, 7187 & 2639 Mukim of Kluang District of Kluang, Johor.	Being developed as Taman Emas III	Freehold	N/A	2.41	695	21.04.1990
Lot 1574 Mukim of Kluang District of Kluang, Johor.	Proposed residential & commercial development	Freehold	N/A	17.97	463	25.01.1991
Lot 4562 Mukim of Kluang District of Kluang, Johor.	Proposed residential development	Freehold	N/A	2.99	622	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	1,100	29.12.1999

Location	Descriptions	Tenure	Age of building	Size (acre)	Net Book Value/Cost as at 30 June 2004 RM'000	Date of acquisition/ revaluation*
BATU PAHAT, JOHOR						
Lot 4091 Mukim of Simpang Kanan, District of Batu Pahat, Johor.	Being developed as Taman Bukit Perdana II	Freehold	N/A	14.19	7,241	07.12.1994
Lot 559, 2954-2959, 2656 & 2660 Mukim of Simpang Kanan, District of Batu Pahat, Johor.	Being developed as Taman Bukit Perdana III	Freehold	N/A	18.54	8,569	07.12.1994
Lot 5297, 5298 & 5299 Mukim Tanjong Sembrong, District of Batu Pahat, Johor.	Being developed as Taman BCB	Freehold	N/A	5.19	2,846	06.07.1999
Lot 2664-2666 Mukim of Simpang Kanan, District of Batu Pahat, Johor.	Proposed residential development	Freehold	N/A	21.04	1,937	27.06.1994
Lot 3131 Mukim of Simpang Kanan, District of Batu Pahat, Johor.	Proposed residential development	Freehold	N/A	4.05	220	06.09.1994
Lot 823 & 6606 Mukim of Sri Gading, District of Batu Pahat, Johor.	Being developed as Taman Bunga Cempaka Biru	Freehold	N/A	9.29	2,345	12.08.1994
HS (D) 23056-23076, 23081-23087 & 23181 Mukim of Simpang Kanan, District of Batu Pahat, Johor.	Proposed residential development	Freehold	N/A	72.11	6,282	29.03.2000
Lot 5267 & 7918 Mukim of Simpang Kanan, District of Batu Pahat, Johor.	Proposed residential & commercial development	Freehold	N/A	7.07	1,555	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	358.64	57,847	06.02.2002
PONTIAN, JOHOR						
Lot 4681 Mukim of Pontian District of Pontian, Johor.	Being developed as Taman Megah	Freehold	N/A	61.54	6,753	17.11.1994
SEREMBAN, NEGERI SEMBILAN						
Lot 5527 Mukim of Rantau District of Seremban, Negeri Sembilan	Being developed as Taman Seremban Jaya	Freehold	N/A	21.05	5,300	15.07.1994

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Prime City Hotel, Mars 1, 6th Floor, 20, Jalan Bakawali, 86000 Kluang, Johor Darul Takzim on Thursday, 16 December 2004 at 11.30 a.m. for the following purposes:-

AGENDA

1. To receive and adopt the Statutory Financial Statements for the financial year ended 30 June 2004 together with the Report of the Directors and Auditors thereon. **Resolution 1**
2. To re-elect the following Directors who retire in accordance with the Company's Articles of Association and being eligible, offer themselves for re-election:-
 - (a) Encik Sofian Bin Arshad (Article 105); and **Resolution 2**
 - (b) Encik Ash'ari Bin Ayub (Article 105) **Resolution 3**
3. To approve the payment of the Directors' fees amounting to RM132,000 in respect of the financial year ended 30 June 2004. **Resolution 4**
4. To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 5**

Special Business

5. To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:- **Resolution 6**

Approval for Issuance of new ordinary shares pursuant to Section 132D of Companies Act, 1965

"THAT, subject to the Companies Act 1965, the Articles of Association of the Company and the approvals from Bursa Malaysia Securities Berhad and other relevant government/regulatory authorities, where such approval is necessary, the Directors be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965 to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Board of Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10% of the issued share capital of the Company for the time being AND THAT the Board of Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad."

6. To transact any other business which due notice shall have been given.

BY ORDER OF THE BOARD

YEAP KOK LEONG
Company Secretary

Dated this 24 November 2004

Notes:

1. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorized.
2. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
3. A proxy may but need not be a member of the Company and such a member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. Where a member appoints more than one (1) proxy the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
4. The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power of authority, shall be deposited at the Company's Registered Office at 7th Floor, Plaza BCB (Hotel Tower Block), 20, Jalan Bakawali, 86000 Kluang, Johor not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
5. Explanatory Notes on Special Business
Section 132D of the Companies Act, 1965
Resolution pursuant to Section 132D of the Companies Act 1965. The Ordinary Resolution proposed under item 5, if passed will give the Directors of the Company from the date of the above meeting, authority to allot and issue ordinary shares from the unissued capital of the Company for such purposes as the Directors consider would be in the interest of the Company. The authority will, unless revoked or varied by the Company in General Meeting, expire at the next Annual General Meeting.

Statement Accompanying Notice of Annual General Meeting

Pursuant to Paragraph 8.28(2) of the Bursa Securities Listing Requirements appended hereunder are:-

DIRECTORS STANDING FOR RE-ELECTION

The following Directors are standing for re-election at the Annual General Meeting for the year 2004 of the Company which will be held at Prime City Hotel, Mars 1, 6th Floor, 20, Jalan Bakawali, 86000 Kluang, Johor Darul Takzim on Thursday, 16 December 2004 at 11.30 a.m.

Name of Director	Details of attendance for Board Meeting	Details of Individual Director
Encik Sofian Bin Arshad	Refer to Page 16 of Annual Report	Refer to Page 4 of Annual Report
Encik Ash'ari Bin Ayub	Refer to Page 16 of Annual Report	Refer to Page 4 of Annual Report

Note:

Y. Bhg. Dato' Tan Seng Leong, the Group Managing Director of the Company is not subject to retirement by rotation due to the service agreement between the Company and him was entered into prior to 1st June 2001.

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Form of Proxy

BCB BERHAD (172003-W)

Shareholding represented by Proxy	
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I/We _____

of _____

being a member of BCB Berhad ("the Company"), hereby appoint _____

of _____

or failing him/her _____

or failing him/her the CHAIRMAN OF THE MEETING as my/our proxy, to vote for me/us on my/our behalf at the ANNUAL GENERAL MEETING of the Company to be held at the **Prime City Hotel, Mars 1, 6th Floor, 20, Jalan Bakawali, 86000 Kluang, Johor Darul Takzim on Thursday, 16 December 2004 at 11.30 a.m.** and at any adjournment thereof.

With reference to the agenda set forth in the Notice of Meeting, please indicate with an "X" in the space provided below how you wish your votes to be cast on the ordinary resolution specified. If no specific direction as to the voting is given, the Proxy will vote or abstain at his/her discretion.

RESOLUTION	FOR	AGAINST
No. 1		
No. 2		
No. 3		
No. 4		
No. 5		
No. 6		

Dated this _____ day of _____

Signature/Common Seal of Appointor

Number of shares held

Notes:

- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorized.*
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
- A proxy may but need not be a member of the Company and such a member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. Where a member appoints more than one (1) proxy the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.*
- The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power of authority, shall be deposited at the Company's Registered Office at 7th Floor, Plaza BCB (Hotel Tower Block), 20, Jalan Bakawali, 86000 Kluang, Johor not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.*

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BCB BERHAD (172003-W)

REGISTERED OFFICE:

7TH FLOOR

PLAZA BCB (HOTEL TOWER BLOCK)

NO. 20, JALAN BAKAWALI

86000 KLUANG

JOHOR DARUL TAKZIM

TEL: 607-772 2567 (8 LINES) FAX: 607-772 2108

E-MAIL: bcbhd@bcbhd.com.my