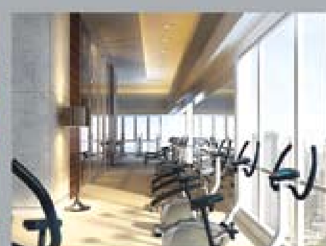
BCB BERHAD (172003-W)

GROWTH & SUSTAINABILITY





BCB BERHAD (172003-W)

Registered Office:
No.4B, 2nd & 3rd Floor, Jalan Sentol,
South Wing - Kluang Parade,
86000 Kluang,
Johor Darul Takzim.
Tel : 607-776 0089 (5 lines) Fax : 607-772 0089

KUALA LUMPUR BRANCH

BCB BERHAD
No.22 & 22-1, Jalan Solaris 5,
Solaris Mont' Kiara,
50480 Kuala Lumpur
Tel : 603-6203 8888 Fax : 603-6203 6060

BCB BERHAD (172003-W)

BCB BERHAD (172003-W)

GROWTH & SUSTAINABILITY

ANNUAL REPORT **2011**

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CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors of BCB Berhad, I am pleased to present this Annual Report and Financial Statements of BCB Berhad for the financial year ended 30 June 2011.

Overview

The Malaysian economy is expected to grow between 4.5% and 6% in 2011, lower than in 2010 (7.0%). The growth is expected to be fuelled by strong domestic demand and enhanced by strong economic fundamentals.

Recovering from the global financial crisis, the property market registered an improved performance in the first half of 2011, following the strong growth of the Malaysian economy. The government's imposed plans to encourage home ownership had also materially boosted growth in this sector.

Moving forward, with the unveiling of Budget 2012, the property market in Malaysia is expected to continue registering growth in 2012. It will be driven by attractive interest rate and higher confidence among home buyers despite intermittent rumblings in the global financial market (experienced again in the second half of 2011), a generally higher operating cost environment and shortages of skilled labour.

On 11 March 2011, the Group acquired 151.28 acres of leasehold land adjacent to Kota Kemuning, a niche area in the Klang Valley for RM108.0 million. With this acquisition, the Group has established a strong presence in the Klang Valley.

Financial Review

The Group posted a turnover of RM118.560 million compared with RM91.073 million achieved in the previous year. Group profit before tax increased to RM9.910 million compared with RM3.625 million achieved in the previous year while Group profit after tax increased to RM5.981 million compared with RM2.121 million achieved in the previous year.

Review of Operations

(A) Property Development

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

New development phases in the Group's flagship development projects in Batu Pahat, Johor - Taman Bukit Perdana, Evergreen Heights and Bandar Putera Indah continued to generate interest from home buyers.

These three townships are strategically sited close to public amenities and they continued to provide value to home buyers in terms of better/attractive designs, quality finishes, superb landscaping, excellent infrastructures, and competitive pricing.

The Group intends to launch its three projects in the Klang Valley in the next few months and expects them to contribute generously to the Group's earnings in the near term.

Batu Pahat

a) Taman Bukit Perdana

This 330 acres mixed development township is located 1.5km from Batu Pahat town centre and continued to record strong sales during the year.

To date, over 4,000 units have been sold for a total sales value of about RM500 million. As at to-date, this township is almost fully developed.

b) Evergreen Heights

This 400 acres mixed development township is located 8km south of Batu Pahat town centre. It is located next to the 18-hole Bukit Banang Golf and Country Club and is distinct as it emphasizes quality living set amidst natural surroundings.

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

To date, over 1,000 units have been sold for a total sales value of about RM250 million. This township is currently 70% developed with another 150 acres of undeveloped land. We are confident that future launches and sales at this township will continue to appeal and attract strong demand given the wide range of amenities, facilities and infrastructure already put in place or due to be put in place in the next few years.

c) Bandar Putera Indah

This 390 acre mixed development township is located in the vicinity of Tongkang Pecah, about 11km north-east of Batu Pahat town centre.

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

Since its maiden launching this year, the take-up rate has been very encouraging with 20 acres of land in various stages of development being developed. We are confident of its future contribution to the Group's earnings.

Klang Valley

a) Taman Yarl, Kuala Lumpur

The Group recently obtained the development order from the authorities to construct 3 units of high-end 3 and 4 storey bungalows. Launching is expected in the coming months.

b) Mont Kiara, Kuala Lumpur

The development order to construct 352 units of high-end condominiums near Solaris Mont' Kiara was recently issued by the authorities.
However, the Group is leveraging on a recent change in laws permitting a higher building density in the area. Subsequent to this, the number of units will be increased by 88 to 440 units.

The Group had since submitted a revised layout plan incorporating these additional 88 units to the relevant authorities for their approval.

The new revised 440 units of high-end condominiums will have a Gross Development Value (GDV) of about RM625.0 million and is targeting for launching in the coming months and completion in 3 years time.

c) Adjacent to Kota Kemuning, Selangor

A new layout comprising 532 units of high-end bungalows and 50 units of shop houses was submitted to the relevant authorities for their approval.

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

The whole development project will have a GDV of about RM1.3billion and is targeted for launching in the coming months and completion in about 4 years time.

Others

Existing developments which have not been fully launched are as follows:
- Taman Sri Kluang (Kluang, Johor)
- Taman Berlian Biru II (Kluang, Johor)
- Taman Megah (Pontian, Johor)

Project Management

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

a) Taman Pulai Utama

This 500 acres township is located in the vicinity of Skudai town, about 2 km from Universiti Teknologi Malaysia and Pulai Springs Golf and Country Club. It is served by a shopping mall, U-mall, with Giant hypermarket being the anchor tenant. The shopping mall also has restaurants, retail lots and a Cineplex.

b) Taman Saujana

This 250 acres township is the first in Kluang town to offer a residential gated security concept to home buyers. A sophisticated security system involving Touch Card access and perimeter fencing are featured for the higher-end products of this township.

(B) Construction

The Group's construction division continued to be the main contractor for the Group's various development projects. Consolidated revenue of this division was RM 7.490 million during the financial year. Its main objective is to assist the Group in ensuring timely delivery of quality products at competitive pricing.

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

(C) Hotel

The Group's Prime City Hotel, a 126 room hotel located in the heart of Kluang has maintained its market position as the town's main avenue for the hosting of business and social functions. Sales of this division were RM 8,705 million during the financial year.

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

As at the date of this report, the Group is planning to set up a new boutique hotel beside Prime City Hotel to capitalize on the budget travelling group.

CORPORATE DEVELOPMENTS

Share Buy Back

During the financial year, 1,487,000 ordinary shares were bought back from the open market for RM813,700 or an average price of RM0.55 per share. As at 30 June 2011, 6,009,600 ordinary shares have been bought back and retained as treasury shares in the company.

Purchase of Land

Strengthening its presence in the Klang Valley, BCB Berhad had on 11 March 2011 entered into a sale and purchase agreement ("SPA") with TPPT Sdn Bhd to acquire 2 parcels of leasehold land collectively measuring 151.28 acres in Section 31, Shah Alam, Selangor for RM108,000,000. The said land is located adjacent to the vibrant Kota Kemuning township.

On 25 August 2011, the Group had consummated the SPA.

This new land acquisitions in niche areas in the Klang Valley is part of the Group's strategy to tap into the robust and lucrative market in Klang Valley where take-up rates for high-end developments are faster and with better margins.

Joint Venture

On 2 August 2011, BCB Berhad had entered into a joint venture agreement with Land Shine Limited, a company with affiliations to a prominent property developer in Xiamen, China to jointly develop the newly acquired 151.28 acres land ("the land") in the vicinity of Kota Kemuning.

The land was transferred from BCB Berhad into BCB Development Sdn Bhd, which will undertake the development, with BCB Berhad holding 70% equity and Land Shine Limited the remainder in the joint venture entity.

Acquisition of Company

BCB Berhad had on 18 April 2011 entered into a debt settlement agreement with Global Earnest Sdn Bhd ("GE") to settle an amount of RM39,008,329.48 owing by GE to the Group.

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

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

The corporate exercise involved the conversion of RM39,000,000.00 into shares in GE while RM8,329.48 was paid via cash.

On 29 August 2011, the corporate exercise was deemed completed and GE officially became a subsidiary of BCB Berhad which has an equity interest of 86.19% in it.

The "acquisition" of GE was strategic as:

(i) It enabled the Group to fully recover the amount owing by GE;

(ii) Resulted in the Group having approximately 86.19% equity interest in another property development company which owns two main assets as detailed above;

(iii) Pending the sale of the unsold shop lots of the U-Mall at the opportune time, the Group would be able to derive rental income from the tenanted lots immediately and potential rental income for the remaining currently untenanted shop lots.

In summary, the assets of GE fit into the core business of the Group and are expected to further enhance the Group's future earnings which in turn are expected to contribute positively to the future financial performance of the Group.

Appointment and Resignation of Directors

On 30 June 2010 and 23 August 2010, both En. Sofian Bin Arshad and En. Syed Abdullah Bin A Hamid tendered their resignations respectively. Prior to this they were both Independent and Non-Executive Directors of the Company. They were also members of the Audit Committee.

Subsequently, on 23 August 2010, En. M Arif Bin Kataman was appointed an Independent and Non-Executive Director of the Company. He was also made a member of the Audit Committee.

On 24 August 2010, Tunku Zabedah Aminah Maimunah Iskandariah tendered her resignation as an Independent and Non-Executive Director of the Company.

The Management wishes to thank all the three resigned Independent Directors who have served the Board well and extend a warm welcome to En. M Arif Bin Kataman.

Change of Auditors

During the previous company Annual General Meeting held on 8 December 2010, Messrs PricewaterhouseCoopers resigned as the external auditors for the Group. They were replaced by Messrs BDO.

The internal audit function for the Group was taken up by Messrs TT Governance Sdn Bhd, an experienced firm with wide international exposure.

New Bank Loans

On 14 January 2011, BCB Berhad obtained a RM50.0 million working capital loan from Malayan Banking Berhad.

On 22 August 2011, BCB Development Sdn Bhd obtained a RM75.6 million Term Loan from United Overseas Bank (Malaysia) Bhd to part-finance the purchase of 151.28 acres of leasehold land adjacent to Kota Kemuning Township in Shah Alam, Selangor.

On 25 August 2011, the Group had drawn down on the term loan to fully consummate the sale and purchase agreement.

Besides this, the bank had also granted BCB Development Sdn Bhd a combination of term loan and bridging loan facilities totaling an additional RM140.6 million for construction of 532 units of high-end bungalows and 50 units of shop houses on the said land.

CHAIRMAN'S STATEMENT (Cont'd)

Prospects

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

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

In the next few months, the Group will facilitate launching and development in more strategically located areas such as in the Klang Valley to increase its sales and market share. The Group is optimistic that these project as well as existing ones will contribute positively to its earnings.

Appreciation

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

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

DATUK SERI ISMAIL BIN YUSOF
Chairman

Corporate Social Responsibility

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

Environment

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

Community

- Over the years, the Group has heeded the Government's call to build more affordable housing for the people. This is reflected in its townships which are all mixed development in nature, thus catering to all income groups.
- The Group also looks after the welfare of its home buyers by ensuring its flagship townships of Bandar Putera Perdana, Evergreen Heights and Bandar Putera Indah have adequate greens, proper landscaping and spacious recreational parks with facilities for family recreation and relaxation.
- During the year, the group made donations totaling RM85,890.00 to various schools and charitable causes in sports, cultural and social welfare activities.

Workplace

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

FIVE YEARS FINANCIAL HIGHLIGHTS

Consolidated Balance Sheets as at 30 June of the financial year

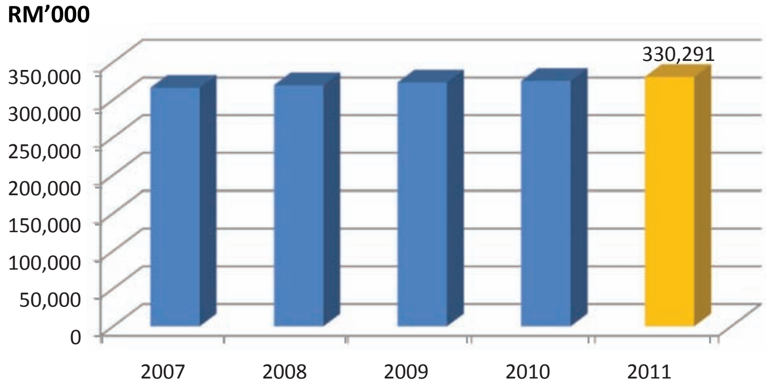
	2007# RM'000	2008 RM'000	2009 RM'000	2010@ RM'000	2011 RM'000
Share Capital	206,250	206,250	206,250	206,250	206,250
Treasury Shares	(2,239)	(2,251)	(2,252)	(2,299)	(3,113)
Non-Distributable Reserve	6,509	6,719	6,744	6,769	6,788
Retained Earnings	105,381	108,658	112,264	114,384	120,366
Shareholders' Equity	315,901	319,376	323,006	325,104	330,291
Represented by:					
Property, Plant and Equipment	49,404	49,132	48,680	51,659	51,621
Investment Properties	19,483	19,483	27,417	27,417	27,417
Land Held for Development	55,229	61,501	61,880	106,856	113,423
Other Non-Current Assets	3,128	3,092	3,056	-	118
Current Asset	361,413	339,878	313,157	301,497	371,870
Current Liabilities	(125,763)	(114,147)	(103,248)	(88,037)	(126,306)
	235,650	225,731	209,909	213,460	245,564
Non Current Liabilities	(46,993)	(39,563)	(27,936)	74,288	107,852
	315,901	319,376	323,006	325,104	330,291
Total Assets	488,657	473,086	454,190	487,429	564,449
Number of Ordinary Shares of RM1.00 in Issue ('000)	206,250	206,250	206,250	206,250	206,250
Net Assets Per Share (RM)	1.53	1.55	1.57	1.58	2.74

@ Restated upon adoption of FRS 117 - Leases on 1 July 2010

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

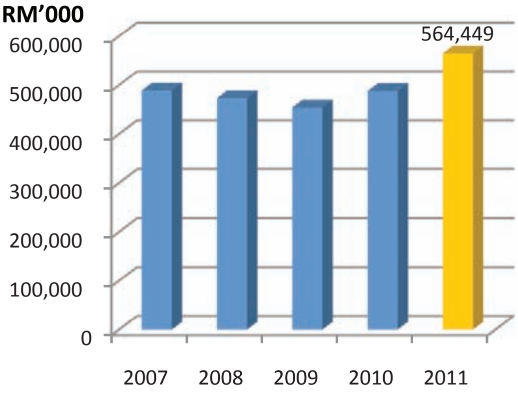
Shareholders' Equity

RM'000



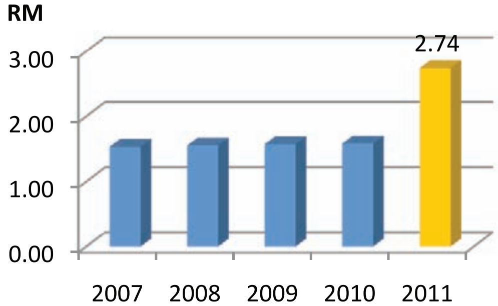
Total Assets

RM'000



Net Assets Per Share

RM



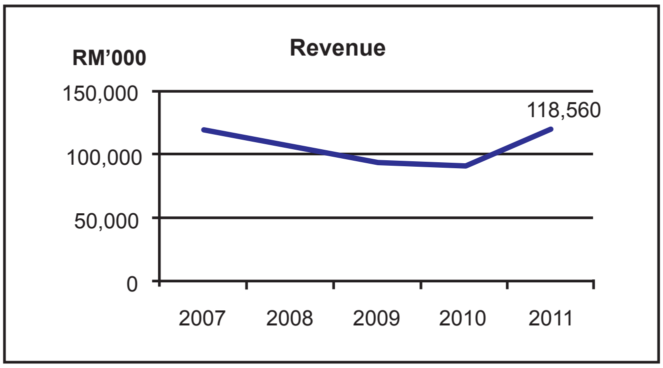
FIVE YEARS FINANCIAL HIGHLIGHTS (Cont'd)

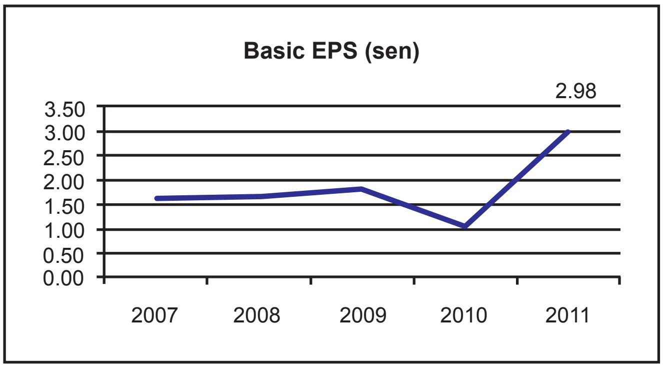
Consolidated Income Statements as at 30 June of the financial year

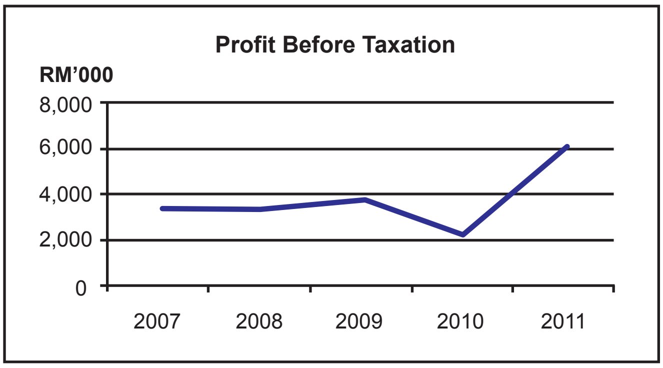
	2007# RM'000	2008 RM'000	2009 RM'000	2010@ RM'000	2011 RM'000
Revenue	120,099	108,211	93,079	91,074	118,560
Profit Before Charging Depreciation and Interest Expenses	13,555	16,143	14,834	11,314	19,532
Depreciation	(2,183)	(1,905)	(2,028)	(1,883)	(2,041)
Interest Expenses	(6,624)	(7,182)	(6,650)	(5,806)	(7,580)
Profit Before Taxation	4,748	7,056	6,156	3,625	9,911
Taxation	(1,478)	(3,779)	(2,551)	(1,504)	(3,929)
Profit After Taxation	3,270	3,277	3,605	2,121	5,982
Adjusted Weighted Average Number of Shares in Issue	201,887	201,878	201,860	201,847	201,058
Basic EPS (sen)	1.62	1.62	1.79	1.05	2.98
Dividend Rate	-	-	-	-	-

@ Restated upon adoption of FRS 117 - Leases on 1 July 2010

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







CORPORATE INFORMATION

Board of Directors

Datuk Seri Ismail Bin Yusof
Chairman
Independent Non-Executive Director

Dato' Tan Seng Leong
Group Managing Director

Tan Lay Kim
Executive Director

Tan Lay Hiang
Executive Director

Tan Lindy
Executive Director

Tan Vin Sern
Executive Director

Ash'ari Bin Ayub
Independent Non-Executive Director

M Arif Bin Kataman
Independent Non-Executive Director

Audit Committee

Datuk Seri Ismail Bin Yusof
Chairman

Ash'ari Bin Ayub
Member

M Arif Bin Kataman
Member

Nomination & Remuneration Committee

Ash'ari Bin Ayub
Chairman

Datuk Seri Ismail Bin Yusof
Member

M Arif Bin Kataman
Member

Company Secretaries

Yeap Kok Leong, ACIS
(MAICSA No. 0862549)

Tan Bee Hwee, ACIS
(MAICSA No. 7021024)

Auditors

BDO (AF0206)
Suite 18-04 Level 18 Menara MAA
15 Jalan Dato' Abdullah Tahir
80300 Johor Bahru
Johor Darul Takzim
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Fax: 07-331 9817

Registered Office

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South Wing - Kluang Parade
86000 Kluang, Johor
Tel: 07-776 0089 (5 lines)
Fax: 07-772 0089

Share Registrar

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

Principal Bankers

Malayan Banking Berhad

United Overseas Bank (Malaysia) Bhd

Public Bank Berhad

OCBC Bank (Malaysia) Berhad

AmBank (M) Berhad

Stock Exchange Listing

Main Market of Bursa Malaysia
Securities Berhad
Stock Number: BCB 6602

CORPORATE STRUCTURE

BCB BERHAD (172003-W)

INVESTMENT HOLDING, PROPERTY DEVELOPMENT AND HOTEL OPERATIONS

PROPERTY

100%
Johbase Development Sdn Bhd
Property development and letting of properties

100%
BCB Land Sdn Bhd
Property development

100%
BCB Resources Sdn Bhd
Property development

100%
BCB Management Sdn Bhd
Project management services

CONSTRUCTION

100%
BCB Construction Sdn Bhd
Project construction services

100%
BCB Concrete Sdn Bhd
Manufacturing of concrete products

100%
BCB Road Builder Sdn Bhd
Road construction services

100%
BCB Trading Sdn Bhd
Trading of building materials

OTHERS

100%
BCB Furniture Sdn Bhd

70%
BCB Development Sdn Bhd

100%
BCB Greens Sdn Bhd

100%
BCB Technologies Sdn Bhd

100%
Luna Starcity Sdn Bhd

100%
Laser Lagun Sdn Bhd

86.19%
Global Earnest Sdn Bhd

BOARD OF DIRECTORS' PROFILES

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

Datuk Seri Ismail Bin Yusof, aged 67, a Malaysian, was appointed to the Board on 14 July 1998. He is the Chairman of BCB Berhad (BCB). He holds a Bachelor of Arts (Hons) from University of Malaya. He was previously Secretary of The Federal Territory Development Division in the Prime Minister's Department. He also holds non-executive directorships in Minho (M) Berhad, South Malaysia Industries Berhad and Utusan Melayu (Malaysia) Berhad. He attended five (5) of five (5) Board Meetings held in the financial year ended 30 June 2011.

DATO' TAN SENG LEONG
Group Managing Director

Dato' Tan Seng Leong, aged 55, a Malaysian, was appointed to the Board on 9 November 1988. He is the Group Managing Director. He is the founder of BCB. He is also a director of BCB's subsidiaries and several private companies. He is an entrepreneur with considerable experience in the property development industry, particularly in the State of Johor.

He is deemed in conflict of interest with the Company by virtue of his interests and directorships in certain privately-owned companies which are also involved in property development and related activities. However, these privately-owned companies are not in direct competition with the business of the Company due to the different market segment and / or locality of developments.

Except for his deemed interests as disclosed under Statement of Corporate Governance of this Annual Report, there are no other business arrangements with the Company in which he has personal interests. He attended five (5) of five (5) Board Meetings held in the financial year ended 30 June 2011.

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

Encik Ash'ari Bin Ayub, aged 69, a Malaysian, was appointed to the Board on 16 May 2001. He is a member of the Malaysian Institute of Accountants (MIA) and the Malaysian Institute of Certified Public Accountants (MICPA). He was previously a Senior Partner of Coopers & Lybrand, Kuala Lumpur (now known as PricewaterhouseCoopers). He also holds non-executive directorships in AV Ventures Corporation Berhad, Metrod (Malaysia) Berhad and Ranhill Utilities Berhad. He attended five (5) of five (5) Board Meetings held in the financial year ended 30 June 2011.

TAN LAY KIM
Executive Director

Ms Tan Lay Kim, aged 49, a Malaysian, was appointed to the Board on 9 November 1988. She is responsible for the daily management and operations of BCB's Prime City Hotel in Kluang. She also holds directorships in BCB's subsidiaries. She attended four (4) of five (5) Board Meetings held in the financial year ended 30 June 2011.

TAN LAY HIANG
Executive Director

Ms Tan Lay Hiang, aged 43, a Malaysian, was appointed to the Board on 16 July 1994. She manages the sales, marketing and conveyancing aspects of BCB's property development projects. Prior to joining BCB in 1989, she was attached to several other property development firms in Kluang. She also holds directorships in BCB's subsidiaries. She attended three (3) of five (5) Board Meetings held in the financial year ended 30 June 2011.

TAN LINDY
Executive Director

Ms Tan Lindy, aged 27, a Malaysian, was appointed to the Board on 22 May 2008. She is with BCB since 2005 and is responsible for business development, marketing and conveyancing for the Group. She holds a Bachelor of Commerce (Accounting & Finance) from University of Melbourne, Australia. She also holds directorships in BCB's subsidiaries. She attended four (4) of five (5) Board Meetings held in the financial year ended 30 June 2011.

TAN VIN SERN
Executive Director

Mr Tan Vin Sern, aged 28, a Malaysian, was appointed to the Board on 25 May 2010 and is responsible for property development of the Group. He is the eldest son of Dato' Tan Seng Leong and holds a Bachelor of Commerce (Accounting & Finance) from University of Melbourne, Australia. He also holds directorships in BCB's subsidiaries. He attended three (5) of five (5) Board Meetings held in the financial year ended 30 June 2011.

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

Encik M Arif Bin Kataman, aged 58, a Malaysian, was appointed to the Board on 23 August 2010. He is currently the Ketua Whip, Ahli Mesyuarat, Majlis Perbandaran Kluang. He was previously with LLN / TNB as an Electrical Engineer for 32 years. During this period, he holds various positions such as Consumer Engineer, Distribution Engineer, Maintenance and Operation Engineer, Senior District Manager, State Project Engineer, Regional Safety and Quantity Engineer, Special Assistant to Chairman TNB and Senior Project Director. He has gathered vast experiences from various positions and departments in LLN / TNB. He attended three (3) of four (4) Board Meetings held in the financial year ended 30 June 2011.

Other Information

- Dato' Tan Seng Leong, Ms Tan Lay Kim and Ms Tan Lay Hiang are siblings.
- Ms Tan Lindy and Mr Tan Vin Sern are the children of Dato' Tan Seng Leong.
- Except as disclosed above, none of the other Directors has any family relationship with any Directors and / or major shareholders of the Company.

Conflict of Interest

None of the other Directors has any conflict of interest with the Company except as disclosed.

Conviction for Offences

None of the Directors have been convicted for any offences within the past ten (10) years.

REPORT OF THE AUDIT COMMITEE

MEMBERS

The Audit Committee comprises the following members:

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

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

M Arif Bin Kataman
(Member / Independent Non-Executive Director)

TERMS OF REFERENCE

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

1) OBJECTIVES

The primary objectives of the Audit Committee are to:

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

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

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

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

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

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

2) COMPOSITION OF AUDIT COMMITTEE

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

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

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

iii) at least one member of the Committee:

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

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

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

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

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

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

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

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

3) MEETING AND REPORTING PROCEDURES

i) Frequency of meetings

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

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

REPORT OF THE AUDIT COMMITEE (Cont'd)

ii) Quorum

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

iii) Secretary

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

iiv) Attendance

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

v) Meeting Procedure

The Committee shall regulate its own procedure, in particular:

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

vi) Reporting Procedure

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

4) AUTHORITY OF THE AUDIT COMMITTEE

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

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

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

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

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

v) authority to obtain independent professional or other advice; andfunction or activity (if any);

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

5) FUNCTIONS OF THE AUDIT COMMITTEE

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

i) To review:

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

- the going concern assumption;
- changes in or implementation of major accounting policy changes;
- significant and unusual events; and
- compliance with the applicable approved accounting standards and other legal and regulatory requirements.

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

(c) With the external auditor:

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

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

iii) In respect of the appointment of external auditors:

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

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

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

iv) In respect of the internal audit function:

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

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

Report of the Audit Commitee (Cont'd)

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

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

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

v) To promptly report such matter to the Bursa Malaysia if the Committee is of the view that the matter reported by it to the Board of Directors has not been satisfactorily resolved resulting in a breach of the Listing Requirements.

vi) To carry out such other functions as may be agreed to by the Committee and the Board of Directors.

6) AUDIT COMMITTEE MEETINGS

The Audit Committee held five (5) meetings during the financial year ended 30 June 2011. Details of the attendance of the meetings by the Committee Members are as follows:

Members	No. of Meetings attended	%
Y. Bhg. Datuk Seri Ismail Bin Yusof	5/5	100
Ash'ari Bin Ayub	5/5	100
M Arif Bin Kataman (Appointed on 23/08/2010)	3/4	75

7) ACTIVITIES UNDERTAKEN BY THE AUDIT COMMITTEE

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

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

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

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

iv) reviewed the external auditors' scope of work and audit plan for the financial year ended 30 June 2011;

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

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

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

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

8) INTERNAL AUDIT FUNCTION

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

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

The Committee is to:

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

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

- Hotel Division – Procurement and Human Resource Deployment
- Development Division – Progress Billings and Receivables (Batu Pahat)

In addition to that, the Internal Audit will also be reviewing procedures for the recurrent related party transactions in the month of October 2011.

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

During the year, the costs incurred for the internal audit function was RM46,000.00.

STATEMENT OF CORPORATE GOVERNANCE

The Board of Directors is committed in ensuring the highest standards of corporate governance are practiced throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholder's value and the financial performance of the Group and the Company.

Set out below is a description on the manner in which the Group has applied the principles and complied with the recommended best practices set out in the Malaysian Code on Corporate Governance (the "Code").

BOARD OF DIRECTORS

Roles and Principal Duties

The Board has overall responsibility for the strategic direction and corporate development of the Group including identifying principal risks and ensuring the implementation of appropriate actions to manage these risks, as well as reviewing the adequacy and integrity of the Group's internal control system and management information system.

Board Committees

The Board has delegated certain responsibilities to the Board Committees, namely Audit Committee, Nomination and Remuneration Committee, all of which operate within their respective defined Terms of Reference. The terms of reference of the Board Committees clearly stated that all the committees have the authority to act on behalf of the Board or to examine a particular issue and report back to the Board with recommendation.

The composition, the terms of reference and activities of the Audit Committee are separately set out on the Audit Committee Report of this Annual Report 2011.

The primary responsibility of the Nomination and Remuneration Committee is to establish formal and transparent procedures for developing and reviewing the remuneration of the Executive Directors.

Board Composition and Balance

The Board currently comprises eight (8) members, of whom three (3) are Independent Non-Executive Directors. The Board has within its members drawn from varied backgrounds; bringing in-depth and diversity in experience and perspectives to the Group's business operations. The Directors' profiles are set out under the section of Profile of Directors contained in this Annual Report.

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

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

Supply of Information

The board has full and unrestricted access to timely and accurate information pertaining to the Group's business and affairs in furtherance of their duties.Prior to each Board Meeting, every director is given an agenda item to be deliberated. The Group Managing Director will lead the presentation of Board Papers and provide comprehensive explanation of pertinent issues. The Board report includes, amongst others, financial and corporation information, significant operational, financial and corporate issues, performance of the Group and management proposals, which requires the approval of the Board. All Directors are entitled to call for additional clarification and information to assist them in matters that required their decision.

Appointments to the Board

The Nomination and Remuneration Committee is responsible for making recommendations for any appointment to the Board. In making these recommendations, the Committee considers the required mix of skills and experience, which the Director (s) brings to the Board. Any new nomination received is put to the full Board for assessment and endorsement.

Board Meetings

The Board meets at least four (4) times a year at quarterly intervals, with additional meetings convened when necessary. In intervals between Board meetings, for matters requiring Board decisions, Board approvals are sought via circular resolutions (DCR) with sufficient information required to make an informed decision. A summary of the DCR approved will be tabled at the following Board meetings for notation.

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

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

All Directors have access to the advice and services of the Company Secretary, who are responsible to the Board for ensuring that the Board procedures are followed and that applicable rules and regulations are complied with. In addition, if need be, they may seek independent advice from external resources at the Company's expense, in furtherance of their duties.

Shown below is the attendance of each Director for the financial year ended 30 June 2011:

Name of Director	Designation	No. of Meetings attended	%
Y. Bhg. Datuk Seri Ismail Bin Yusof	Chairman, Independent Non-Executive Director	5/5	100
Dato' Tan Seng Leong	Group Managing Director	5/5	100
Tan Lay Kim	Executive Director	4/5	80
Tan Lay Hiang	Executive Director	3/5	60
Tan Vin Sern	Executive Director	3/5	60
Tan Lindy	Executive Director	4/5	80
Ash'ari Bin Ayub	Independent Non-Executive Director	5/5	100
M Arif Bin Kataman (Appointed on 23.8.2010)	Independent Non-Executive Director	3/5	75

Directors' Training

All Directors appointed to the Board apart from attending the Mandatory Accreditation Programme ("MAP"), and the Continued Education Programme ("CEP") accredited by Bursa Malaysia Securities Berhad, will continue to undergo other relevant training programmes to keep themselves abreast with the latest developments in the market place and enhance their professionalism in discharging their fiduciary duties to the Company in compliance with paragraph 15.08 of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad. The Board continues to monitor the needs of the Directors' training.

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

Name of Director	
Datuk Seri Ismail Bin Yusof	Board Effectiveness: Redefining the roles & function of an independent director
Dato' Tan Seng Leong	Directors' Power, Duties & Responsibilities Common Offenses under The Companies Act, 1965
Ash'ari Bin Ayub	Assessing the risk and control environment
Tan Lay Kim	Directors' Power, Duties & Responsibilities Common Offenses under The Companies Act, 1965
Tan Lay Hiang	Directors' Power, Duties & Responsibilities Common Offenses under The Companies Act, 1965
Tan Lindy	Corporate Governance Guide: Towards Boardroom Excellence
Tan Vin Sern	Directors' Power, Duties & Responsibilities Common Offenses under The Companies Act, 1965
M Arif Bin Kataman	Mandatory Accreditation Programme (MAP) for Directors of Public Listed Companies

Re-election

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

Y. Bhg. Dato' Tan Seng Leong, Tan Lay Kim and Tan Lindy retire by rotation at the forthcoming Annual General Meeting and, being eligible, offers themselves for re-election.

Nomination & Remuneration Committee

The Committee comprises the following Independent Non-Executive Directors:

En.Ash'ari Bin Ayub (Chairman)
Y. Bhg. Datuk Seri Ismail Bin Yusof
En.M Arif Bin Kataman

The Committee ordinarily meets once a year with additional meetings convened when necessary to make its recommendations on the candidates for any appointments to the Board. In addition, the Committee also assesses the effectiveness of the Board, Board Committees and contributions of each individual Director.

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

DIRECTORS' REMUNERATION

The Nomination and Remuneration Committee recommends to the Board the remuneration structure and incentives for each Executive Director. The Committee has the right to obtain independent consultants' advice and information about remuneration practices elsewhere.

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

The Committee recommends the Directors' fees to the Board for endorsement and subsequent approval, by the shareholders at the Company's Annual General Meeting.

The details of the remuneration for the Directors of the Company, on a group basis, for the financial year ended 30 June 2011 are disclosed under Note 32(i) of the Audited Financial Statements.

The number of Directors whose remuneration falls into each successive band of RM50,000 for the financial year ended 30 June 2011, is disclosed as follows:

	Number of Director	
	Executive	Non-Executive
Range of Remuneration		
RM1 to RM50,000	-	2
RM50,001 to RM100,000	-	1
RM150,001 to RM200,000	4	-
RM1,600,000 to RM1,650,000	1	-

The Board does not consider it appropriate to disclose the remuneration of each individual director so as to preserve a degree of privacy and confidentiality.

RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS

The Board acknowledges the importance of an effective communication channel between the Board, shareholders and the general public. Annual report serves as an important mode as it provides comprehensive information pertaining to the Group. In addition, quarterly result and other significant items affecting the Group are reported to Bursa Malaysia Securities Berhad from time to time.

The Annual General Meeting ("AGM") serves as the principal forum for dialogue with shareholders of the Company. Notice of AGM together with a copy of the Company's Annual Report is sent to shareholders at least 21 days prior to the meeting. At the AGM, the Board presents the performance of the Group and shareholders are encouraged to participate and given opportunity to raise question or seek more information. The questions and concerns raised would serve as feedback to the Group's business and corporate decisions. The notice of AGM will be published in at least one newspaper of national circulation for a wider dissemination of such notice and to encourage greater shareholder participation at general meetings.

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

ACCOUNTABILITY AND AUDIT

Directors' Responsibility for Preparing the Annual Audited Financial Statements

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

In preparing the financial statements, the Directors have:

- Adopted appropriate accounting policies and applied them consistently;
- Made judgments and estimates that are reasonable and prudent;
- Ensured that all applicable approved accounting standards in Malaysia have been followed; and
- Considered the going concern basis used as being appropriate

Financial Reporting

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

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

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

Internal Controls

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

Relationship with the Auditors

An appropriate relationship is maintained with the Group's Auditors through the Audit Committee. The Audit Committee has been accorded the power to communicate directly with both the External and Internal Auditors. From time to time, the External Auditors will bring to the attention of the Audit Committee, any significant deficiency in the Group's system of control.

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

COMPLIANCE TO THE CODE

The Group endeavors, in so far as it is practicable to comply with the Principles and Best Practices

ADDITIONAL COMPLIANCE INFORMATION

To comply with the Listing Requirements, the following additional information is provided:

Share buy-back

Monthly breakdown	No. of shares purchased and retained as Treasury Shares	Lowest (RM)	Highest (RM)	*Average cost per share (RM)	Total consideration paid (RM)
July 2010	361,000	0.350	0.365	0.360	129,852
August 2010	50,000	0.355	0.365	0.362	18,108
September 2010	65,000	0.360	0.370	0.370	24,062
February 2011	1,000	0.540	0.540	0.581	581
April 2011	1,010,000	0.585	0.650	0.635	641,097
	1,487,000			0.547	813,700

* Note: Inclusive of brokerage and other charges.

During the financial year ended 30 June 2011, all the shares purchased by the Company were retained as Treasury Shares. As at 30 June 2011, the cumulative total number of shares held as Treasury Shares was 6,009,600 shares. None of the Treasury Shares were resold or cancelled during the financial year.

Non-audit fees

Other as disclosed, there were no non-audit fees paid to the external auditors, Messrs BDO for the financial year ended 30 June 2011:

Services :-	Amount Paid (RM)
Professional services in respect of review on the Statement of Internal Control	5,000

Material contracts

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests.

Contracts relating to loans

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

Revaluation of landed properties

The Company's revaluation policy is disclosed in Note 4.4 of the Notes to the financial statements.

Utilisation of Proceeds

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

Deviation in Financial Results

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

Profit Guarantee

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

RECURRENT RELATED PARTY TRANSACTIONS ("RRPT")

Details of the transaction with related parties are disclosed in Note 32 to the audited financial statements in this Annual Report.

At the Annual General Meeting of the Company held on 8 December 2010, the Company had obtained the approval of the shareholders' mandate to enter into recurrent related party transactions of a revenue or trading nature with the related parties of the circular to the shareholders dated 16 November 2010, which are necessary for its day-to-day operations and in the ordinary course of its business.

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

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

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

BCB BHD/ Companies within the BCB BHD Group	Related party	Interested parties and nature of vrelationship	Nature of transactions	Value of transactions RM' 000
BCB Construction Sdn Bhd ("BCSB")	Marvel Plus Development Sdn Bhd ("MPD")	Dato' Tan Seng Leong [a] Tan Lindy [b] Tan Lay Hiang [c] Tan Lay Kim [d] Datin Lim Sui Yong [e] Tan Vin Sern [f] Chang Shao-Yu [g]	Building construction services. Hiring of machineries	3,616 314
BCB Road Builder Sdn Bhd ("BRBSB")	Marvel Plus Development Sdn Bhd ("MPD")	Dato' Tan Seng Leong [a] Tan Lindy [b] Tan Lay Hiang [c] Tan Lay Kim [d] Datin Lim Sui Yong [e] Tan Vin Sern [f] Chang Shao-Yu [g]	Road and pavement construction services	127
BCB Construction Sdn Bhd ("BCSB")	Ju-Ichi Enterprise Sdn Bhd ("JIE")	Dato' Tan Seng Leong [a] Tan Lindy [b] Tan Vin Shyan [h]	Building construction services.	1,725
BCB Berhad ("BCB")	Ju-Ichi Enterprise Sdn Bhd ("JIE")	Dato' Tan Seng Leong [a] Tan Lindy [b] Tan Vin Shyan [h]	Office rental Car park maintenance	300 27

Nature of relationships of BCB Group with the Interested Related Parties

[a] Dato' Tan Seng Leong is a director of BCB and a major shareholder of BCB. He is deemed interested in MPD by virtue of his relationship with his spouse and his children, namely Datin Lim Sui Yong and Tan Vin Sern and Tan Lindy. Datin Lim Sui Yong and Tan Vin Sern are the directors and Major Shareholders of MPD;whilst Tan Lindy is the director of MPD. Dato' Tan Seng Leong is also a director of JIE.

[b] Tan Lindy is a director of BCB,BCSB,BRBSB,MPD and JIE. She is the daughter of Dato' Tan Seng Leong and Datin Lim Sui Yong.

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

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

[e] Datin Lim Sui Yong is a major shareholder of BCB and director and major shareholder of MPD.

[f] Tan Vin Sern is the son of Dato' Tan Seng Leong and brother of Tan Lindy. He is a director of BCB, BCSB, BRBSB and also a director and major shareholder of MPD.

[g] Chang Shao-Yu is a director of MPD. He is the spouse of Tan Lindy and son-in-law of Dato' Tan Seng Leong and Datin Lim Sui Yong.

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

Statement of Internal Control

Introduction

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

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

Board Responsibilities

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

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

Risk Management

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

Internal Audit

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

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

Other Key Elements of Internal Control

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

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

Conclusion

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

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

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

Financial Statements

DIRECTORS' REPORT

for the financial year ended 30 June 2011

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2011.

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of investment holding, property development and hotel operations. The principal activities of the subsidiaries are set out in Note 11 to the financial statements.

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 / (Loss) for the financial year attributable to owners of the parent	5,981,733	(1,790,076)

DIVIDENDS

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

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

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

TREASURY SHARES

During the financial year, the Company repurchased 1,487,000 (2010: 132,000) of its issued share capital from the open market on Bursa Malaysia Securities Berhad for RM813,700 (2010: RM47,242). The average price paid for the shares repurchased was RM0.55 (2010: RM0.36) per share. Details of the treasury shares are set out in Note 16 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS

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

Dato' Tan Seng Leong
Tan Lay Kim
Tan Lay Hiang
Tan Lindy
Ash'ari bin Ayub
Datuk Seri Ismail Bin Yusof
Tan Vin Sern
M Arif Bin Kataman

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 30 June 2011 as recorded in the Register of Directors' Shareholding kept by the Company under Section 134 of the Companies Act, 1965 were as follows:

	<------- Number of ordinary shares of RM1.00 each ----->			
	Balance as at			**Balance as at**
Shares in the Company	**1.7.2010**	**Bought**	**Sold**	**30.6.2011**
Direct interests:				
Dato' Tan Seng Leong	63,375,500	-	(340,000)	63,035,500
Tan Lay Kim	5,375,700	-	-	5,375,700
Tan Lay Hiang	491,100	-	-	491,100
Tan Vin Sern	2,534,500	-	-	2,534,500
Indirect interests:				
Dato' Tan Seng Leong	2,665,500	-	-	2,665,500

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

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which the Director has a substantial financial interest except for any benefits which may be deemed to have been derived by virtue of those transactions as disclosed in Note 32 to the financial statements.

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

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

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

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts to be written off and that adequate provision had been made for doubtful debts; and

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

(b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

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

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

(i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent; and

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

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

(d) In the opinion of the Directors:

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

(ii) No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year, which will or may affect the ability of the Group or of the company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

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

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

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

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Significant event during the financial year is disclosed in Note 37 to the financial statements.

AUDITORS

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

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

Dato' Tan Seng Leong
Group Managing Director

Tan Lindy
Executive Director

Kluang
25 October 2011

STATEMENT BY DIRECTORS

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

In the opinion of the Directors, the financial statements set out on pages 29 to 103 have been drawn up in accordance with applicable approved Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2011 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Dato' Tan Seng Leong
Group Managing Director

Tan Lindy
Executive Director

Kluang
25 October 2011

BCB BERHAD

STATUTORY DECLARATION

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

I, Dato' Tan Seng Leong, being the Director primarily responsible for the financial management of BCB Berhad, do solemnly and sincerely declare that the financial statements set out on pages 29 to 103 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly
declared by the abovenamed at
Kluang, Johor on 25 October 2011

Before me: HJ ALEL BIN HJ ARIPEN PJK
NO : J152
COMMISIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

To The Members Of BCB Berhad

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of BCB Berhad, which comprise the statements of financial position as at 30 June 2011 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 29 to 102.

The financial statements of the Group and of the Company as at 30 June 2010 were audited by another firm of chartered accountants whose report dated 28 October 2010 expressed an unqualified opinion on those statements.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements have been properly drawn up in accordance with applicable approved Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2011 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

INDEPENDENT AUDITORS' REPORT(Cont'd)

To The Members Of BCB Berhad (Continued)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

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

OTHER REPORTING RESPONSIBILITIES

The information set out in Note 39 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO
AF: 0206
Chartered Accountants

HIEW KIM LOONG
2858/08/12 (J)
Chartered Accountant

Johor Bahru
25 October 2011

STATEMENTS OF FINANCIAL POSITION

As At 30 June 2011

	Note	Group 2011 RM	Group 2010 (Restated) RM	Company 2011 RM	Company 2010 (Restated) RM
NON-CURRENT ASSETS					
Property, plant and equipment	7	51,621,174	51,659,227	45,805,903	45,569,388
Investment properties	8	27,417,436	27,417,436	18,762,436	18,762,436
Prepaid land lease payment	9	-	-	-	-
Land held for property development	10	113,423,117	106,855,934	12,956,007	8,548,940
Investment in subsidiaries	11	-	-	11,200,010	10,500,012
Deferred tax assets	20	117,600	-	-	-
		192,579,327	185,932,597	88,724,356	83,380,776
CURRENT ASSETS					
Property development costs	12	207,246,420	153,058,797	145,607,039	87,352,232
Inventories	13	39,278,964	46,176,293	13,084,006	20,740,981
Current tax assets		867,775	2,208,337	-	275,824
Trade and other receivables	14	116,216,595	90,906,634	195,434,062	187,571,910
Cash and cash equivalents	15	8,260,604	9,147,180	3,897,501	3,723,794
		371,870,358	301,497,241	358,022,608	299,664,741
TOTAL ASSETS		564,449,685	487,429,838	446,746,964	383,045,517
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT					
Share capital	16	206,250,000	206,250,000	206,250,000	206,250,000
Treasury shares	16		(2,299,555)	(3,113,255)	(2,299,555)
Revaluation reserves	17	6,788,088	6,769,207	6,788,088	6,769,207
Retained earnings	18	120,366,489	114,384,756	83,111,831	84,901,907
		330,291,322	325,104,408	293,036,664	295,621,559
NON-CURRENT LIABILITIES					
Borrowings	19	104,496,521	71,404,518	67,106,455	36,784,803
Deferred tax liabilities	20	3,355,260	2,883,509	3,641,849	3,386,433
		107,851,781	74,288,027	70,748,304	40,171,236
CURRENT LIABILITIES					
Trade and other payables	21	35,954,734	28,476,596	5,202,253	5,238,704
Borrowings	19	89,769,589	59,260,394	77,379,396	42,014,018
Current tax liabilities		582,259	300,413	380,347	-
		126,306,582	88,037,403	82,961,996	47,252,722
TOTAL LIABILITIES		234,158,363	162,325,430	153,710,300	87,423,958
TOTAL EQUITY AND LIABILITIES		564,449,685	487,429,838	446,746,964	383,045,517

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

STATEMENTS OF COMPREHENSIVE INCOME

For The Financial Year Ended 30 June 2011

		Group		Company	
		2011	2010	2011	2010
	Note	RM	RM	RM	RM
Revenue	24	118,560,386	91,073,959	49,218,438	44,638,722
Cost of sales	25	(77,834,182)	(61,447,321)	(27,961,521)	(27,578,452)
Gross profit		40,726,204	29,626,638	21,256,917	17,060,270
Other operating income		1,580,108	2,104,527	1,900,369	2,352,659
Administrative expenses		(11,153,095)	(10,730,270)	(5,193,936)	(4,056,845)
Marketing expenses		(1,753,878)	(1,541,159)	(841,054)	(836,876)
Other operating expenses		(11,976,580)	(10,037,488)	(11,602,159)	(9,445,503)
Finance income	26	68,210	8,890	159,510	106,036
Finance costs	26	(7,580,292)	(5,806,101)	(6,439,006)	(4,918,511)
Profit/(Loss)before tax	27	9,910,677	3,625,037	(759,359)	261,230
Tax expenses	29	(3,928,944)	(1,503,987)	(1,030,717)	(376,179)
Profit/(Loss) for the financial year		5,981,733	2,121,050	(1,790,076)	(114,949)
Other comprehensive income:					
Reversal of deferred tax liabilities in respect of revaluation surplus	20	18,881	25,172	18,881	25,172
Total comprehensive income/ (loss)		6,000,614	2,146,222	(1,771,195)	(89,777)
Earnings per share attributable to equity holders of the Company		Sen	Sen		
- Basic	30	2.98	1.05		

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

STATEMENTS OF CHANGES IN EQUITY

For The Financial Year Ended 30 June 2011

Group	Note	Share capital RM	Non-distributable Treasury shares RM	Non-distributable Revaluation reserves RM	Distributable Retained earnings RM	Total RM
At 1 July 2009		206,250,000	(2,252,313)	6,744,035	112,263,706	323,005,428
Profit for the financial year		-	-	-	2,121,050	2,121,050
Reversal of deferred tax liabilities in respect of revaluation surplus	20	-	-	25,172	-	25,172
Total comprehensive income for the financial year		-	-	25,172	2,121,050	2,146,222
Purchase of treasury shares	16	-	(47,242)	-	-	(47,242)
At 30 June 2010		206,250,000	(2,299,555)	6,769,207	114,384,756	325,104,408
At 1 July 2010		206,250,000	(2,299,555)	6,769,207	114,384,756	325,104,408
Profit for the financial year		-	-	-	5,981,733	5,981,733
Reversal of deferred tax liabilities in respect of revaluation surplus	20	-	-	18,881	-	18,881
Total comprehensive income for the financial year		-	-	18,881	5,981,733	6,000,614
Purchase of treasury shares	16	-	(813,700)	-	-	(813,700)
At 30 June 2011		206,250,000	(3,113,255)	6,788,088	120,366,489	330,291,322

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

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

For The Financial Year Ended 30 June 2011

			Non-distributable		Distributable	
Company	**Note**	**Share capital RM**	**Treasury shares RM**	**Revaluation reserves RM**	**Retained earnings RM**	**Total RM**
At 1 July 2009		206,250,000	(2,252,313)	6,744,035	85,016,856	295,758,578
Loss for the financial year			-		(114,949)	(114,949)
Reversal of deferred tax liabilities in respect of revaluation surplus	20	-	-	25,172		25,172
Total comprehensive income for the financial year		-	-	25,172	(114,949)	(89,777)
Purchase of treasury shares	16	-	(47,242)	-	-	(47,242)
At 30 June 2010		206,250,000	(2,299,555)	6,769,207	84,901,907	295,621,559
At 1 July 2010		206,250,000	(2,299,555)	6,769,207	84,901,907	295,621,559
Loss for the financial year		-	-		(1,790,076)	(1,790,076)
Reversal of deferred tax liabilities in respect of revaluation surplus	20	-	-	18,881	-	18,881
Total comprehensive income for the financial year		-	-	18,881	(1,790,076)	(1,771,195)
Purchase of treasury shares	16	-	(813,700)	-	-	(813,700)
At 30 June 2011		206,250,000	(3,113,255)	6,788,088	83,111,831	293,036,664

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

STATEMENTS OF CASH FLOWS

For The Financial Year Ended 30 June 2011

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before tax		9,910,677	3,625,037	(759,359)	261,230
Adjustments :					
Bad debts written off	14	722,598	-	722,598	-
Depreciation of property, plant and equipment	7	2,040,572	1,882,879	1,752,516	1,478,289
Gain on disposal of property, plant and equipment		(194,083)	(913,114)	(63,792)	(84,018)
Property, plant and equipment written off		2,757	20,859	-	13,958
Interest income		(68,210)	(8,890)	(159,510)	(106,036)
Interest expenses	26	7,580,292	5,806,101	6,439,006	4,918,511
Inventories written off		-	40,979	-	-
Inventories written down		-	474,055	-	-
Operating profit before working capital changes		19,994,603	10,927,906	7,931,459	6,481,934
Changes in working capital:					
Property development cost		(52,389,402)	19,147,178	(57,032,241)	10,942,376
Inventories		6,897,329	7,399,924	7,656,975	4,264,830
Trade and other receivables		(26,032,559)	(9,427,151)	(8,584,750)	(12,831,842)
Trade and other payables		7,478,138	1,660,073	(36,451)	(1,439,410)
Cash (used in)/generated from operations		(44,051,891)	29,707,930	(50,065,008)	7,417,888
Interest received	26	68,210	8,890	159,510	106,036
Tax paid		(2,900,317)	(2,106,440)	(434,062)	(190,910)
Tax refunded		966,813	679,861	333,813	671,501
Net cash (used in)/from operating activities		(45,917,185)	28,290,241	(50,005,747)	8,004,515
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of additional interest in a subsidiary	11	-	-	(699,998)	-
Proceeds from di sposals of property, plant and equipment		221,792	1,396,533	91,500	95,195
Additions to land held for property development	10	(6,567,183)	(44,851,148)	(4,407,067)	(38,585)
Purchase of property, plant and equipment	7	(1,446,645)	(2,161,291)	(1,430,399)	(1,898,253)
Net cash used in investing activities		(7,792,036)	(45,615,906)	(6,445,964)	(1,841,643)

STATEMENTS OF CASH FLOWS (Cont'd)

For The Financial Year Ended 30 June 2011 (Continued)

		Group		Company	
	Note	2011 RM	2010 RM	2011 RM	2010 RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Net drawndown of bank borrowings		28,713,189	47,044,048	30,686,587	18,671,384
Purchase of treasury shares	16	(813,700)	(47,242)	(813,700)	(47,242)
Interest paid	26	(9,378,513)	(6,143,781)	(7,661,572)	(4,918,511)
Fixed deposits pledged to a licensed bank		(1,500,000)	-	(1,500,000)	-
Repayments of:					
- hire purchase creditors		(422,882)	(337,374)	(396,863)	(267,385)
Net cash from financing activities		16,595,094	40,515,651	20,314,452	13,438,246
Net (decrease)/increase in cash and cash equivalents		(37,111,127)	23,189,986	(36,137,259)	19,601,118
Cash and cash equivalents at beginning of financial year		(10,128,374)	(33,318,360)	(13,565,000)	(33,166,118)
Cash and cash equivalents at end of financial year	15(c)	(47,239,501)	(10,128,374)	(49,702,259)	(13,565,000)

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

1. CORPORATE INFORMATION

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

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

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

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 25 October 2011.

2. PRINCIPAL ACTIVITIES

The principal activities of the Company consist of investment holding, property development and hotel operations. The principal activities of the subsidiaries are set out in Note 11 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with applicable approved Financial Reporting Standards ("FRSs") and the provisions of the Companies Act, 1965 in Malaysia. However, Note 39 has been prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of accounting

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

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

4.2 Basis of consolidation

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

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.2 Basis of consolidation (Cont'd)

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

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

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

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

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

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

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

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

4.3 Business combinations

Business combinations from 1 July 2010 onwards

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

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

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

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.3 *Business combinations* (Cont'd)

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

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

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

Business combinations before 1 July 2010

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

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

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

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

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

4.4 *Property, plant and equipment and depreciation*

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

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

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

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

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

Freehold land has unlimited useful life and is not depreciated.

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

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

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

4.5 Leases and hire purchase

(a) Finance leases and hire purchase

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.5 Leases and hire purchase (Cont'd)

(b) Operating leases

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

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

(c) Leases of land and buildings

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

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

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

Following the adoption of Amendment to FRS 117 Leases contained in the Improvements to FRSs (2009), the Group reassessed the classification of land elements of unexpired leases on the basis of information existing at the inception of those leases. Consequently, the Group retrospectively reclassified prepaid lease payments for land as finance leases as disclosed in Note 38(a) to the financial statements.

4.6 Investments in subsidiaries

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

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

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

4.7 Impairment of non-financial assets

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

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

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

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

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

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

4.8 Investment properties

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

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

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.9 Property development activities

(a) Land held for property development

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

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

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

(b) Property development costs

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

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

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

4.10 Construction contracts

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

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

4.11 Inventories

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.12 Financial instruments

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

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

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

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

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

(a) Financial assets

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

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

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

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

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

(ii) Held-to-maturity investments

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

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

(iii) Loans and receivables

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.12 Financial instruments (cont'd)

(iv) Available-for-sale financial assets

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

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

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

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

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

(b) Financial liabilities

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

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

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

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

(ii) Other financial liabilities

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

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.12 Financial instruments (cont'd)

(b) Financial liabilities (continued)

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

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

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

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

(c) Equity

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

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

Dividends to shareholders are recognised in equity in the period in which they are declared.

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

Following the adoption of FRS 139 during the financial year, the Group reassessed the classification and measurement of financial assets and financial liabilities as at 1 July 2010. There is no effect arising from the adoption of FRS 139 hence, no opening statement of financial position as at 1 July 2010 was presented.

4.13 Impairment of financial assets

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

(a) Loans and receivables

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

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.14 Borrowing costs

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

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

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

4.15 Income tax

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

(a) Current tax

Current tax is the amount of income taxes payable or receivable in respect of the taxable profit or loss for a period.

Current taxes for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted by the end of the reporting period.

(b) Deferred tax

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

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

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

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

(i) the same taxable entity; or

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.16 Provisions

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

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

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

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

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

4.17 Contingent liabilities and contingent assets

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

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

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

4.18 Employee benefits

4.18.1 Short term employee benefits

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

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

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

4.18.2 Defined contribution plan

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

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.19 Foreign currencies

4.19.1 Functional and presentation currency

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

4.19.2 Foreign currency transactions and balances

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

4.20 Revenue recognition

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

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

(a) Construction contracts

Profit from contract works are recognised on a percentage of completion method. Percentage of completion is deter mined on the proportion of contract costs incurred for work performed to date against total estimated costs where the outcome of the project can be estimated reliably.

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

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

(b) Property development

Property development revenue is recognised in respect of all development units that have been sold. Revenue recognition commences when the sale of the development unit is effected, upon the commencement of development and construction activities and when the financial outcome can be reliably estimated. The attributable portion of property development cost is recognised as an expense in the period in which the related revenue is recognised. The amount of such revenue and expenses recognised is determined by reference to the stage of completion of development activity at the end of the reporting period. The stage of completion is measured by reference to the proportion that property development costs incurred for work performed to date bear to the estimated total property development cost.

When the financial outcome of a development activity cannot be reliably estimated, the property development revenue is recognised onl to the extent of property development costs incurred that is probable to be recoverable and the property development costs on the development units sold are recognised as an expense in the period in which they are incurred.

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

(c) Sale of goods

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

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.20 Revenue recognition(cont'd)

(d) Project management fees

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

(e) Dividend income

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

(f) Interest income

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

(g) Rental income

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

(h) Hotel operations income

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

4.21 Operating segments

Operating segments are defined as components of the Group that:

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

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

(c) for which discrete financial information is available.

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

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

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

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

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

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

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.22 Earnings per share

(a) Basic

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

(b) Diluted

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

5. ADOPTION OF NEW FRS AND AMENDMENTS TO FRS

5.1 New FRS adopted during the current financial year

a) FRS 4 Insurance Contracts and the consequential amendments resulting from FRS 4 are mandatory for annual financial periods beginning on or after 1 January 2010. FRS 4 replaces the existing FRS 202$_{2004}$ General Insurance Business and FRS 203$_{2004}$ Life Insurance Business.

This Standard applies to all insurance contracts, including reinsurance contracts that an entity issues and to reinsurance contracts that it holds. This Standard prohibits provisions for potential claims under contracts that are not in existence at the end of the reporting period, and requires a test for the adequacy of recognised insurance liabilities and an impairment test for reinsurance assets. This Standard also requires an insurer to keep insurance liabilities in its statement of financial position until they are discharged or cancelled, or expired, and to present insurance liabilities without offsetting them against related reinsurance assets.

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

b) FRS 7 Financial Instruments: Disclosures and the consequential amendments resulting from FRS 7 are mandatory for annual financial periods beginning on or after 1 January 2010. FRS 7 replaces the disclosure requirements of the existing FRS 132 Financial Instruments: Disclosure and Presentation.

This Standard applies to all risks arising from a wide array of financial instruments and requires the disclosure of the significance of financial instruments for the Group's financial position and performance.

c) FRS 123 Borrowing Costs and the consequential amendments resulting from FRS 123 are mandatory for annual periods beginning on or after 1 January 2010.

This Standard removes the option of immediately recognising as an expense borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. However, capitalisation of borrowing costs is not required for assets measured at fair value, and inventories that are manufactured or produced in large quantities on a repetitive basis, even if they take a substantial period of time to get ready for use or sale.

There is no impact upon adoption of this Standard during the financial year.

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

5.1 New FRS adopted during the current financial year (Cont'd)

d) FRS 139 Financial Instruments: Recognition and Measurement and the consequential amendments resulting from FRS 139 are mandatory for annual financial periods beginning on or after 1 January 2010.

This Standard establishes the principles for the recognition and measurement of financial assets and financial liabilities including circumstances under which hedge accounting is permitted.

The principles for recognition and measurement of financial assets and financial liabilities are disclosed in Note 4.12 to the financial statements.

There is no impact upon adoption of this Standard during the financial year.

e) Amendments to FRS 2 Share-based Payment: Vesting Conditions and Cancellations are mandatory for annual financial periods beginning on or after 1 January 2010.

These amendments clarify that vesting conditions comprise service conditions and performance conditions only. Cancellations by parties other than the Group are accounted for in the same manner as cancellations by the Group itself and features of a share-based payment that are non-vesting conditions are included in the grant date fair value of the share-based payment.

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

f) Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate is mandatory for annual periods beginning on or after 1 January 2010.

These amendments allow first-time adopters to use a deemed cost of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements. The cost method of accounting for an investment has also been removed pursuant to these amendments.

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

g) IC Interpretation 9 Reassessment of Embedded Derivatives is mandatory for annual financial periods beginning on or after 1 January 2010.

This Interpretation prohibits the subsequent reassessment of embedded derivatives unless there is a change in the terms of the host contract that significantly modifies the cash flows that would otherwise be required by the host contract.

There is no impact upon adoption of this Interpretation during the financial year.

h) IC Interpretation 10 Interim Financial Reporting and Impairment is mandatory for annual financial periods beginning on or after 1 January 2010.

This Interpretation prohibits the reversal of an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost.

There is no impact upon adoption of this Interpretation during the financial year.

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

5.1 New FRS adopted during the current financial year (Cont'd)

i) IC Interpretation 11 FRS 2 – Group and Treasury Share Transactions is mandatory for annual periods beginning on or after 1 January 2010.

This Interpretation requires share-based payment transactions in which the Company receives services from employees as consideration for its own equity instruments to be accounted for as equity-settled, regardless of the manner of satisfying the obligations to the employees.

If the Company grants rights to its equity instruments to the employees of its subsidiaries, this Interpretation requires the Company to recognise the equity reserve for the obligation to deliver the equity instruments when needed whilst the subsidiaries shall recognise the remuneration expense for the services received from employees.

If the subsidiaries grant rights to equity instruments of the Company to its employees, this Interpretation requires the Company to account for the transaction as cash-settled, regardless of the manner the subsidiaries obtain the equity instruments to satisfy its obligations.

There is no impact upon adoption of this Interpretation during the financial year. The Group would like to draw attention to the withdrawal of the Interpretation for annual period beginning on or after 1 January 2011 as disclosed in Note 5.2 (d) to the financial statements.

j) IC Interpretation 13 Customer Loyalty Programmes is mandatory for annual periods beginning on or after 1 January 2010.

This Interpretation requires the separation of award credits as a separately identifiable component of sales transactions involving the award of free or discounted goods or services in the future. The fair value of the consideration received or receivable from the initial sale shall be allocated between the award credits and the other components of the sale.

If the Group supplies the awards itself, the consideration allocated to the award credits shall only be recognised as revenue when the award credits are redeemed. If a third party supplies the awards, the Group shall assess whether it is acting as a principal or agent in the transaction.

If the Group is acting as the principal in the transaction, it shall measure its revenue as the gross consideration allocated to the award credits. If the Group is acting as an agent, it shall measure its revenue as the net amount retained on its own account, and recognise the net amount as revenue when the third party becomes obliged to supply the awards and entitled to receive the consideration for doing so.

There is no impact upon adoption of this Interpretation during the financial year.

k) IC Interpretation 14 FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction is mandatory for annual periods beginning on or after 1 January 2010.

This Interpretation applies to all post-employment defined benefits and other long-term employee defined benefits. This Interpretation clarifies that an economic benefit is available if the Group can realise it at some point during the life of the plan or when the plan liabilities are settled, and that it does not depend on how the Group intends to use the surplus.

A right to refund is available to the Group in stipulated circumstances and the economic benefit available shall be measured as the amount of the surplus at the end of the reporting period less any associated costs. If there are no minimum funding requirements, the economic benefit available shall be determined as a reduction in future contri butions as the lower of the surplus in the plan and the present value of the future service cost to the Group. If there is a minimum funding requirement for contributions relating to the future accrual of benefits, the economic benefit available shall be determined as a reduction in future contributions at the present value of the estimated future service cost less the estimated minimum funding required in each financial year.

There is no impact upon adoption of this Interpretation during the financial year.

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

5.1 New FRS adopted during the current financial year (Cont'd)

l) FRS 101 Presentation of Financial Statements is mandatory for annual periods beginning on or after 1 January 2010.

FRS 101 sets out the overall requirements for the presentation of financial statements, guidelines for their structure and minimum requirements for their content.

This Standard introduces the titles 'statement of financial position' and 'statement of cash flows' to replace the current titles 'balance sheet' and 'cash flow statement' respectively. A new statement known as the 'statement of comprehensive income' is also introduced in this Standard whereby all non-owner changes in equity are required to be presented in either one statement of comprehensive income or in two statements (i.e. a separate income statement and a statement of comprehensive income).

This Standard also introduces a new requirement to present a statement of financial position as at the beginning of he earliest comparative period if there are applications of retrospective restatements that are defined in FRS 108, or when there are reclassifications of items in the financial statements.

Additionally, FRS 101 requires the disclosure of reclassification adjustments and income tax relating to each component of other comprehensive income, and the presentation of dividends recognised as distributions to owners together with the related amounts per share in the statement of changes in equity or in the notes to the financial statements.

This Standard introduces a new requirement to disclose information on the objectives, policies and processes for managing capital based on information provided internally to key management personnel as defined in FRS 124 Related Party Disclosures. Additional disclosures are also required for puttable financial instruments classified as equity instruments.

Following the adoption of this Standard, the Group has reflected the new format of presentation and additional disclosures warranted in the primary financial statements and relevant notes to the financial statements.

m) Amendments to FRS 139, FRS 7 and IC Interpretation 9 are mandatory for annual periods beginning on or after 1 January 2010.

These amendments permit reclassifications of non-derivative financial assets (other than those designated at fair value through profit or loss upon initial recognition) out of the fair value through profit or loss category in rare circumstances. Reclassifications from the available-for-sale category to the loans and receivables category are also permitted provided there is intention and ability to hold that financial asset for the foreseeable future. All of these reclassifications shall be subjected to subsequent reassessments of embedded derivatives.

These amendments also clarify the designation of one-sided risk in eligible hedged items and streamlines the terms used throughout the Standards in accordance with the changes resulting from FRS 101. There is no impact upon adoption of these amendments during the financial year.

n) Amendments to FRS 132 Financial Instruments: Presentation is mandatory for annual periods beginning on or after 1 January 2010.

These amendments require certain puttable financial instruments, and financial instruments that impose an obligation to deliver to counterparties a pro rata share of the net assets of the entity only on liquidation to be classified as equity.

Puttable financial instruments are defined as financial instruments that give the holder the right to put the instrument back to the issuer for cash, or another financial asset, or are automatically put back to the issuer upon occurrence of an uncertain future event or the death or retirement of the instrument holder.

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

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

5.1 New FRS adopted during the current financial year (Cont'd)

o) Improvements to FRSs (2009) are mandatory for annual periods beginning on or after 1 January 2010.

Amendment to FRS 5 Non-current Assets Held for Sale and Discontinued Operations clarifies that the disclosure requirements of this Standard specifically apply to non-current assets (or disposal groups) classified as held for sale or discontinued operations. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 8 clarifies the consistency of disclosure requirement for information about profit or loss, assets and liabilities. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 107 Statement of Cash Flows clarifies the classification of cash flows arising from operating activities and investing activities. Cash payments to manufacture or acquire assets held for rental to others and subsequently held for sale, and the related cash receipts, shall be classified as cash flows from operating activities. Expenditures that result in a recognised asset in the statement of financial position are eligible for classification as cash flows from investing activities. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 108 clarifies that only Implementation Guidance issued by the MASB that are integral parts of FRSs is mandatory. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 110 Events after the Reporting Period clarifies the rationale for not recognising dividends declared after the reporting period but before the financial statements are authorised for issue. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 116 Property, Plant and Equipment removes the definition pertaining the applicability of this Standard to property that is being constructed or developed for future use as investment property but do not yet satisfy the definition of 'investment property' in FRS 140 Investment Property. This amendment also replaces the term 'net selling price' with 'fair value less costs to sell', and clarifies that proceeds arising from routine sale of items of property, plant and equipment shall be recognised as revenue in accordance with FRS 118 Revenue rather than FRS 5. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 117 Leases removes the classification of leases of land and of buildings, and instead, requires assessment of classification based on the risks and rewards of the lease itself. The reassessment of land elements of unexpired leases shall be made retrospectively in accordance with FRS 108. As at 1 July 2010, the Group has carrying amount of prepaid lease payments for land of RM3,019,010 (see Note 38(a) to the financial statements) that has been reclassified as land held in accordance with FRS 116 upon adoption of this amendment.

Amendment to FRS 118 clarifies reference made on the term 'transaction costs' to the definition in FRS 139. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 119 Employee Benefits clarifies the definitions in this Standard by consistently applying settlement dates within twelve (12) months in the distinction between short-term employee benefits and other long-term employee benefits. This amendment also provides additional explanations on negative past service cost and curtailments. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 120 Accounting for Government Grants and Disclosure of Government Assistance streamlines the terms used in this Standard in accordance with the new terms used in FRS 101. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 123 clarifies that interest expense calculated using the effective interest rate method described in FRS 139 qualifies for recognition as borrowing costs. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 127 Consolidated and Separate Financial Statements clarifies that investments measured at cost shall be accounted for in accordance with FRS 5 when they are held for sale in accordance with FRS 5. There is no impact upon adoption of this amendment during the financial year.

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

5.1 New FRS adopted during the current financial year (Cont'd)

o) Improvements to FRSs (2009) are mandatory for annual periods beginning on or after 1 January 2010. (continued)

Amendment to FRS 128 Investments in Associates clarifies that investments in associates held by venture capital organisations, or mutual funds, unit trusts and similar entities shall make disclosures on the nature and extent of any significant restrictions on the ability of associates to transfer funds to the investor in the form of cash dividends, or repayment of loans or advances. This amendment also clarifies that impairment loss recognised in accordance with FRS 136 Impairment of Assets shall not be allocated to any asset, including goodwill, that forms the carrying amount of the investment. Accordingly, any reversal of that impairment loss shall be recognised in accordance with FRS 136. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 129 Financial Reporting in Hyperinflationary Economies streamlines the terms used in this Standard in accordance with the new terms used in FRS 101. This amendment also clarifies that assets and liabilities that are measured at fair value are exempted from the requirement to apply historical cost basis of accounting. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 131 Interests in Joint Ventures clarifies that venturers' interests in jointly controlled entities held by venture capital organisations, or mutual funds, unit trusts and similar entities shall make disclosures on related capital commitments. This amendment also clarifies that a listing and description of interests in significant joint ventures and the proportion of ownership interest held in jointly controlled entities shall be made. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 136 clarifies the determination of allocation of goodwill to each cash-generating unit whereby each unit shall not be larger than an operating segment as defined in FRS 8 before aggregation. This amendment also requires additional disclosures if the fair value less costs to sell is determined using discounted cash flow projections. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 138 Intangible Assets clarifies the examples provided in this Standard in measuring the fair value of an intangible asset acquired in a business combination. This amendment also removes the statement on the rarity of situations whereby the application of the amortisation method for intangible assets results in a lower amount of accumulated amortisation than under the straight line method. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 140 clarifies that properties that are being constructed or developed for future use as investment property are within the definition of 'investment property'. This amendment further clarifies that if the fair value of such properties cannot be reliably determinable but it is expected that the fair value would be readily determinable when construction is complete, the properties shall be measured at cost until either its fair value becomes reliably determinable or construction is completed, whichever is earlier. There is no impact upon adoption of this amendment during the financial year.

p) Amendments to FRS 132 are mandatory for annual periods beginning on or after 1 January 2010 in respect of the transitional provisions in accounting for compound financial instruments.

These amendments remove the transitional provisions in respect of accounting for compound financial instruments issued before 1 January 2003 pursuant to FRS 132_{2004} Financial Instruments: Disclosure and Presentation. Such compound financial instruments shall be classified into its liability and equity components when FRS 139 first applies.

The amendments also clarify that rights, options or warrants to acquire a fixed number of the Group's own equity instruments for a fixed amount of any currency shall be classified as equity instruments rather than financial liabilities if the Group offers the rights, options or warrants pro rata to all of its own existing owners if the same class of its own non-derivative equity instruments.

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

q) Amendments to FRS 139 are mandatory for annual periods beginning on or after 1 January 2010.

These amendments remove the scope exemption on contracts for contingent consideration in a business combination. Accordingly, such contracts shall be recognised and measured in accordance with the requirements of FRS 139.

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

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

5.1 New FRS adopted during the current financial year (Cont'd)

r) IC Interpretation 12 Service Concession Arrangements is mandatory for annual periods beginning on or after 1 July 2010.

This Interpretation applies to operators for public-to-private service concession arrangements, whereby infrastructure within the scope of this Interpretation shall not be recognised as property, plant and equipment of the operator. The operator shall recognise and measure revenue in accordance with FRS 111 Construction Contracts and FRS 118 for the services performed. The operator shall also account for revenue and costs relating to construction or upgrade services in accordance with FRS 111.

Consideration received or receivable by the operator for the provision of construction or upgrade services shall be recognised at its fair value. If the consideration consists of an unconditional contractual right to receive cash or another financial asset from the grantor, it shall be classified as a financial asset. Conversely, if the consideration consists of a right to charge users of the public service, it shall be classified as an intangible asset.

There is no impact upon adoption of this Interpretation during the financial year.

s) FRS 1 First-time Adoption of Financial Reporting Standards is mandatory for annual periods beginning on or after 1 July 2010.

This Standard supersedes the existing FRS 1 and shall be applied when the Group adopts FRSs for the first time via the explicit and unreserved statement of compliance with FRSs. An opening FRS statement of financial position shall be prepared and presented at the date of transition to FRS, whereby:

i) All assets and liabilities shall be recognised in accordance with FRSs;

ii) Items of assets and liabilities shall not be recognised if FRSs do not permit such recognition;

iii) Items recognised in accordance with previous GAAP shall be reclassified in accordance with FRSs; and

iv) All recognised assets and liabilities shall be measured in accordance with FRSs.

All resulting adjustments shall therefore be recognised directly in retained earnings at the date of transition to FRSs.

There is no impact upon adoption of this Standard during the financial year.

t) FRS 3 Business Combinations is mandatory for annual periods beginning on or after 1 July 2010.

This Standard supersedes the existing FRS 3 and now includes business combinations involving mutual entities and those achieved by way of contract alone. Any non-controlling interest in an acquiree shall be measured at fair value or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The time limit on the adjustment to goodwill due to the arrival of new information on the crystallisation of deferred tax benefits shall be restricted to the measurement period resulting from the arrival of the new information. Contingent liabilities acquired arising from present obligations shall be recognised, regardless of the probability of outflow of economic resources.

Acquisition-related costs shall be accounted for as expenses in the periods in which the costs are incurred and the services are received. Consideration transferred in a business combination, including contingent consideration, shall be measured and recognised at fair value at acquisition date.

In business combinations achieved in stages, the acquirer shall remeasure its previously held equity interest at its acquisition date fair value and recognise the resulting gain or loss in profit or loss.

The revised FRS 3 has been applied retrospectively in accordance with its transitional provisions. Assets and liabilities that arose from business combinations whose acquisition dates were before 1 July 2010 are not adjusted.

There is no impact upon adoption of this Standard during the financial year.

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

5.1 New FRS adopted during the current financial year (Cont'd)

u) FRS 127 Consolidated and Separate Financial Statements is mandatory for annual periods beginning on or after 1 July 2010.

This Standard supersedes the existing FRS 127 and replaces the current term 'minority interest' with a new term 'non-controlling interest' which is defined as the equity in a subsidiary that is not attributable, directly or indirectly, to a parent. Accordingly, total comprehensive income shall be attributed to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. If the Group losses control of a subsidiary, any gains or losses are recognised in profit or loss and any investment retained in the former subsidiary shall be measured at its fair value at the date when control is lost.

There is no impact upon adoption of this Standard during the financial year.

v) Amendments to FRSs are mandatory for annual periods beginning on or after 1 July 2010.

Amendments to FRS 2 Share-based Payments clarify that transactions in which the Group acquired goods as part of the net assets acquired in a business combination or contribution of a business on the formation of a joint venture areexcluded from the scope of this Standard. There is no impact upon adoption of this Standard during the financial year.

Amendments to FRS 5 clarify that non-current asset classified as held for distribution to owners acting in their capacity as owners are within the scope of this Standard. The amendment also clarifies that in determining whether a sale is highly probable, the probability of shareholders' approval, if required in the jurisdiction, shall be considered. In a sale plan involving loss of control of a subsidiary, all assets and liabilities of that subsidiary shall be classified as held for sale, regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale. Discontinued operations information shall also be presented. Non-current asset classified as held for distribution to owners shall be measured at the lower of its carrying amount and fair value less costs to distribute. There is no impact upon adoption of these amendments during the financial year.

Amendments to FRS 138 clarify that the intention of separating an intangible asset is irrelevant in determining the identifiability of the intangible asset. In a separate acquisition and acquisition as part of a business combination, the price paid by the Group reflects the expectations of the Group of an inflow of economic benefits, even if there is uncertainty about the timing or the amount of the inflow. Accordingly, the probability criterion is always considered to be satisfied for separately acquired intangible assets. The useful life of a reacquired right recognised as an intan gible asset in a business combination shall be the remaining contractual period of the contract in which the right was granted, and do not include renewal periods. In the case of a reacquired right in a business combination, if the right is subsequently reissued to a third party, the related carrying amount shall be used in determining the gain or loss on reissue. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

Amendments to IC Interpretation 9 clarify that embedded derivatives in contracts acquired in a business combination, combination of entities or business under common controls, or the formation of a joint venture are excluded from this Interpretation. There is no impact upon adoption of these amendments during the financial year.

w) IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation is mandatory for annual periods beginning on or after 1 July 2010.

This Interpretation applies to hedges undertaken on foreign currency risk arising from net investments in foreign operations and the Group wishes to qualify for hedge accounting in accordance with FRS 139.

Hedge accounting is applicable only to the foreign exchange differences arising between the functional currency of the foreign operation and the functional currency of any parent (immediate, intermediate or ultimate parent) of that foreign operation. An exposure to foreign currency risk arising from a net investment in a foreign operation may qualify for hedge accounting only once in the consolidated financial statements.

Hedging instruments designated in the hedge of a net investment in a foreign operation may be held by any compa nies within the Group, as long as the designation, documentation and effectiveness requirements of FRS 139 are met.

There is no impact upon adoption of this Interpretation during the financial year.

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

5.1 New FRS adopted during the current financial year (Cont'd)

x) IC Interpretation 17 Distributions of Non-cash Assets to Owners is mandatory for annual periods beginning on or after 1 July 2010.

This Interpretation applies to non-reciprocal distributions of non-cash assets by the Group to its owners in their capacity as owners, as well as distributions that give owners a choice of receiving either non-cash assets or a cash alternative. This Interpretation also applies to distributions in which all owners of the same class of equity instruments are treated equally.

The liability to pay a dividend shall be recognised when the dividend is appropriately authorised and is no longer at the discretion of the Group. The liability shall be measured at the fair value of the assets to be distributed. If the Group gives its owners a choice of receiving either a non-cash asset or a cash alternative, the dividend payable shall be estimated by considering the fair value of both alternatives and the associated probability of the owners' selection.

At the end of each reporting period, the carrying amount of the dividend payable shall be remeasured and any changes shall be recognised in equity. At the settlement date, any difference between the carrying amounts of the assets distributed and the carrying amount of the dividend payable shall be recognised in profit or loss.

There is no impact upon adoption of this Interpretation during the financial year.

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

a) Amendment to FRS 1 Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters is mandatory for annual periods beginning on or after 1 January 2011.

This amendment permit a first-time adopter of FRSs to apply the exemption of not restating comparatives for the disclosures required in Amendments to FRS.

The Group does not expect any impact on the financial statements arising from the adoption of this amendment.

b) Amendments to FRS 1 Additional Exemptions for First-time Adopters are mandatory for annual periods beginning on or after 1 January 2011.

These amendments permit a first-time adopter of FRSs to apply the exemption of not restating the carrying amounts of oil and gas assets determined under previous GAAP.

The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

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

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

By virtue of the exemption provided under paragraph 44G of FRS 7, the impact of applying these amendments on the financial statements upon first adoption of FRS 7 as required by paragraph 30(b) of FRS 108 are not disclosed.

d) Amendments to FRS 2 Group Cash-settled Share-based Payment Transactions are mandatory for annual periods beginning on or after 1 January 2011.

These amendments clarify the scope and the accounting for group cash-settled share-based payment transactions in the separate financial statements of the entity receiving the goods or services when that entity has no obligation to settle the share-based payment transaction.

Consequently, IC Interpretation 8 Scope of FRS 2 and IC Interpretation 11 have been superseded and withdrawn.

The Group does not expect any impact on the financial statements arising from the adoption of these amendments. The effects of adopting IC Interpretation 11 have been disclosed in Note 5.1(i) to the financial statements.

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

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

e) IC Interpretation 4 Determining whether an Arrangement contains a Lease is mandatory for annual periods beginning on or after 1 January 2011.

This Interpretation requires the determination of whether an arrangement is, or contains, a lease based on an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and whether the arrangement conveys a right to use the asset. This assessment shall be made at the inception of the arrangement and subsequently reassessed if certain condition(s) in the Interpretation is met.

The Group does not expect any impact on the financial statements arising from the adoption of this IC Interpretation because there are no arrangements dependent on the use of specific assets in the Group.

f) IC Interpretation 18 Transfers of Assets from Customers is mandatory for annual periods beginning on or after 1 January 2011.

This Interpretation applies to agreements in which an entity receives from a customer an item of property, plant and equipment that must be used to either connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services. The entity receiving the transferred item is required to assess whether the transferred item meets the definition of an asset set out in the Framework. The credit entry would be accounted for as revenue in accordance with FRS 118.

The Group does not expect any impact on the financial statements arising from the adoption of this IC Interpretation because there are no such arrangements in the Group

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

Amendments to FRS 1 clarify that FRS 108 does not apply to changes in accounting policies made upon adoption of FRSs until after the first FRS financial statements have been presented. If changes in accounting policies or exemptions in this FRS are used, an explanation of such changes together with updated reconciliations shall be made in each interim financial report. Entities whose operations are subject to rate regulation are permitted the use of previously revalued amounts as deemed cost. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

Amendments to FRS 3 clarify that for each business combination, the acquirer shall measure at the acquisition date non-controlling interests that consist of the present ownership interests and entitle holders to a proportionate share of the entity's net assets in the event of liquidation. Un-replaced and voluntarily replaced share-based payment transactions shall be measured using the market-based measurement method in accordance with FRS 2 at the acquisition date. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

Amendments to FRS 7 clarify that quantitative disclosures of risk concentrations are required if the disclosures made in other parts of the financial statements are not readily apparent. The disclosure on maximum exposure to credit risk is not required for financial instruments whose carrying amount best represents the maximum exposure to credit risk. The Group expects to improve the disclosures on maximum exposure to credit risk upon adoption of these amendments.

Amendments to FRS 101 clarify that a statement of changes in equity shall be presented as part of a complete set of financial statements. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

Amendments to FRS 121 The Effects of Changes in Foreign Exchange Rates clarify that the accounting treatment for cumulative foreign exchange differences in other comprehensive income for the disposal or partial disposal of a foreign operation shall be applied prospectively. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

Amendments to FRS 128 clarify that the accounting treatment for the cessation of significant influence over an associate shall be applied prospectively. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

Amendments to FRS 131 clarify that the accounting treatment for the cessation of joint control over an entity shall be applied prospectively. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

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

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

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

Amendments to FRS 132 clarify that contingent consideration from a business combination that occurred before the effective date of the revised FRS 3 of 1 July 2010 shall be accounted for prospectively. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

Amendments to FRS 134 clarify that updated information on significant events and transactions since the end of the last annual reporting period shall be included in the Group's interim financial report. Although the Group does not expect any impact on the financial statements arising from the adoption of these amendments, it is expected that additional disclosures would be made in the quarterly interim financial statements of the Group, where applicable.

Amendments to FRS 139 clarify that contingent consideration from a business combination that occurred before the effective date of the revised FRS 3 of 1 July 2010 shall be accounted for prospectively. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

Amendments to IC Interpretation 13 clarify that the fair value of award credits takes into account, amongst others, the amount of the discounts or incentives that would otherwise be offered to customers who have not earned award credits from an initial sale. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

h) Amendments to IC Interpretation 14 FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction are mandatory for annual periods beginning on or after 1 July 2011.

These amendments clarify that if there is a minimum funding requirement for contributions relating to future service, the economic benefit available as a reduction in future contributions shall include any amount that reduces future minimum funding requirement contributions for future service because of the prepayment made.

The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

i) IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments is mandatory for annual periods beginning on or after 1 July 2011.

This Interpretation applies to situations when equity instruments are issued to a creditor to extinguish all or part of a recognised financial liability. Such equity instruments shall be measured at fair value, and the difference between the carrying amount of the financial liability extinguished and the consideration paid shall be recognised in profit or loss.

The Group does not expect any impact on the financial statements arising from the adoption of this Interpretation.

j) FRS 124 Related Party Disclosures and the consequential amendments to FRS 124 are mandatory for annual periods beginning on or after 1 January 2012.

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

The Group does not expect any impact on the financial statements arising from the adoption of this Standard.

k) IC Interpretation 15 Agreements for the Construction of Real Estate is mandatory for annual periods beginning on or after 1 January 2012.

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

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

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

At the end of the reporting period, the Group recognises revenue and associated costs from the construction of real estate by reference to the stage of completion of the construction works. The Group is in the process of assessing the impact of implementing this Interpretation since the effects would only be observable for the financial year ending 30 June 2013.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

6.1 Critical judgments made in applying accounting policies

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

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

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

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

(ii) Operating lease commitments – the Group as lessor

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

(iii) Contingent liabilities and assets

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

6.2 Key sources of estimation uncertainty

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

(i) Income taxes

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

(ii) Recognition of revenue from property development

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

Significant judgements are required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

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

6.2 Key sources of estimation uncertainty(Cont'd)

(iii) Recognition of revenue from construction contract

The Group recognises construction contract revenue and expenses in the statements of comprehensive income using the stage of completion method. The stage of completion is determined by the survey of work performed.

Significant judgement is required in determining the stage of completion, the extent of the costs incurred and the estimated total revenue and costs, as well as recoverability of the construction projects. In making the judgement, the Group evaluates based on past experience, external economic factors and by relying on the work of specialists.

(iv) Investments in subsidiaries

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

(v) Impairment of receivables

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

(vi) Write down for obsolete or slow moving inventories

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

(vii) Fair values of borrowings

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

(viii) Deferred tax assets

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

(ix) Depreciation of property, plant and equipment

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

7. PROPERTY, PLANT AND EQUIPMENT

GROUP

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

7. **PROPERTY, PLANT AND EQUIPMENT (continued)**

GROUP

2010	**Leasehold land RM**	**Hotel properties RM**	**Freehold land RM**	**Buildings RM**	**Plant and machinery RM**	**Motor vehicles RM**	**Renovation RM**	**Furniture, fittings, office and site equipment RM**	**Electrical and kitchen equipment RM**	**Total RM**
Cost/Valuation										
At 1 July 2009, as restated	3,128,132	28,632,058	5,443,757	14,179,924	2,766,047	7,293,096	4,860,873	7,448,946	3,997,668	77,750,501
Additions	-	-	-	-	13,545	359,245	859,569	650,336	428,005	2,310,700
Disposals	-	-	(93,400)	(62,376)	(318,304)	(2,194,603)	(47,551)	(31,249)	(17,265)	(2,764,748)
Written off	-	-	-	-	(963,365)	(57,121)	(422,463)	(27,355)	(1,730)	(1,472,034)
At 30 June 2010, as restated	3,128,132	28,632,058	5,350,357	14,117,548	1,497,923	5,400,617	5,250,428	8,040,678	4,406,678	75,824,419
Accumulated depreciation										
At 1 July 2009, as restated	72,748	987,313	-	2,564,304	2,700,797	5,571,702	4,415,220	6,189,898	3,512,835	26,014,817
Charge for the financial year	36,374	329,104	-	283,358	21,867	521,887	199,569	348,665	142,055	1,882,879
Disposals	-	-	-	(19,712)	(317,044)	(1,883,370)	(33,199)	(21,916)	(6,088)	(2,281,329)
Written off	-	-	-	-	(963,364)	(57,121)	(405,775)	(23,636)	(1,279)	(1,451,175)
At 30 June 2010, as restated	109,122	1,316,417	-	2,827,950	1,442,256	4,153,098	4,175,815	6,493,011	3,647,523	24,165,192
Carrying amount										
At 30 June 2010, as restated										
- at cost	3,019,010	-	5,350,357	11,289,598	55,667	1,247,519	1,074,613	1,547,667	759,155	24,343,586
- at valuation	-	27,315,641	-	-	-	-	-	-	-	27,315,641
	3,019,010	27,315,641	5,350,357	11,289,598	55,667	1,247,519	1,074,613	1,547,667	759,155	51,659,227

7. PROPERTY, PLANT AND EQUIPMENT (continued)

COMPANY

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

7. **PROPERTY, PLANT AND EQUIPMENT (continued)**

COMPANY

2010	**Leasehold land RM**	**Hotel properties RM**	**Freehold land RM**	**Buildings RM**	**Plant and machinery RM**	**Motor vehicles RM**	**Renovation RM**	**Furniture, fittings, office and site equipment RM**	**Electrical and kitchen equipment RM**	**Total RM**
Cost/valuation										
At 1 July 2009, as restated	3,128,132	28,632,058	2,256,097	11,442,406	1,172,082	3,641,172	4,389,987	5,539,124	3,997,669	64,198,727
Additions	-	-	-	-	-	149,409	859,570	610,678	428,005	2,047,662
Disposals	-	-	-	-	-	(296,690)	-	(3,485)	(17,265)	(317,440)
Written off	-	-	-	-	-	-	(413,157)	-	(1,730)	(414,887)
At 30 June 2010, as restated	3,128,132	28,632,058	2,256,097	11,442,406	1,172,082	3,493,891	4,836,400	6,146,317	4,406,679	65,514,062
Accumulated depreciation										
At 1 July 2009, as restated	72,748	987,313	-	2,196,461	1,125,282	2,502,252	4,036,908	4,739,777	3,512,836	19,173,577
Charge for the financial year	36,374	329,104	-	228,848	15,600	322,670	173,884	229,752	142,057	1,478,289
Disposals	-	-	-	-	-	(296,690)	-	(3,485)	(6,088)	(306,263)
Written off	-	-	-	-	-	-	(399,650)	-	(1,279)	(400,929)
At 30 June 2010, as restated	109,122	1,316,417	-	2,425,309	1,140,882	2,528,232	3,811,142	4,966,044	3,647,526	19,944,674
Carrying amount										
At 30 June 2010, as restated										
- at cost	3,019,010	-	2,256,097	9,017,097	31,200	965,659	1,025,258	1,180,273	759,153	18,253,747
- at valuation	-	27,315,641	-	-	-	-	-	-	-	27,315,641
	3,019,010	27,315,641	2,256,097	9,017,097	31,200	965,659	1,025,258	1,180,273	759,153	45,569,388

7. PROPERTY, PLANT AND EQUIPMENT (continued)

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Carrying amount of motor vehicles under finance lease	1,409,501	1,069,176	1,229,337	965,658
Carrying amount of property, plant and equipment pledged as security for bank borrowings (Note 19):				
- freehold land	5,350,357	5,350,357	2,256,097	2,256,097
- buildings	11,001,206	10,922,160	8,788,250	9,017,097
- hotel properties including leasehold land	29,969,175	30,334,653	29,969,175	30,334,653
	46,320,738	46,607,170	41,013,522	41,607,847

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

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Purchase of property, plant and equipment	2,032,985	2,310,700	2,016,739	2,047,662
Financed by hire purchase	(586,340)	(149,409)	(586,340)	(149,409)
Cash payments on purchase of property, plant and equipment	1,446,645	2,161,291	1,430,399	1,898,253

The hotel properties of the Group stated at valuation was last revalued in August 2011 by an independent qualified valuer, using a combination of the comparison and investment methods to reflect the fair value.

Carrying amount of revalued hotel properties, had these assets been carried at cost less accumulated depreciation is RM21,712,502 (2010: RM21,977,289).

During the financial year, the Group reassessed its leases of land in accordance with the Amendment to FRS 117 to be finance leases. The classification of prepaid lease payments for land as property, plant and equipment has been accounted for retrospectively. The effects of the reclassifications are shown in Note 38 (a) to the financial statements.

8. INVESTMENT PROPERTIES

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
At beginningof the financial year/At end of the financial year	27,417,436	27,417,436	18,762,436	18,762,436
Investment properties pledged as security for borrowings (Note 19)	25,367,436	25,367,436	18,762,436	18,762,436

The investment properties comprise leasehold land, freehold land and buildings.

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

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

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Repair and maintenance	138,241	38,601	138,241	38,601
Quit rent and assessment	49,546	49,546	38,446	38,446

Rental income of the Group and of the Company received from letting of investment properties amounted to RM1,607,144 (2010: RM1,854,796) and RM1,332,718 (2010:RM1,750,396) respectively.

9. PREPAID LAND LEASE PAYMENT

	Group and Company 2011 RM	Group and Company 2010 RM
Leasehold land, at cost		
As previously reported	-	3,128,132
Effects ofadoption of Amendmento FRS 117	-	(3,128,132)
As restated	-	-
Accumulated amortisation		
As previously reported	-	109,122
Effects ofadoption of Amendmento FRS 117	-	(109,122)
As restated	-	-
Net carrying amount	-	-

During the financial year, the Group and the Company reassessed its leases of land in accordance with the Amendment to FRS 117 to be finance leases, where applicable. The classification of prepaid lease payments for land as property, plant and equipment has been accounted for retrospectively as disclosed in Note 38(a) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 JUNE 2011

10. LAND HELD FOR PROPERTY DEVELOPMENT

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Freehold land including improvements, at cost:				
At beginning of the financial year	106,855,934	61,879,838	8,548,940	8,510,355
Additions	6,567,183	44,976,096	4,407,067	38,585
At end of the financial year	113,423,117	106,855,934	12,956,007	8,548,940
Carrying amount of land held for property development pledged as security for borrowings (Note 19)	101,031,420	98,871,314	564,320	564,320

11. INVESTMENTS IN SUBSIDIARIES

	Company	
	2011 RM	2010 RM
Unquoted shares, at cost	16,200,010	15,500,012
Less: impairment losses	(5,000,000)	(5,000,000)
	11,200,010	10,500,012

During the financial year, the Company has further subscribed 699,998 newly issued ordinary shares of RM1.00 each at par in BCB Development Sdn. Bhd. for a cash consideration of RM699,998.

The details of subsidiaries are as follows:

Name of company	Interest in equity held by the Company 2011	Interest in equity held by the Company 2010	Principal activities
Johbase Development Sdn. Bhd.	100%	100%	Property development and letting of properties
BCB Management Sdn. Bhd.	100%	100%	Provision of project management services
BCB Construction Sdn. Bhd.	100%	100%	Provision of project construction services
BCB Concrete Sdn. Bhd.	100%	100%	Manufacturing of concrete products
BCB Road Builder Sdn. Bhd.	100%	100%	Provision of road construction services
BCB Resources Sdn. Bhd.	100%	100%	Property development
BCB Land Sdn. Bhd.	100%	100%	Property development
BCB Trading Sdn. Bhd.	100%	100%	Trading of building materials
BCB Furniture Sdn. Bhd. *	100%	100%	Manufacturing of furniture
BCB Greens Sdn. Bhd. *	100%	100%	Provision of landscaping services
BCB Development Sdn. Bhd.	100%	100%	Dormant
BCB Technologies Sdn. Bhd.	100%	100%	Dormant
Laser Lagun Sdn. Bhd.	100%	100%	Dormant
Luna Starcity Sdn. Bhd.	100%	100%	Dormant

All subsidiaries are incorporated in Malaysia and audited by BDO.

* These subsidiaries had ceased operations

12. PROPERTY DEVELOPMENT COSTS

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
At beginning of the financial year:				
- land, at cost	63,358,681	60,730,905	28,402,310	29,013,014
- cumulative development costs	264,207,698	244,916,276	107,416,685	106,219,646
	327,566,379	305,647,181	135,818,995	135,232,660
Movements:				
Costs incurred during the financial year	122,918,564	31,244,742	80,423,881	9,911,878
Reversal of completed projects	-	(7,219,218)	-	(7,219,218)
Unsold units transferred to inventories	(2,108,492)	(2,106,325)	-	(2,106,325)
	448,376,451	327,566,380	216,242,876	135,818,995
Accumulated costs charged to statements of comprehensive income:				
At beginning of the financial year	(174,507,583)	(133,653,939)	(48,466,763)	(36,938,052)
- additions (Note 25)	(66,622,448)	(48,072,862)	(22,169,074)	(18,747,929)
- reversal of completed projects	-	7,219,218	-	7,219,218
At end of the financial year	(241,130,031)	(174,507,583)	(70,635,837)	(48,466,763)
Property development costs	207,246,420	153,058,797	145,607,039	87,352,232
At end of the financial year:				
- land, at cost	116,899,041	63,358,681	79,580,019	28,402,310
- development costs	331,447,410	264,207,699	136,662,857	107,416,685
- accumulated costs charged to statements of comprehensive income	(241,130,031)	(174,507,583)	(70,635,837)	(48,466,763)
	207,246,420	153,058,797	145,607,039	87,352,232
Property development costs pledged as securities for borrowings (Note 19)	150,242,843	106,191,251	145,607,039	43,883,475

Borrowing costs of the Group and of the Company amounting to RM1,798,221 and RM1,222,566 (2010: RM212,732 and RM Nil) respectively, arising on funds borrowed generally for property development activities, were capitalised during the financial year by applying a capitalisation rate of 7.1% (2010: 5.92%) and 7.3% (2010: 7.5%) per annum for the Group and for the Company respectively and are included in property development costs incurred during the financial year (Note 26).

13. INVENTORIES

	Group		Company	
	2011	2010	2011	2010
At cost	RM	RM	RM	RM
Completed development units	38,815,933	45,770,985	12,882,297	20,516,528
Food and beverages	201,709	150,453	201,709	150,453
General supplies	-	74,000	-	74,000
Consumable stocks	261,322	180,855	-	-
	39,278,964	46,176,293	13,084,006	20,740,981
Inventories pledged as securities for borrowings (Note 19)	13,675,654	17,751,375	11,103,392	14,444,181

14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Trade receivables-third parties	63,518,566	53,486,202	12,623,834	9,322,605
Amounts due from customers for contract works (Note 23)	11,644,699	9,704,179	-	-
Other receivables	10,728,373	5,612,595	6,659,228	1,122,925
Deposits	12,383,186	10,847,733	11,942,075	10,324,335
Prepayments	5,118,867	3,772,132	272,392	300,614
Amounts due from subsidiaries	-	-	163,936,533	166,492,141
Amounts due from related parties	12,822,904	7,483,793	-	9,290
	116,216,595	90,906,634	195,434,062	187,571,910

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

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

(c) Included in the deposits of the Group and the Company is an amount of RM10.8 million (2010: RM4.88 million), representing 10% of the purchase consideration of land as disclosed in Note 33 to the financial statements.

14. TRADE AND OTHER RECEIVABLES (continued)

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

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

	Group 2011 RM	Company 2011 RM
Neither past due nor impaired	21,202,659	9,953,447
Past duebut not impaired		
under 30 days	3,108,934	720,587
31 to 60 days	1,881,917	916,476
61 days to 120 days	3,327,325	1,033,324
over 120 days	33,997,731	-
	42,315,907	2,670,387
Past due and impaired	-	-
	63,518,566	12,623,834

Trade receivables that are neither past due nor impaired

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

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

Trade receivables that are past due but not impaired

At the end of the reporting period, trade receivables of the Group arising from services provided to Global Earnest Sdn. Bhd. amounting to RM34,529,442 have been arranged for settlement via capitalisation of debt as disclosed in Note 37 to the financial statements. The remaining balance of the Group and the Company that are past due but not impaired are unsecured in nature.

Trade receivables that are past due but impaired

Trade receivables of the Group that are individually determined to be impaired at the end of the reporting period relate to those debtors that exhibit significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements. The Group and the Company have written off bad debts amounting to RM722,598 (2010:RM Nil) during the financial year.

(f) Included in trade receivables of the Group are retention sums for contract works amounting to RM4,679,385 (2010: RM3,983,266). The retention sums are unsecured, interest-free and are expected to be collected within one year.

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Cash and bank balance s	6,760,604	9,147,180	2,397,501	3,723,794
Deposit with a licensed bank	1,500,000	-	1,500,000	-
	8,260,604	9,147,180	3,897,501	3,723,794

(a) Included in bank and cash balances of the Group and of the Company are amounts of RM2,045,974 (2010: RM1,454,051) and RM532,207 (2010: RM597,193) respectively held under Housing Development Account pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966, as amended by the Housing Developers (Housing Development Account) (Amendment) Regulations, 2002 that can only be used in accordance with the said Act.

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

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

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Cash and bank balances	6,760,604	9,147,180	2,397,501	3,723,794
Deposit with alicensed bank	1,500,000	-	1,500,000	-
Bank overdrafts included in borrowings (Note 19)	(54,000,105)	(19,275,554)	(52,099,760)	(17,288,794)
	(45,739,501)	(10,128,374)	(48,202,259)	(13,565,000)
Less : Deposit pledged to a licensed bank	(1,500,000)	-	(1,500,000)	-
	(47,239,501)	(10,128,374)	(49,702,259)	(13,565,000)

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

(d) The cash and cash equivalents are denominated in Ringgit Malaysia.

16. SHARE CAPITAL

	Group and Company 2011 RM	2010 RM
Ordinary shares of RM1 each		
Authorised:	500,000,000	500,000,000
Issued and fully paid:	206,250,000	206,250,000

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

At the end of reporting period, the number of outstanding shares in issue after setting treasury shares off against equity is 200,240,400 (2010: 201,727,400).

Treasury shares

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

At the end of the reporting period, a total of 6,009,600 (2010: 4,522,600) treasury shares at cost of RM3,113,255 (2010: RM2,299,555) were held by the Company in accordance with Section 67A (3B) of the Companies Act, 1965.

During the financial year, the Company repurchased 1,487,000 (2010: 132,000) of its issued share capital from the open market on Bursa Malaysia Securities Berhad for RM813,700 (2010: RM47,242). The average price paid for the shares repurchased was RM0.55 (2010: RM0.36) per share. The Share Buy Back transactions were financed by internally generated funds. The shares bought back are being held as treasury shares as allowed under Section 67A of the Companies Act, 1965. The Company has the right to reissue these shares at a later date. As treasury shares, the rights attached as to voting, dividends and participation in other distributions are suspended. None of the treasury shares repurchased have been sold as at 30 June 2011.

17. REVALUATION RESERVES

	Group and Company 2011 RM	2010 RM
Hotel properties		
At 1 July 2010/2009	6,769,207	6,744,035
Reversal of deferred tax liabilities (Note 20)	18,881	25,172
At 30 June 2011/2010	6,788,088	6,769,207

18. RETAINED EARNINGS

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

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

19. BORROWINGS

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Current liabilities				
Secured:				
Bridging loans	-	484,286	-	-
Term loans	7,574,996	10,234,957	6,952,914	4,828,649
Hire purchase creditors (Note 22)	358,799	263,607	331,033	237,585
Revolving credits	3,920,000	4,220,000	3,920,000	4,220,000
Bankers' acceptances	23,915,689	24,781,990	14,075,689	15,438,990
Bank overdrafts	54,000,105	19,275,554	52,099,760	17,288,794
	89,769,589	59,260,394	77,379,396	42,014,018
Non -current liabilities				
Secured:				
Term loans	103,779,972	70,756,235	66,429,622	36,203,999
Hire purchase creditors (Note 22)	716,549	648,283	676,833	580,804
	104,496,521	71,404,518	67,106,455	36,784,803
Total				
Secured:				
Bridging loans	-	484,286	-	-
Term loans	111,354,968	80,991,192	73,382,536	41,032,648
Hire purchase creditors	1,075,348	911,890	1,007,866	818,389
Revolving credits	3,920,000	4,220,000	3,920,000	4,220,000
Bankers' acceptances	23,915,689	24,781,990	14,075,689	15,438,990
Bank overdrafts	54,000,105	19,275,554	52,099,760	17,288,794
	194,266,110	130,664,912	144,485,851	78,798,821

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

The term loans of the Group are secured by way of legal charges over certain investment properties, deposit with a licensed bank, inventories, development properties, and land and buildings, and jointly and severally guaranteed by certain Directors. The term loans of the Group are repayable by way of fixed monthly instalments or on redemption of titles of properties sold, whichever is earlier.

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

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

(b) The borrowings are denominated in Ringgit Malaysia.

20. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
At beginning of the financial year	(2,883,509)	(2,447,419)	(3,386,433)	(3,019,518)
Credited/(charged) to profit and loss (Note 29)				
- property, plant and equipment	(418,692)	(229,217)	(319,957)	(400,514)
- investment tax allowance	(2,799)	(192,566)	(2,799)	(192,566)
- others	48,459	(39,479)	48,459	200,993
	(373,032)	(461,262)	(274,297)	(392,087)
Credited to other comprehensive income	18,881	25,172	18,881	25,172
At end of the financial year	(3,237,660)	(2,883,509)	(3,641,849)	(3,386,433)
Deferred tax assets (prior to offsetting)				
- investment tax allowance	3,938,075	3,940,874	3,938,075	3,940,874
- others	378,680	736,500	261,080	212,621
	4,316,755	4,677,374	4,199,155	4,153,495
Offsetting	(4,199,155)	(4,677,374)	(4,199,155)	(4,153,495)
Deferred tax ass ets (after offsetting)	117,600	-	-	-
Deferred tax liabilities (prior to offsetting)				
-property, plant and equipment	(7,554,415)	(7,560,883)	(7,841,004)	(7,539,928)
Offsetting	4,199,155	4,677,374	4,199,155	4,153,495
Def erred tax liabilities (after offsetting)	(3,355,260)	(2,883,509)	(3,641,849)	(3,386,433)

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

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Deductible temporary differences	130,402	72,740	-	-
Unabsorbed tax losses	3,367,757	3,329,543	-	-
	3,498,159	3,402,283	-	-

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

21. TRADE AND OTHER PAYABLES

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Trade payables - third parties	20,368,069	14,227,316	689,393	819,414
Amounts due to subsidiaries	-	-	349,708	350,080
Amounts due to related parties	-	386,499	-	7,097
Amounts due to customers for contract works (Note 23)	8,247,158	7,723,034	-	-
Other payables	4,206,233	2,842,620	1,464,594	1,778,339
Accrued expenses	1,717,309	1,961,837	1,409,252	959,684
Deposits received	1,415,965	1,335,290	1,289,306	1,324,090
	35,954,734	28,476,596	5,202,253	5,238,704

(a) All payables are denominated in Ringgit Malaysia.

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

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

22. HIRE PURCHASE CREDITORS

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Minimum hire purchase payments:				
- not later than 1 year	402,498	299,340	370,116	268,308
- later than 1 year but not later than 5 years	760,800	686,149	720,787	613,758
Total minimum hire purchase payments	1,163,298	985,489	1,090,903	882,066
Less: Future finance charges	(87,950)	(73,599)	(83,037)	(63,677)
Present value of hire purchase payments	1,075,348	911,890	1,007,866	818,389
Repayable as follows:				
Current liabilities:				
- not later than 1 year	358,799	263,607	331,033	237,585
Non-current liabilities:				
- later than 1 year but not later than 5 years	716,549	648,283	676,833	580,804
	1,075,348	911,890	1,007,866	818,389

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

	Group 2011 RM	Group 2010 RM
Aggregate costs incurred to date	253,034,107	61,988,803
Add: Attributable profits	30,722,645	5,001,040
Less: Recognised losses	(1,852,926)	(648,714)
	281,903,826	66,341,129
Less: Progress billings	(278,506,285)	(64,359,984)
	3,397,541	1,981,145
Represented by:		
Amounts due from customers for contract works (Note 14)	11,644,699	9,704,179
Amounts due to customers for contract works (Note 21)	(8,247,158)	(7,723,034)
	3,397,541	1,981,145

24. REVENUE

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Property development	88,304,839	61,566,220	30,876,019	22,577,100
Completed properties	9,150,035	12,100,144	5,933,672	8,834,941
Hotel operations	8,705,526	9,357,228	8,705,526	9,357,228
Construction contracts	7,176,926	1,848,904	-	-
Rental income	3,920,997	4,160,235	3,703,221	3,869,453
Sales of goods	750,129	1,373,911	-	-
Project management services	551,934	667,317	-	-
	118,560,386	91,073,959	49,218,438	44,638,722

25. COST OF SALES

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Property development costs (Note 12)	66,622,448	48,072,862	22,169,074	18,747,929
Cost of completed properties sold	4,648,999	9,325,097	3,259,018	6,396,195
Hotel operation costs	2,533,429	2,434,328	2,533,429	2,434,328
Construction contract costs	3,342,820	925,357	-	-
Cost of goods sold	686,486	689,677	-	-
	77,834,182	61,447,321	27,961,521	27,578,452

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

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26. FINANCE INCOME AND COSTS

	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
Finance income				
- interest income	68,210	8,890	159,510	106,036
Finance costs				
Interest expense:				
- term loans/bridging loans	5,211,770	2,494,342	4,373,157	1,867,599
- short term borrowings	3,752,316	3,343,598	3,074,017	2,827,023
- hire purchases	42,583	44,479	37,573	36,442
- others	371,844	261,362	176,825	187,447
	9,378,513	6,143,781	7,661,572	4,918,511
Less interest expense capitalised:				
- land held for property development (Note 10)	-	(124,948)	-	-
- property development costs (Note 12)	(1,798,221)	(212,732)	(1,222,566)	-
	7,580,292	5,806,101	6,439,006	4,918,511

27. PROFIT /(LOSS) BEFORE TAX

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

	Note	Group 2011 RM	Group 2010 (Restated) RM	Company 2011 RM	Company 2010 (Restated) RM
Auditors' remuneration					
- statutory		135,000	133,000	63,500	65,000
- non-statutory		5,000	36,500	5,000	29,500
Bad debt written off	14	722,598	-	722,598	-
Directors' remuneration:					
- fees		177,500	204,000	141,500	204,000
- emoluments other than fees		2,267,658	2,266,494	784,965	767,365
Hiring charges of machinery		-	776	-	-
Interest income	26	(68,210)	(8,890)	(159,510)	(106,036)
Inventories written off		-	40,979	-	-
Net foreign exchange losses/(gain)		2,579	(4,467)	2,579	(4,467)
Property, plant and equipment:					
- depreciation	7	2,040,572	1,882,879	1,752,516	1,478,289
- written off		2,757	20,859	-	13,958
- gain on disposals		(194,083)	(913,114)	(63,792)	(84,018)
Investment properties					
- rental income	8	(1,607,144)	(1,854,796)	(1,332,718)	(1,750,396)
Rental of premises		470,400	370,750	422,400	316,000
Staff costs	28	7,100,289	7,033,885	4,667,218	4,691,565
Inventories written down		-	474,055	-	-

28. EMPLOYEE BENEFITS

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

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Wages, salaries and bonus	5,808,185	5,799,036	3,816,145	3,821,298
Defined contribution plan	553,167	555,624	338,155	331,161
Other employee benefits	738,937	679,225	512,918	539,106
	7,100,289	7,033,885	4,667,218	4,691,565

Included in the employee benefits of the Group and the Company are Directors' remuneration which is disclosed in Note 32 (i) to the financial statements.

29. T AX EXPENSES

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Current tax	3,555,912	1,042,725	756,420	(15,908)
Deferred tax (Note 20)	373,032	461,262	274,297	392,087
	3,928,944	1,503,987	1,030,717	376,179
Current tax				
-curr ent financial year	3,436,396	1,296,129	631,277	250,000
-under/(over) provision in prior years	119,516	(253,404)	125,143	(265,908)
Deferred tax				
-origination and reversal of temporary differences	369,583	418,393	385,724	328,619
-under provision in prior years	3,449	42,869	(111,427)	63,468
	3,928,944	1,503,987	1,030,717	376,179

The Malaysian income tax is calculated at the statutory tax rate of 25% (2010: 25 %) of the estimated taxable profits for the fiscal year.

29. TAX EXPENSES (continued)

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

	Group		Company	
	2011	**2010**	**2011**	**2010**
	%	**%**	**%**	**%**
Applicable tax rate	25	25	(25)	25
Tax effects in respect of:				
Income not subject to tax	1	-	-	-
Utilisation of investment tax allowance	(1)	(2)	-	(2)
Deferred tax assets not recognised	(1)	5	-	-
Non-allowable expenses	15	19	159	200
	39	47	134	223
(Over)/Under provision in prior years				
- income tax	1	(6)	17	(78)
- deferred tax	-	-	(15)	-
Average effective tax rate	40	41	136	145

30. EARNINGS PER SHARE

(a) Basic

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

	Group	
	2011	**2010**
	RM	**RM**
Profit attributable to equity holders of the parent	5,981,733	2,121,050
	2011	**2010**
Weighted average number of ordinary shares in issue	201,058,255	201,847,233
	2011	**2010**
	Sen	**Sen**
Basic earnings per ordinary share attributable to the equity holders of the parent	2.98	1.05

(b) Diluted

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

31. CONTINGENT LIABILITIES

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Unsecured				
Corporate guarantees for trade credits granted to subsidiaries	-	-	2,272,024	4,156,387
Claim by Sime Hock	-	5,276,807	-	5,276,807
	-	5,276,807	2,272,024	9,433,194
Secured				
Corporate guarantees for borrowing facilities granted by financial institutions to subsidiaries	-	-	47,993,183	46,177,724
	-	5,276,807	50,265,207	55,610,918

On 10 June 1995, the Company entered into an agreement with Sime Hock Sdn. Bhd. ("Sime Hock") to undertake the development of a mixed development project namely, Taman Megah located at Pontian, Johor Darul Takzim.

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

On 21 October 2004, Sime Hock revoked both the agreement and the SA due to late delivery of the balance of entitled units and it claimed the sum of RM5,276,807 being the amount allegedly due upon the termination. The Company in turn filed a counterclaim against Sime Hock for breaching the terms and conditions stipulated in the SA entered into by both parties.

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

As at 30 June 2011, the Group had handed over 12 units of completed properties and paid the lump sum cash payment of RM2.0 million to Sime Hock. The Company is still in discussion with Sime Hock in regards to the status of another 2 property units which has yet to be handed over. A provision of RM440,000 had been made for the remaining liabilities resulting from this claim.

32. SIGNIFICANT RELATED PARTY DISCLOSURES

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

(a) Intercompany transactions

	Company	
	2011	**2010**
	RM	**RM**
Interest income receivable from a subsidiary:		
- Johbase Development Sdn. Bhd.	131,060	97,146
Progress billings by a subsidiary :		
- BCB Construction Sdn. Bhd.	20,911,588	8,010,183
Purchase of goods from subsidiaries:		
- BCB Trading Sdn. Bhd.	845	4,369
- BCB Furniture Sdn. Bhd.	-	4,444
Management fees receivable from subsidiaries:		
- BCB Construction Sdn. Bhd.	360,000	840,000
- Johbase Development Sdn. Bhd.	240,000	240,000
- BCB Resources Sdn. Bhd.	840,000	360,000
Hiring charges payable to a subsidiary:		
- BCB Road Builders Sdn. Bhd.	-	2,126
Rental income from a subsidiary :		
- BCB Construction Sdn. Bhd.	12,000	12,000

(b) Office rental paid to:

	Company	
	2011	**2010**
	RM	**RM**
- Ju-Ichi Enterprise Sdn. Bhd.	300,000	246,000

(c) Project management services to:

	Group	
	2011	**2010**
	RM	**RM**
- Marvel Plus Development Sdn. Bhd.	-	150,000

32. SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

(d) Hiring of machineries to:

	Group	
	2011	**2010**
	RM	**RM**
- Marvel Plus Development Sdn. Bhd.	314,045	-

(e) Maintenance fees to:

	Group	
	2011	**2010**
	RM	**RM**
- Ju-Ichi Enterprise Sdn Bhd	27,600	-

(f) Road and pavement construction services to:

	Group	
	2011	**2010**
	RM	**RM**
- Marvel Plus Development Sdn. Bhd.	127,000	-

(g) Construction contracts to:

	Group	
	2011	**2010**
	RM	**RM**
- Ju-Ichi Enterprise Sdn. Bhd.	1,724,750	-
- Marvel Plus Development Sdn. Bhd.	3,615,743	1,910,479

Identities of related parties	**Relationship with the Group**
Ju-Ichi Enterprise Sdn. Bhd. ("JIE")	A related party by virtue of the directorship of certain Director of the Company, Dato' Tan Seng Leong, Tan Lindy and Syed Abdullah Bin A. Hamid in JIE. Syed Abdullah Bin A. Hamid resigned as a Director on 23 August 2010.
Marvel Plus Development Sdn. Bhd. ("MPD")	A related party by virtue of the directorship of Tan Lindy, Tan Vin Sern and Dato' Tan Seng Leong's spouse, namely Datin Lim Sui Yong in MPD. Both Datin Lim Sui Yong and Tan Vin Sern are also major shareholders in MPD.

(h) Related party balances

Information regarding outstanding balances from related parties as at 30 June 2011 are disclosed in Note 14 and Note 21 to the financial statements.

32. SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

(i) Compensation of key management personnel

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

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

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Non -executive Directors:				
- fees	177,500	204,000	141,500	204,000
Executive Directors:				
- salary and bonus	1,907,000	1,902,033	661,040	639,467
- defined contribution plan	360,658	364,461	123,925	127,898
	2,445,158	2,470,494	926,465	971,365

The estimated monetary value of benefits in kind paid to Directors of the Group and the Company during the financial year amounted to RM76,600 and RM67,800 (2010: RM137,578 and RM137,578) respectively.

33. CAPITAL COMMITMENTS

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

	Group and Company	
	2011 RM	2010 RM
Purchase of freehold land	-	48,848,160
Purchase of leasehold land	108,000,000	-
Less: deposit paid (Note 14 (c))	(10,800,000)	(4,884,816)
	97,200,000	43,963,344
Infrastructure development contribution	5,000,000	-
	102,200,000	43,963,344

On 11 March 2011, the Company entered into a sale and purchase agreement ("SPA") to purchase 151.28 acres of land in Mukim of Klang, Daerah Selangor Darul Ehsan for a consideration of RM108,000,000. As at the date of this report, the Company has fully consummated the sale and purchase agreement and paid the vendor. Settlement of the contribution fees of RM5.0 million is currently pending approval of the amended layout plan by the relevant authorities.

34. OPERATING SEGMENTS

(a) The Group is organised into the following four main business segments:

- Property development and management activities
- Construction and related activities
- Hotel operations
- Others

Intersegment sales comprise mainly:

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

These transactions are conducted on mutually agreed terms.

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

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

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

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

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

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

34. OPERATING SEGMENTS (continued)

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

2011	Property development and management activities RM	Construction and related activities RM	Hotel operations RM	Others RM	Total RM
Revenue					
Total revenue	101,668,175	57,368,923	9,402,093	-	168,439,191
Inter-segment revenue	-	(49,878,805)	-	-	(49,878,805)
Revenue from external customer	101,668,175	7,490,118	9,402,093	-	118,560,386
Results					
Interest income	68,210	-	-	-	68,210
Finance costs	(6,738,986)	(771,822)	(69,484)	-	(7,580,292)
Net finance expense	(6,670,776)	(771,822)	(69,484)	-	(7,512,082)
Depreciation	959,407	200,913	880,252	-	2,040,572
Segment profit before income tax	9,973,791	271,820	(325,146)	(9,788)	9,910,677
Income tax expenses	(3,914,783)	(14,161)	-	-	(3,928,944)
Other material non-cash item:					
Bad debts written off	-	-	722,598	-	722,598
Additions to non-current assets other than financial instruments and deferred tax assets	7,552,622	13,596	1,033,950	-	8,600,168
Segment assets	331,011,741	196,304,534	35,789,611	358,424	563,464,310
Current tax assets	295,063	572,712	-	-	867,775
Deferred tax assets	117,600	-	-	-	117,600
Total assets	331,424,404	196,877,246	35,789,611	358,424	564,449,685
Segment liabilities	25,294,188	190,739,363	14,185,277	2,016	230,220,844
Current tax liabilities	582,259	-	-	-	582,259
Deferred tax liabilities	1,541,795	18	1,813,447	-	3,355,260
Total liabilities	27,418,242	190,739,381	15,998,724	2,016	234,158,363

34. OPERATING SEGMENTS (continued)

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

2010	Property development and management activities RM	Construction and related activities RM	Hotel operations RM	Others RM	Total RM
Revenue					
Total revenue	76,560,095	29,568,560	10,069,945	-	116,198,600
Inter -segment revenue	-	(25,054,641)	(70,000)	-	(25,124,641)
Revenue from external customer	76,560,095	4,513,919	9,999,945	-	91,073,959
Results					
Finance income	8,890	-	-	-	8,890
Finance cost	(4,938,580)	(795,553)	(71,731)	(237)	(5,806,101)
Net finance expense	(4,929,690)	(795,553)	(71,731)	(237)	(5,797,211)
Depreciation	873,425	283,313	726,141	-	1,882,879
Segment profit before income tax	2,934,919	(1,021,718)	1,643,674	68,161	3,625,037
Income tax (expenses)/income	(1,524,226)	80,645	(60,390)	(16)	(1,503,987)
Other material non -cash item:					
Inventories written down /off	515,034	-	-	-	515,034
Additions to non -current assets other than financial instruments and deferred tax assets	47,023,758	-	-	-	47,023,758
Segment assets	317,834,730	132,274,354	34,717,030	395,387	485,221,501
Current tax assets	1,547,472	385,039	275,826	-	2,208,337
Total assets	319,382,202	132,659,393	34,992,856	395,387	487,429,838
Segment liabilities	32,195,273	112,855,105	14,088,919	2,211	159,141,508
Current tax liabilities	300,413	-	-	-	300,413
Deferred tax liabilities	2,883,509	-	-	-	2,883,509
Total liabilities	35,379,195	112,855,105	14,088,919	2,211	162,325,430

35. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the Group's capital management is to ensure that the Group would be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The overall strategy of the Group remains unchanged from that in financial year ended 30 June 2010.

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

The Group and the Company monitor capital using a gearing ratio which is the amount of borrowings (Note 19) divided by equity attributable to owners of the parent. The Group's and the Company's policy is to keep the gearing ratio within manageable levels. At the end of the reporting period, the Group's gearing ratio is 0.59 times (2010: 0.40 times) and the Company's gearing ratio is 0.49 times (2010: 0.27 times). No changes were made in the objectives, policies or processes during the financial years ended 30 June 2011 and 30 June 2010.

(b) Financial instruments

Certain comparative figures have not been presented for 30 June 2010 by virtue of the exemption given in paragraph 44AA of FRS 7.

(i) Categories of financial instruments

Group	Loan and receivables RM	Fair value through profit or loss RM	Available for sale RM	Held to maturity RM	Total RM
2011					
Financial assets					
Trade and other receivables	116,216,595	-	-	-	116,216,595
Cash and cash equivalents	8,260,604	-	-	-	8,260,604
	124,477,199	-	-	-	124,477,199

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

35. FINANCIAL INSTRUMENTS (continued)

(b) Financial instruments (continued)

(i) Categories of financial instruments (continued)

Company	Loan and receivables RM	Fair value through profit or loss RM	Available for sale RM	Held to maturity RM	Total RM
2011					
Financial assets					
Trade and other receivables	195,434,062	-	-	-	195,434,062
Cash and cash equivalents	3,897,501	-	-	-	3,897,501
	199,331,563	-	-	-	199,331,563

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

(ii) Fair values of financial instruments

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

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

35. FINANCIAL INSTRUMENTS (continued)

(b) Financial instruments (continued)

(ii) Fair values of financial instruments (continued)

2010	Group Carrying amount RM	Group Fair value RM	Company Carrying amount RM	Company Fair value RM
Recognised				
Financial liabilities:				
Hire purchase creditors	911,890	790,147	818,389	711,924

(c) Methods and assumptions used to estimate fair value

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

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

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

(ii) Hire purchase creditors

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

(d) Fair value hierarchy

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

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

(a) Credit risk

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

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

Exposure to credit risk

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

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

Credit risk concentration profile

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

The Group does not have any significant concentration of credit risk as at the end of the reporting period except for the debts owing by GE, MPD and JIE amounting to RM42,933,181, RM11,003,680 and RM1,819,224 respectively. Amount owing by GE as at 31 March 2011 has been arranged for settlement via capitalisation of debt as disclosed in Note 37 to the financial statements. There are on-going discussion and negotiation with MPD and JIE in arriving at proposed settlement plans acceptable to all parties. Based on the management's assessment of MPD and JIE's financial positions by reference to their latest audited financial statements, no impairment is made on these balances as at the end of the reporting period.

The Company does not have any significant concentration of credit risk as at the end of the reporting period except for the amount owing by subsidiaries of RM163,936,533 (2010: RM166,492,141).

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Credit risk (continued)

Financial assets that are neither past due nor impaired

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

Financial assets that are either past due or impaired

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

(b) Liquidity and cash flow risk

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

Analysis of financial instruments by remaining contractual maturities

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

	Within 1 year RM	1 - 5 years RM	More than 5 years RM	Total RM
As at 30 June 2011				
Group				
Financial liabilities:				
Trade and other payables	35,954,734	-	-	35,954,734
Borrowings	92,639,900	60,399,003	56,223,590	209,262,493
Total undiscounted financial liabilities	128,594,634	60,399,003	56,223,590	245,217,227
As at 30 June 2011				
Company				
Financial liabilities:				
Trade and other payables	5,202,253	-	-	5,202,253
Borrowings	80,075,885	25,039,265	52,177,139	157,292,289
Total undiscounted financial liabilities	85,278,138	25,039,265	52,177,139	162,494,542

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Interest rate risk

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

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

Sensitivity analysis for interest rate risk

As at 30 June 2011, if interest rates at the date had been 100 basis points lower with all other variables held constant, post-tax profit for the year would have been RM1,681,055 higher and vice versa, arising mainly as a result of lower or higher interest expense on variable borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

36. **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

(c) **Interest rate risk (cont inued)**

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

	Note	Weighted average effective interest rate %	Within 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM	Total RM
Group At 30 June 2011							
Fixed rates							
Hire purchase creditors	22	6.0	358,799	375,604	340,945	-	1,075,348
Floating rates							
Term loans	19	7.3	7,574,996	4,797,244	47,038,131	51,944,597	111,354,968
Revolving credits	19	8.6	3,920,000	-	-	-	3,920,000
Bankers' acceptances	19	5.6	23,915,689	-	-	-	23,915,689
Bank overdrafts	19	8.1	54,000,105	-	-	-	54,000,105
Group At 30 June 2010							
Fixed rates							
Hire purchase creditors	22	6.8	263,607	275,934	372,349	-	911,890
Floating rates							
Bridging loans	19	7.3	484,286	-	-	-	484,286
Term loans	19	7.1	10,234,957	11,191,548	38,107,079	21,457,608	80,991,192
Revolving credits	19	7.2	4,220,000	-	-	-	4,220,000
Bankers' acceptances	19	4.7	24,781,990	-	-	-	24,781,990
Bank overdrafts	19	7.6	19,275,554	-	-	-	19,275,554

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Interest rate risk (continued)

	Note	Weighted average effective interest rate %	Within 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM	Total RM
Company At 30 June 2011							
Fixed rates							
Hire purchase creditors	22	5.6	331,033	346,097	330,736	-	1,007,866
Floating rates							
Term loans	19	7.4	6,952,914	4,285,228	12,763,222	49,381,172	73,382,536
Revolving credits	19	8.6	3,920,000	-	-	-	3,920,000
Bankers' acceptances	19	5.8	14,075,689	-	-	-	14,075,689
Bank overdrafts	19	8.1	52,099,760	-	-	-	52,099,760
Company At 30 June 2010							
Fixed rates							
Hire purchase creditors	22	6.6	237,585	248,169	332,635	-	818,389
Floating rates							
Term loans	19	7.2	4,828,649	4,731,920	12,813,123	18,658,956	41,032,648
Revolving credits	19	7.2	4,220,000	-	-	-	4,220,000
Bankers' acceptances	19	5.6	15,438,990	-	-	-	15,438,990
Bank overdrafts	19	7.8	17,288,794	-	-	-	17,288,794

37. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

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

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

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

The corporate exercise involved the conversion of RM39,000,000 debts into shares in GE while RM8,330 was paid via cash.

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

The effect of the acquisition of GE on the financial position and cash flows of the Group could not be disclosed as the initial accounting for the business combination is incomplete at the time the financial statements are authorised for issue. The management is in the midst of identifying and measuring the fair value of the assets acquired and liabilities assumed.

38. COMPARATIVE FIGURES

(a) Certain comparative figures have been restated due to the effects arising from the adoption of Amendment to FRS 117 Leases, which have resulted in retrospective adjustments. Leasehold land held by the Group and the Company for own use were reclassified from prepaid lease payments for land as previously reported, to property, plant and equipment – leasehold land.

Group	As at 1 July 2009			As at 30 June 2010		
	As previously reported RM	Effects on adoption of Amendment to FRS 117 RM	As restated RM	As previously reported RM	Effects on adoption of Amendment to FRS 117 RM	As restated RM
Statements of financial position						
Assets						
Non-current assets						
Property, plant and equipment	48,680,300	3,055,384	51,735,684	48,640,217	3,019,010	51,659,227
Investment properties	27,417,436	-	27,417,436	27,417,436	-	27,417,436
Prepaid land lease payments	3,055,384	(3,055,384)	-	3,019,010	(3,019,010)	-
Land held for property development	61,879,838	-	61,879,838	106,855,934	-	106,855,934
	141,032,958	-	141,032,958	185,932,597	-	185,932,597
Current assets						
Property development costs	171,993,242	-	171,993,242	153,058,797	-	153,058,797
Inventories	54,091,251	-	54,091,251	46,176,293	-	46,176,293
Current tax assets	1,595,405	-	1,595,405	2,208,337	-	2,208,337
Trade and other receivables	81,479,483	-	81,479,483	90,906,634	-	90,906,634
Cash and bank balances	3,997,706	-	3,997,706	9,147,180	-	9,147,180
	313,157,087	-	313,157,087	301,497,241	-	301,497,241
		-			-	
TOTAL ASSETS	454,190,045	-	454,190,045	487,429,838	-	487,429,838

38. COMPARATIVE FIGURES (continued)

(a) Certain comparative figures have been restated due to the effects arising from the adoption of Amendment to FRS 117 Leases, which have resulted in retrospective adjustments. Leasehold land held by the Group and the Company for own use were reclassified from prepaid lease payments for land as previously reported, to property, plant and equipment – leasehold land (continued).

	As at 1 July 2009			As at 30 June 2010		
Group	As previously reported RM	Effects on adoption of Amendment to FRS 117 RM	As restated RM	As previously reported RM	Effects on adoption of Amendment to FRS 117 RM	As restated RM
Statements of financial position						
Equity attributable to owners of the parent						
Share capital	206,250,000	-	206,250,000	206,250,000	-	206,250,000
Treasury shares	(2,252,313)	-	(2,252,313)	(2,229,555)	-	(2,229,555)
Revaluation reserves	6,744,035	-	6,744,035	6,769,207	-	6,769,207
Retained earnings	112,263,706	-	112,263,706	114,384,756	-	114,384,756
	323,005,428	-	323,005,428	325,104,408	-	325,104,408
LIABILITIES						
Non-current liabilities						
Bank borrowings	25,489,357	-	25,489,357	71,404,518	-	71,404,518
Deferred tax liabilities	2,447,419	-	2,447,419	2,883,509	-	2,883,509
	27,936,776	-	27,936,776	74,288,027	-	74,288,027
Current liabilities						
Trade and other payables	26,816,523	-	26,816,523	28,476,596	-	28,476,596
Bank borrowings	76,359,984	-	76,359,984	59,260,394	-	59,260,394
Current tax liabilities	71,334	-	71,334	300,413	-	300,413
	103,247,841	-	103,247,841	88,037,403	-	88,037,403
Total liabilities	131,184,617	-	131,184,617	162,325,430	-	162,325,430
Total equity and liabilities	454,190,045	-	454,190,045	487,429,838	-	487,429,838

38. COMPARATIVE FIGURES (continued)

(a) Certain comparative figures have been restated due to the effects arising from the adoption of Amendment to FRS 117 Leases, which have resulted in retrospective adjustments. Leasehold land held by the Group and the Company for own use were reclassified from prepaid lease payments for land as previously reported, to property, plant and equipment – leasehold land (continued).

Company	As at 1 July 2009 As previously reported RM	As at 1 July 2009 Effects on adoption of Amendment to FRS 117 RM	As at 1 July 2009 As restated RM	As at 30 June 2010 As previously reported RM	As at 30 June 2010 Effects on adoption of Amendment to FRS 117 RM	As at 30 June 2010 As restated RM
Statement of financial position						
Assets						
Non-current assets						
Property, plant and equipment	41,969,766	3,055,384	45,025,150	42,550,378	3,019,010	45,569,388
Investment properties	18,762,436	-	18,762,436	18,762,436	-	18,762,436
Prepaid land lease payments	3,055,384	(3,005,384)	-	3,019,010	(3,019,010)	-
Land held for property development	8,510,355	-	8,510,355	8,548,940	-	8,548,940
Investments in subsidiaries	10,500,012	-	10,500,012	10,500,012	-	10,500,012
	82,797,953	-	82,797,953	83,380,776	-	83,380,776
Current assets						
Property development costs	98,294,608	-	98,294,608	87,352,232	-	87,352,232
Inventories	25,005,811	-	25,005,811	20,740,981	-	20,740,981
Current tax assets	740,507	-	740,507	275,824	-	275,824
Trade and other receivables	174,740,068	-	174,740,068	187,571,910	-	187,571,910
Cash and bank balances	1,416,933	-	1,416,933	3,723,794	-	3,723,794
	300,197,927	-	300,197,927	299,664,741	-	299,664,741
TOTAL ASSETS	382,995,880	-	382,995,880	383,045,517	-	383,045,517

38. COMPARATIVE FIGURES (continued)

(a) Certain comparative figures have been restated due to the effects arising from the adoption of Amendment to FRS 117 Leases , which have resulted in retrospective adjustments. Leasehold land held by the Group and the Company for own use were reclassified from prepaid lease payments for land as previously reported, to property, plant and equipment – leasehold land (continued).

Company	As at 1 July 2009 As previously reported RM	As at 1 July 2009 Effects on adoption of Amendment to FRS 117 RM	As at 1 July 2009 As restated RM	As at 30 June 2010 As previously reported RM	As at 30 June 2010 Effects on adoption of Amendment to FRS 117 RM	As at 30 June 2010 As restated RM
Statement of financial position						
Equity attributable to owners of the parent						
Share capital	206,250,000	-	206,250,000	206,250,000	-	206,250,000
Treasury shares	(2,252,313)	-	(2,252,313)	(2,299,555)	-	(2,299,555)
Revaluation reserves	6,744,035	-	6,744,035	6,769,207	-	6,769,207
Retained earnings	85,016,856	-	85,016,856	84,901,907	-	84,901,907
	295,758,578	-	295,758,578	295,621,559	-	295,621,559
LIABILITIES						
Non-current liabilities						
Bank borrowings	18,012,735	-	18,012,735	36,784,803	-	36,784,803
Deferred tax liabilities	3,019,518	-	3,019,518	33,386,433	-	33,386,433
	21,032,253	-	21,032,253	40,171,236	-	40,171,236
Current liabilities						
Trade and other payables	6,678,114	-	6,678,114	5,238,704	-	5,238,704
Bank borrowings	59,526,935	-	59,526,935	42,014,018	-	42,014,018
	66,205,049	-	66,205,049	47,252,722	-	47,252,722
Total liabilities	87,237,302	-	87,237,302	887,423,958	-	887,423,958
Total equity and liabilities	382,995,880	-	382,995,880	383,045,517	-	383,045,517

38. COMPARATIVE FIGURES (continued)

(a) Certain comparative figures have been restated due to the effects arising from the adoption of Amendment to FRS 117 Leases, which have resulted in retrospective adjustments. Leasehold land held by the Group and the Company for own use were reclassified from prepaid lease payments for land as previously reported, to property, plant and equipment – leasehold land (continued).

Group	As previously reported RM	Effects on adoption of Amendment to FRS 117 RM	As restated RM
For the financial year ended 30 June 2010			
Statements of comprehensive income (Note 27)			
Depreciation of property, plant and equipment	1,846,505	36,374	1,882,879
Amortisation of prepaid lease payments for land	36,374	(36,374)	-
Statements of cash flows			
Depreciation of property, plant and equipment	1,846,505	36,374	1,882,879
Amortisation of prepaid lease payments for land	36,374	(36,374)	-
Company			
For the financial year ended 30 June 2010			
Statement of comprehensive income (Note 27)			
Depreciation of property, plant and equipment	1,441,915	36,374	1,478,289
Amortisation of prepaid lease payments for land	36,374	(36,374)	-
Statement of cash flows			
Depreciation of property, plant and equipment	1,441,915	36,374	1,478,289
Amortisation of prepaid lease payments for land	36,374	(36,374)	-

38. COMPARATIVE FIGURES (continued)

(b) The following comparative figures have been reclassified to conform with the current year's presentation:

	As previously reported RM	Reclassi-fications RM	As restated RM
For the financial year ended 30 June 2010			
Statements of comprehensive income			
Group			
Marketing expenses	(5,166,113)	3,624,954	(1,541,159)
Other operating expenses	(6,412,534)	(3,624,954)	(10,037,488)
Company			
Marketing expenses	(4,461,830)	3,624,954	(836,876)
Other operating expenses	(5,820,549)	(3,624,954)	(9,445,503)

39. SUPPLEMENTARY INFORMATION ON REALISED AND UNREALISED PROFITS OR LOSSES

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

	2011 Group RM	2011 Company RM
Total retained earnings of BCB Berhad and its subsidiaries		
- Realised	121,806,208	86,753,680
- Unrealised	(3,237,660)	(3,641,849)
	118,568,548	83,111,831
Add: Consolidation adjustment	1,797,914	-
Total Group/Company retained earnings as per consolidated financial statements	120,366,489	83,111,831

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

SHAREHOLDINGS STATISTICS
AS AT 31 OCTOBER 2011

Authorised share capital	:	RM500,000,000
Issued and paid-up capital	:	RM206,250,000 (inclusive of 6,010,600 as Treasury Shares)
Types of shares	:	Ordinary shares of RM1.00 each
No. of shareholders	:	3,782
Voting rights	:	One vote per ordinary share

Analysis of Shareholdings By Range Groups

	No of Shares	% Over Total Shares	No. of Holders	% Over Total Shareholders
less than 100 shares	319	0.00	7	0.185
100 to 1,000 shares	393,900	0.196	435	11.501
1,001 to 10,000 shares	10,309,681	5.148	2,779	73.479
10,001 to 100,000 shares	12,533,000	6.259	479	12.655
100,001 to less than 5% of issued shares	111,238,000	55.552	78	2.062
5% and above of issued shares	65,764,500	32.842	4	0.105
Total	200,239,400	100.000	3,782	100.000

List of Thirty Largest Shareholders as at 31 October 2011 (as per Record of Depositors)

No	Name	Shares Held	%
1.	Effective Strategy Sdn Bhd	19,304,500	9.64
2.	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Tan Seng Leong	18,410,000	9.19
3.	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Dato' Tan Seng Leong	15,053,000	7.52
4.	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Dato' Tan Seng Leong	12,997,000	6.49
5.	Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lai Chee Hoong	9,971,800	4.98
6.	HDM Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Soh Jin Chai	6,536,200	3.26
7.	HDM Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Boon Seng	5,762,900	2.88
8.	HDM Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Key Siew	5,215,200	2.60
9.	Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Seng Leong	4,294,500	2.14
10.	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Tan Chin Ee	3,814,500	1.90
11.	Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Seng Leong	3,750,000	1.87
12.	Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Haven Venture Sdn Bhd	3,573,800	1.78

SHAREHOLDINGS STATISTICS (Cont'd)
AS AT 31 OCTOBER 2011

No	Name	Shares Held	%
13.	EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Tho Siu Chu	3,500,000	1.75
14.	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Tan Lay Kim	3,180,000	1.59
15.	EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Tan Seng Leong	3,078,000	1.54
16.	Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lasercoin (M) Sdn Bhd	2,945,900	1.47
17.	EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Tan Vin Sern	2,534,500	1.27
18.	Tan Seng Hoo	2,285,000	1.14
19.	Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Dato' Tan Seng Leong	2,251,300	1.12
20.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Li Tak	2,073,700	1.04
21.	Puncak Angkasa Sdn Bhd	2,000,000	1.00
22.	Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hon Lai Yin	1,971,000	0.98
23.	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Tan Lay Kim	1,920,000	0.96
24.	Tho Siu Cho	1,882,500	0.94
25.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Seng Leong	1,839,200	0.92
26.	EB Nominees (Tempatan) Sdn Bhd Amara Investment Management Sdn Bhd for Tan Chin Ee	1,816,000	0.91
27.	Tan Chin Ee	1,791,000	0.89
28.	Berjaya Assets Berhad	1,667,000	0.83
29.	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Tan Seng Hoo	1,665,000	0.83
30.	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Tan Seng Keng	1,665,000	0.83

SHAREHOLDINGS STATISTICS (Cont'd)

AS AT 31 OCTOBER 2011

Substantial Shareholders as at 31 October 2011 (as per Register of Substantial Shareholders)

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

Notes:

* Deemed interested by virtue of :-

(1) his spouse, Datin Lim Sui Yong's shareholding in the Company – 131,000 (0.07%); and

(2) his son, Mr Tan Vin Sern's shareholding in the Company – 2,534,500 (1.27%).

Deemed interested by virtue of :-

(1) ther spouse, Dato' Tan Seng Leong's shareholding in the Company –63,035,500 (31.48%); and

(2) her son, Mr Tan Vin Sern's shareholding in the Company – 2,534,500 (1.27%).

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

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

Directors' Shareholdings as at 31 October 2011 (as per Register of Directors' Shareholdings)

	Number of ordinary shares of RM1 each			
Shareholdings in the name of the Director	**Direct**	**%**	**Indirect**	**%**
1. Dato' Tan Seng Leong	63,035,500	31.48	* 2,665,500	1.33
2. Tan Lay Kim	5,375,700	2.68	-	-
3. Tan Lay Hiang	491,100	0.25	-	-
4. Tan Vin Sern	2,534,500	1.27	-	-

Notes:

* Deemed interested by virtue of :-

(1) his spouse, Datin Lim Sui Yong's shareholding in the Company – 131,000 (0.07%); and

(2) his son, Mr. Tan Vin Sern's shareholding in the Company – 2,534,500 (1.27%).

LIST OF LANDED PROPERTIES

The details of the BCB Group's properties as at 30 June 2011 are as follows:

Location	Description	Tenure	Age of building	Size (acre)	Carry amount Cost as at 30 June 2011 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)	14 years	0.35	29,969	23/3/09*
PTB 8370 No. 20, Jalan Bakawali, 86000 Kluang, Johor.	A basement and 4 storey shopping complex	Leasehold (expiring 10.11.2093)	14 years	0.23	18,762	20/4/09*
PTD 32927 - 32930 70, 72, 74, 76, Jalan Intan 3, Taman Intan, 86000 Kluang, Johor.	4 units double storey shop house	Freehold	16 years	0.15	720	23/3/04*
PTD 49840 No. 1, Jalan 6, Taman Sri Kluang, 86000 Kluang, Johor.	Single storey hypermarket	Freehold	11 years	1.44	4,554	26/2/09*
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	11 years	0.84	2,439	27/6/98
PTD 50047 - 50049 No. 29-33, Jalan 20, Taman Sri Kluang, 86000 Kluang, Johor.	3 units industry factory	Freehold	9.5 years	3.29	4,051	20/4/09*
GRN 183520, 183519, 183834,183832,183814 242950,242949,243046, 243049,183521 & PTD 102771,10772, 141018-141024 Mukim Pulai, Johor Bahru, Johor.	19 units of Shop Offices	Freehold	3 years	0.7	7,345	01/02/2009 & 16/3/09
Lot 6806 & 6808 Mukim of Kluang District of Kluang, Johor	Being developed as Taman Sri Kluang	Freehold	N/A	67.05	40,598	12/1/96 1/12/96
Lot 1574 Mukim of Kluang District of Kluang, Johor	Proposed residential & commercial development	Freehold	N/A	17.97	564	25/1/91
Lot 4562 Mukim of Kluang District of Kluang, Johor	Proposed residential development	Freehold	N/A	2.99	4,392	25/5/96

LIST OF LANDED PROPERTIES (Cont'd)

Location	Description	Tenure	Age of building	Size (acre)	Carry amount Cost as at 30 June 2011 RM'000	Date of acquisition/ revaluation*
Lot 321 & Lot 440 Mukim of Kluang District of Kluang, Johor	Being developed as Taman Kluang Baru 2	Freehold	N/A	10.83	1,900	29/12/99
Lot 482,484 Mukim of Kluang District of Kluang, Johor	Being developed as Jobhase City Square Commercial Lot	Freehold	N/A	0.39	3,389	15/4/93
BATU PAHAT, JOHOR						
Lot 4091 Mukim of Simpang Kanan, District of Batu Pahat, Johor	Being developed as Taman Bukit Perdana II	Freehold	N/A	11.64	10,636	7/12/94
Lot 559, 2954-2959, 2656 & 2660	Being developed as Taman Bukit Perdana III	Freehold	N/A	18.54	10,503	7/12/94
Lot 2664-2666 Mukim of Simpang Kanan, District of Batu Pahat, Johor	Being developed as Taman Bukit Perdana II	Freehold	N/A	21.04	5,896	27/6/94
Lot 3131 Mukim of Simpang Kanan, District of Batu Pahat, Johor	Proposed residential development	Freehold	N/A	4.05	259	6/9/94
Lot 8096 Mukim of Sri Gading District of Batu Pahat, Johor	Proposed residential development	Freehold	N/A	2	477	13/12/06
Lot 8097 Mukim of Sri Gading District of Batu Pahat, Johor	Proposed residential development	Freehold	N/A	2	482	13/12/06
Lot 708 Mukim of Sri Gading District of Batu Pahat, Johor	Proposed residential development	Freehold	N/A	3	870	13/12/06
Lot 4852 - 4861 (Master Title) PTD 41078 - PTD 41089 (New Title) Mukim of Simpang Kanan, District of Batu Pahat, Johor	Proposed residential development	Freehold	N/A	2.18	4,389	2/12/93
HS(D) 23056-23076, 23081-23087 & 23181 Mukim of Simpang Kanan, District of Batu Pahat, Johor	Proposed residential development	Freehold	N/A	72.11	8,953	27/5/09*
Lot 5267 & 7918 Mukim of Simpang Kanan, District of Batu Pahat, Johor	Proposed residential & commercial development	Freehold	N/A	7.07	2,035	20/3/01

LIST OF LANDED PROPERTIES (Cont'd)

Location	Description	Tenure	Age of building	Size (acre)	Carry amount Cost as at 30 June 2011 RM'000	Date of acquisition/ revaluation*
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	150.37	78,797	6/2/02*
Lot 4207 Mukim of Simpang Kanan, District of Batu Pahat, Johor	Proposed residential & commercial development	Freehold	N/A	35	5,915	23/9/03
H.S.(D) 43072 P.T.D. No.18610 Mukim of Linau, District of Batu Pahat, Johor	Being developed as Bandar Putera Indah	Freehold	N/A	19.5	4,636	19/11/07
H.S.(D) 43069-43075 P.T.D. No.18607-18613 Mukim of Linau, District of Batu Pahat, Johor	Being developed as Bandar Putera Indah	Freehold	N/A	370	52,799	28/9/09*
YONG PENG, JOHOR						
Lot 5297, 5298 & 5299 Mukim Tanjong Sembrong, District of Yong Peng, Johor	Being developed as Bandar Cahaya Baru	Freehold	N/A	1.93	1,464	6/7/99
PONTIAN, JOHOR						
Lot 4681, Mukim of Pontian District of Pontian, Johor	Being developed as Taman Megah	Freehold	N/A	17.29	19,405	17/11/94
SEREMBAN, NEGERI SEMBILAN						
Lot 5527 Mukim of Rantau, District of Seremban, Negeri Sembilan	Being developed as Taman Seremban Jaya	Freehold	N/A	3.47	5,708	15/7/94
KUALA LUMPUR						
Lot 9933 (Geran 6497) Lorong Awan Jawa Taman Yarl Mukim Petaling Distric of Kuala Lumpur	Proposed residential development	Freehold	N/A	0.4	2,374	4/2/10
Lot 1844 & Lot 1845 (HS (M) 12718 PT 25954) Mukim Batu Daerah Kuala Lumpur	Proposed residential development	Freehold	N/A	5.03	55,318*	10/3/10
					389,599	

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Third Annual General Meeting of the Company will be held at Prime City Hotel, Venus Room, 6th Floor, 20, Jalan Bakawali, 86000 Kluang, Johor Darul Takzim on Thursday, 15 December 2011 at 10.30 a.m., for the following purposes:

AGENDA

1. To receive the Statutory Financial Statements for the financial year ended 30 June 2011 together with the Reports of the Directors and Auditors thereon. **(Refer to Explanatory Note 1)**

2. To approve the payment of the Directors' fees amounting to RM141, 500.00 for the financial year ended 30 June 2011 **Resolution 1**

3. To re-elect the following Directors who retire in accordance with the Articles of Association of the Company and who, being eligible, offer themselves for re-election:

   Article 105

   (a) Dato' Tan Seng Leong **Resolution 2**
   (b) Ms. Tan Lay Kim **Resolution 3**
   (c) Ms. Tan Lindy **Resolution 4**

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

AS SPECIAL BUSINESS:

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

5. **APPROVAL FOR ISSUANCE OF NEW ORDINARY SHARES PURSUANT TO SECTION 132D OF COMPANIES ACT, 1965** **Resolution 6**

   "THAT, subject to the Companies Act 1965, the Articles of Association of the Company and the approvals from Bursa Malaysia Securities Berhad and other relevant government/regulatory authorities, where such approval is necessary, the Directors be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965 to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Board of Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10% of the issued share capital of the Company for the time being AND THAT the Board of Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad." **(Refer to Explanatory Note 2)**

6. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE** **Resolution 7**

   "THAT subject to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), approval be and is hereby given to the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the related parties ("Recurrent Related Party Transactions") as set out in Section 2.1.5 of the Circular to the Shareholders dated 23 November 2011 ("the Circular"), subject further to the following: **(Refer to Explanatory Note 3)**

   (i) the Recurrent Related Party Transactions are entered into in the ordinary course of business on terms not more favourable to the related parties than those generally available to the public, and the Recurrent Related Party Transactions are undertaken on arms' length basis and are not to the detriment of the minority shareholders of the Company;

   (ii) the disclosure is made in the annual report of the breakdown of the aggregate value of the Recurrent Related Party Transactions conducted pursuant to the shareholders' mandate during the financial year,

   (iii) amongst others, based on the following information

      (a) the type of Recurrent Related Party Transactions made; and
      (b) the names of the related parties involved in each type of Recurrent Related Party Transaction made and their relationship with the Company;

   (iv) the shareholders' mandate is subject to annual renewal and this shareholders' mandate shall only continue to be in full force until:

      (a) the conclusion of the next AGM of the Company following this AGM, at which this shareholders' mandate will lapse, unless by a resolution passed at the said AGM, such authority is renewed;

(b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

(c) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is the earlier;

AND THAT the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary (including executing such documents as may be required) to give effect to the Recurrent Related Party Transactions contemplated and/or authorised by this Ordinary Resolution;

AND THAT, the estimates given of the Recurrent Related Party Transactions specified in Section 2.1.5 of the Circular being provisional in nature, the Directors and/or any of them be and are hereby authorised to agree to the actual amount or amounts thereof provided always that such amount or amounts comply with the procedures set out in Section 2.1.7 of the Circular."

7. **PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

Resolution 8

(Refer to Explanatory Note 4)

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

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

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

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

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

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

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

whichever is earlier;

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

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

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

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

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

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

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

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

BY ORDER OF THE BOARD

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

23 November 2011

Notes:

1. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorized.

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

3. A proxy may but need not be a member of the Company and such a member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A member shall appoint not more than two proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

4. The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power of authority, shall be deposited at the Company's Registered Office at No. 4B, 2nd & 3rd Floor, Jalan Sentol, South Wing – Kluang Parade, 86000 Kluang, Johor Darul Takzim not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.

5. If this Proxy Form is signed under the hand of an officer duly authorised, it should be accompanied by a statement reading "signed as authorised officer under Authorisation Document which is still in force, no notice of revocation having been received". If this Proxy Form is signed under the attorney duly appointed under a power of attorney, it should be accompanied by a statement reading "signed under Power of Attorney which is still in force, no notice of revocation having been received". A copy of the Authorisation Document or the Power of Attorney, which should be valid in accordance with the laws of the jurisdiction in which it was created and is exercised, should be enclosed in this Proxy Form.

Explanatory Notes on Ordinary Business/ Special Business

1. Explanatory Note for Item 1 of the Agenda

   To receive the Statutory Financial Statements for the Financial Year Ended 30 June 2011

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

2. Explanatory note for Ordinary Resolution No. 6

   Section 132D of the Companies Act, 1965

   Resolution pursuant to Section 132D of the Companies Act 1965. The Ordinary Resolution proposed under agenda 5 is proposed to seek for a renewal of general authority pursuant to Section 132D of the Companies Act, 1965. If passed, it will give the Directors of the Company from the date of the above meeting, authority to allot and issue ordinary shares from the unissued capital of the Company for such purpose as the Directors consider would be in the best interest of the Company. This authority will, unless revoked or varied by the shareholders of the Company in General Meeting, expire at the next Annual General Meeting.

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

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

3. Explanatory note for Ordinary Resolution No. 7

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

   Resolution pursuant to the proposed renewal of shareholders' mandate and new shareholders' mandate for recurrent related party transactions of a revenue or trading nature. The Ordinary Resolution proposed under agenda 6, if passed, will enable the Company and/or its subsidiary companies to enter into recurrent transactions involving the interest of Related Parties, which are necessary for the Group's day-to-day operations and undertaken at arm's length, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

4. Explanatory note for Ordinary Resolution No. 8

   Proposed Renewal of Share Buy-Back Authority

   Resolution pursuant to the proposed renewal of Share Buy-Back Authority. The Ordinary Resolution proposed under agenda 7, if passed, will empower the Directors to purchase the Company's shares of up to ten per cent of the issued and paid-up share capital of the Company by utilising the funds allocated which shall not exceed the total retained earnings of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

   The details relating to Ordinary Resolution No. 7 and Ordinary Resolution No. 8 are set out in the Circular to Shareholders and Share Buy Back Statement dated 23 November 2011.

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

CDS Account No. of Authorised Nominee *

PROXY FORM

I/We ______________________ IC No. /Passport No./ Company No ______________

of ____

being a member of BCB Berhad, hereby appoint ______________________

______________________ IC No. /Passport No. ______________

of ____

or failing him/her ______________________ IC No. /Passport No ______________

of ____

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy, to vote for me/us on my/our behalf at the TWENTY-THIRD ANNUAL GENERAL MEETING of the Company to be held at the Prime City Hotel, Venus Room, 6th Floor, 20, Jalan Bakawali, 86000 Kluang, Johor Darul Takzim on Thursday, 15 December 2011 at 10.30 a.m. and at any adjournment thereof.

My/our proxy is to vote as indicated below:

ITEM	AGENDA			
1.	To receive the Statutory Financial Statements for the financial year ended 30 June 2011.			
		RESOLUTION	FOR	AGAINST
2.	To approve the payment of Directors' fees for the financial year ended 30 June 2011.	1		
3.	To re-elect the following Directors who retire in accordance with the Company's Articles of Association: (a) Dato' Tan Seng Leong (Article 105)	2		
	(b) Ms. Tan Lay Kim (Article 105)	3		
	(c) Ms. Tan Lindy (Article 105)	4		
4.	To re-appoint Messrs. BDO as Auditors of the Company and to authorise the Directors to fix their remuneration.	5		
5.	Authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965.	6		
6.	Proposed Renewal of Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions.	7		
7.	Proposed Renewal of Share Buy-Back.	8		

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

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

	No of shares	Percentage
Proxy 1		%
Proxy 2		%
		100 %

____
Signature/Common Seal

Number of shares held :

Date

1. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorized.

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

3. A proxy may but need not be a member of the Company and such a member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A member shall appoint not more than two proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

4. The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power of authority, shall be deposited at the Company's Registered Office at No. 4B, 2nd & 3rd Floor, Jalan Sentol, South Wing – Kluang Parade, 86000 Kluang, Johor Darul Takzim not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.

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* applicable to shares held through nominee account

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AFFIX
STAMP
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The Company Secretary

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

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

fold here