



BINA GOODYEAR BERHAD (18645-H)

Incorporated in Malaysia



ANNUAL REPORT 2005



Building to meet your future needs

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Mutiara Upper East, Ampang.

Overview

As at 30 October 2005, BGB has an Order Book of over RM890 million in construction contracts of which over RM700 million in value of contracts are outstanding construction works.

Since the previous financial year end and up to October 2005, the Group secured contracts valued in the region of RM320 million despite the relatively soft market.

In property development, BGB's Taman Pusat Kepong project which includes apartments, office and shop lots totalling 462 units launched in June 2002 is completed and fully sold.

Continuous efforts are being made to secure feasible development projects particularly in the affordable residential segment, which is our present market focus.

Financial Review and Future Outlook

For the financial year ended 30 June 2005, the Group registered a Turnover of RM232 million, an increase of 2% over the previous financial year's Turnover of RM228 million. Profits Before Tax and Exceptional Items of RM13.8 million represents an increase of RM4.9 million or 55% when compared to the previous years performance.

Gross construction margins increased substantially attributable to contracts with higher margins, while the Group's recently acquired subsidiary, TC Electronics Sdn. Bhd., contributed RM2 million or 14.7% of the Profits Before Tax and Exceptional Items.

With over RM890 million in our Order Books and the Group's proven ability to secure new contracts, revenues from construction sector are expected to improve for the coming financial year.

The Group is actively looking towards enlarging its land bank to increase its property development operations while TC Electronics Sdn Bhd has been participating in foreign expositions with a view of increasing its foreign customer base.

On behalf of the Board of Directors of Bina Goodyear Berhad (BGB), it is my pleasure to present the Annual Report and Financial Statements of the Company and the Group for the Financial year ended 30 June 2005.



En. Md Azar bin Ismail / Chairman

Proposed Dividend

The Board of Directors is pleased to recommend the payment of a first and final dividend of five percent (5%) per share less tax for the financial year ended 30 June 2005 for approval by shareholders at the forthcoming Annual General Meeting.

Corporate Developments

On 7 December 2004, BGB announced the proposed subscription of 1.5 million ordinary shares of RM1.00 each in Twin Ridge Sdn Bhd ("TRSB"), a wholly owned subsidiary company of Mutiara Goodyear Development Berhad by BG Realty Sdn Bhd, representing 30% of the issued and paid-up share capital of TRSB for a cash consideration of RM1.00 per share.

Acknowledgement

On behalf of the Board, I would like to take this opportunity to express our sincere gratitude and appreciation to all our Executive Directors, Senior Management and all employees for their dedication and commitment to the Company and also to our valued customers, shareholders, bankers, business associates and the various government authorities for their invaluable support given to Bina Goodyear Berhad.

MD AZAR BIN ISMAIL
Chairman



Suasana Sentral 2. (perspective)



Dataran Prima Condominium Phase 2.



Armanee Terrace, Damansara Perdana.



The Plaza Condominium, Taman Tun Dr. Ismail. (under construction)



Mutiara Upper East Condominium, Ampang. (perspective)



Seasons Square Condominium, Damansara Damai. (perspective)



BOARD OF DIRECTORS

En. Md Azar Bin Ismail *Chairman*

Mr. Lai Tan Fatt *Managing Director*

Mr. Wong Chick Wai *Executive Director*

En. Ismail Bin Aris *Executive Director*

Dato' Edmond Hoyt Yung *Non-Executive Director*

**YAM Tengku Sulaiman Shah Ibni Sultan
Salahuddin Abdul Aziz Shah** *Non-Executive Director*

En. Mohd Yusof Bin Daud
Independent Non-Executive Director

Puan Sri Khoo Sian Keow
Independent Non-Executive Director

Dato' Abdul Hamid Bin Hj Md. Zainuddin
Independent Non-Executive Director

AUDIT COMMITTEE

Dato' Abdul Hamid Bin Hj Md. Zainuddin
Chairman, Independent Non-Executive Director

Puan Sri Khoo Sian Keow
Independent Non-Executive Director

Mr. Lai Tan Fatt
Managing Director

COMPANY SECRETARIES

Annie Yap Yin Hoon

Looi Choi Yan

REGISTERED OFFICE

Wisma Goodyear, Tingkat 11, Blok B
Kelana Centre Point
3 Jalan SS 7/19, Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Telephone : 03-78800388
Facsimile : 03-78800302

AUDITORS

S. F. Yap & Co.
17 & 19 Jalan Brunei Barat, Pudu
55100 Kuala Lumpur, Malaysia

BANKERS

RHB Bank Berhad

Standard Chartered Bank Malaysia Berhad

Bumiputra-Commerce Bank Berhad

Alliance Bank Malaysia Berhad

ADVOCATES & SOLICITORS

Y M Chin & Lee

SHARE REGISTRAR

Bina Management (M) Sdn Bhd
Lot 10, The Highway Centre
Jalan 51/205, 46050 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Telephone : 03-77843922
Facsimile : 03-77841988

PRINCIPAL PLACE OF BUSINESS

Wisma Goodyear,
Tingkat 11, Blok B
Kelana Centre Point
3 Jalan SS 7/19, Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Telephone : 03-78800388
Facsimile : 03-78800302

STOCK EXCHANGE LISTING

**Second Board of
Bursa Malaysia Securities Berhad
(Bursa Malaysia)**



BINA GOODYEAR BERHAD (18645-H)

Construction & Building Contractors

100% owned

BG BUILDERS SDN BHD (542980-X)

Construction Works & Housing Development

100% owned

BG REALTY SDN BHD (269516-A)

Property Management & Property Development

100% owned

SERANTA MACHINERY & EQUIPMENT SDN BHD (78214-M)

Manufacturing & Trading in Building Materials &
Rental of Construction Equipment & Machinery

75.5% owned

TC ELECTRONICS SDN BHD (174562-K)

Product Manufacturer of Automotive &
Home Loud Speakers

Bina Goodyear Berhad

(18645-H)
(Incorporated in Malaysia)

NOTICE IS HEREBY GIVEN THAT the Thirty-first Annual General Meeting of Bina Goodyear Berhad will be held at Topas Room, The Saujana, Kuala Lumpur, 2 Km, Off Sultan Abdul Aziz Shah Airport Highway Saujana, 47200 Subang, Selangor on Thursday, 15 December 2005 at 10.00a.m. for the following purposes:-

AGENDA

- | | |
|---|---------------------|
| 1. To receive the Audited Financial Statements for the financial year ended 30 June 2005 together with the Reports of the Directors and Auditors thereon. | Resolution 1 |
| 2. To declare a First and Final Dividend of 5% Less Tax at 28% for the financial year ended 30 June 2005. | Resolution 2 |
| 3. To approve the payment of Directors' Fees for the financial year ended 30 June 2005. | Resolution 3 |
| 4. To re-elect the following Directors retiring pursuant to Article 115 of the Company's Articles of Association and being eligible, offer themselves for re-election: | |
| (i) Mr Wong Chick Wai | Resolution 4 |
| (ii) Puan Sri Khoo Sian Keow | Resolution 5 |
| (iii) YAM Tengku Sulaiman Shah Ibni Sultan Salahuddin Abdul Aziz Shah | Resolution 6 |
| 5. To re-appoint Messrs S.F. Yap & Co. as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. | Resolution 7 |
| As Special Business: | |
| To consider and, if thought fit, to pass the following resolutions as Ordinary Resolution:- | |
| 6. Authority to Allot and Issue Shares Pursuant to Section 132D of the Companies Act, 1965 | |
| "THAT, subject to the Companies Act, 1965, Articles of Association of the Company and approval from Bursa Malaysia Securities Berhad and other Governmental or regulatory bodies, full authority be and is hereby given to the Board of Directors pursuant to Section 132D of the Companies Act, 1965 to allot and issue shares in the capital of the Company at any time 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 pursuant to this resolution does not exceed ten percentum (10%) of the issued share capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." | |
| | Resolution 8 |

7. Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions of A Revenue or Trading Nature

"THAT, approval be and is hereby given to the Company and/or its subsidiaries to enter into and give effect to recurrent transactions of a revenue or trading nature as set out in Part 2.4 of the Circular to Shareholders dated 17 November 2005, accompanying the Annual Report for the financial year ended 30 June 2005 with specific classes of Related Parties which are necessary for the Company's and/or its subsidiaries' day to day operations in the ordinary course of business on terms not more favourable to the Related Parties than those generally available to the public and not detrimental to minority shareholders of the Company and such approval shall continue to be in force until:-

(a) the conclusion of the next annual general meeting of the Company, at which time the mandate will lapse, unless by a resolution passed at the next annual general meeting, the authority is renewed; or

(b) the expiration of the period within which the next annual general meeting of the Company is required to be held pursuant to section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to section 143(2) of the Companies Act, 1965); or

(c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

THAT authority be and is hereby given to the Directors of the Company to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

Resolution 9

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

NOTICE IS ALSO HEREBY GIVEN THAT the first and final dividend of five percent (5%) less tax at twenty-eight percent (28%) for the financial year ended 30 June 2005, if approved by the shareholders at the Thirty-first Annual General Meeting, will be paid on 25 January 2006 to Depositors registered in the Record of Depositors at the close of business on 10 January 2006.

A Depositor shall qualify for entitlement only in respect of :

(a) Shares transferred into the Depositor's Securities account before 4.00 p.m. on 10 January 2006 in respect of ordinary transfers;

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

BY ORDER OF THE BOARD

ANNIE YAP YIN HOON

LOOI CHOI YAN

Company Secretaries

Petaling Jaya

17 November 2005

Notes :

1. A member of the Company entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him. A proxy may but need not be a member of the Company.
2. The instrument appointing a proxy must be deposited at the registered office of the Company at Tingkat 11, Blok B, Kelana Centre Point, 3 Jalan SS 7/19, Kelana Jaya, 47301 Petaling Jaya, not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof.
3. A member may appoint more than two (2) proxies to attend the same meeting. Where a member appoints two (2) or more proxies, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
4. If the appointer is a corporation, this form shall be executed under its common seal or under the hand of its officer or attorney duly authorised.

EXPLANATORY NOTES ON SPECIAL BUSINESS**1. Authority to Allot and Issue Shares Pursuant to Section 132D of the Companies Act, 1965**

The proposed Ordinary Resolution No. 8, if passed, will empower the Directors to allot and issue shares not exceeding 10% of the issued capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied by the Company in a general meeting, will expire at the next Annual General Meeting of the Company.

2. Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions of A Revenue or Trading Nature

The proposed Ordinary Resolution 9, if passed, will allow the Group to enter into recurrent related party transactions with the respective Related Party, which are of a revenue or trading nature and in the ordinary course of business which are necessary for day-to-day operations pursuant to Paragraph 10.09(1) of Bursa Malaysia Securities Berhad Listing Requirements. The details of the proposals are set out in the Circular to Shareholders dated 17 November 2005, which is despatched together with the Company's 2005 Annual Report.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING**1. The Directors standing for re-election pursuant to Article 115 of the Company's Articles of Association:-**

- (i) Mr Wong Chick Wai
- (ii) Puan Sri Khoo Sian Keow
- (iii) YAM Tengku Sulaiman Shah Ibni Sultan Salahuddin Abdul Aziz Shah

2. Further details of Directors who are standing for re-election at the Thirty-first Annual General Meeting

The particulars of the Directors seeking re-election are set out in the Directors' Profile appearing on pages 9 to 10 of the Annual Report.

The shareholdings of the aforesaid Directors are as stipulated on pages 62 to 63 of the Annual Report.



1. **En. Md Azar Bin Ismail**
Chairman
2. **Mr. Lai Tan Fatt**
Managing Director
3. **Puan Sri Khoo Sian Keow**
Independent Non-Executive Director
4. **En. Mohd Yusof Bin Daud**
Independent Non-Executive Director
5. **Mr. Wong Chick Wai**
Executive Director

6. **Dato' Edmond Hoyt Yung**
Non-Executive Director
7. **YAM Tengku Sulaiman Shah Ibni Sultan
Salahuddin Abdul Aziz Shah**
Non-Executive Director
8. **Dato' Abdul Hamid Bin
Hj Md. Zainuddin**
Independent Non-Executive Director
9. **En. Ismail Bin Aris**
Executive Director

ENCIK MD. AZAR BIN ISMAIL

Malaysian, aged 55, was appointed to the Board of Directors of BGB on 10 January 1995. He was appointed the Chairman of BGB on 9 September 1997. He started his career with The Chartered Bank in 1970 and left the bank as an officer in 1981. Thereafter, he held position as Manager in Arab Malaysia Finance Berhad from 1981 to 1982. Subsequently, he was Head of Credit Department in Kwong Yik Bank Berhad and left the position in 1985 to join The Pacific Bank Berhad in the same year. He left The Pacific Bank Berhad as a Senior Manager in 1991.

Upon leaving the banking industry, he sits on the Board of several other private companies. Amongst others, he is the Executive Vice Chairman of SK Formware Sdn Bhd and Olitec Services Sdn Bhd and a Director of Medical Apparatus Supplies Sdn Bhd. Md. Azar is also the Chairman of KBES Behad, a company listed on the Main Board of Bursa Malaysia.

Encik Md. Azar does not hold any securities, direct or indirect, in BGB or any of its subsidiaries.

MR. LAI TAN FATT

Malaysian, aged 59, was appointed to the Board of Directors of BGB on 1 November 1978. He is the Managing Director of BGB and holds a Bachelor of Commerce and Administration degree from Victoria University (New Zealand). His professional qualifications include Associate Chartered Accountant from the Institute of Chartered Accountants of New Zealand and Certified Public Accountants from the Malaysian Association of Certified Public Accountants. His experience in the field of accountancy includes working as an accountant in Touche Ross (New Zealand) and Peat Marwick Mitchell (Malaysia) and as an Internal Auditor with Tractors Malaysia Berhad, a company listed on the Main Board of Bursa Malaysia, in 1974. Mr Lai is also a Director of Mutiara Goodyear Development Berhad, a company listed on the Main Board of Bursa Malaysia.

Mr Lai holds 1,195,200 ordinary shares of RM1.00 each in the Company and by virtue of his substantial shareholdings (direct and indirect) in the Company, he is deemed to have interest in the ordinary shares held by the Company in its subsidiaries.

He is a Member of Audit Committee of the Company.

MR. WONG CHICK WAI

Malaysian, aged 65, was appointed as Executive Director of BGB on 26 October 1988. He obtained his Bachelor of Engineering degree from the University of Melbourne, Australia in 1967 and a Master of Business Administration degree from the University of New South Wales, Australia in 1971. His Professional qualifications include being a member of the Institute of Engineers, Malaysia and a Professional Engineer of the Board of Engineers, Malaysia. His experience in the engineering field includes design and construction of a power station and related installations, high rise buildings and hotels. Mr Wong is also an Executive Director of Mutiara Goodyear Development Berhad, a company listed on the Main Board of Bursa Malaysia.

Mr Wong holds 2,030,380 ordinary shares of RM1.00 each in the Company and by virtue of his substantial shareholdings (direct and indirect) in the Company, he is deemed to have interest in the ordinary shares held by the Company in its subsidiaries.

DATO' EDMOND HOYT YUNG

British and a permanent resident of Malaysia, aged 64, was appointed to the Board of Directors of BGB on 1 November 1978. He graduated with a degree from University of Hong Kong and holds a Masters Degree from University of London and a Diploma of Imperial College (London). He is also a Chartered Engineer, a fellow at the Geological Society of London. His wide experience in engineering, includes eleven (11) years in London in water supply engineering, soil mechanics, foundation engineering, earth moving and motorway construction. Dato' Yung was appointed Director and Chief Executive Officer of United Estates Plantation Sdn Bhd ("UEP") in 1975 and was responsible for the entire Subang Jaya development until 1980. Presently, he is also the Managing Director of Mutiara Goodyear Development Berhad, a company listed on the Main Board of Bursa Malaysia.

Dato' Yung holds 1,917,300 ordinary shares of RM1.00 each in the Company and by virtue of his substantial shareholdings (direct and indirect) in the Company, he is deemed to have interest in the ordinary shares held by the Company in its subsidiaries.

YAM TENGGU SULAIMAN SHAH IBNI SULTAN SALAHUDDIN ABDUL AZIZ SHAH

Malaysian, aged 55, was appointed as a Non-Executive Director on 30 May 2002. He is a Non-Executive Director of Talam Corporation Berhad, and serves as a Deputy Chairman. He is also a director of Cosway Corporation Berhad.

YAM Tengku Sulaiman started his early education locally then later he was sent to Pakistan and United Kingdom. Upon completing his education in the United Kingdom in 1970, Tengku Sulaiman returned to Malaysia and became actively involved in business particularly in building construction and housing development. YAM Tengku Sulaiman Shah with his other partners formed Syarikat Pembinaan Setia Sdn Bhd and is now known as SP Setia Berhad. In 1997, he relinquished his position and sold off all his shares in SP Setia Berhad. In 1970 YAM Tengku Sulaiman Shah was appointed as the "Tengku Panglima Besar Selangor" by his Royal Highness The Sultan of Selangor. In 1978 Y.A.M. Tengku Sulaiman Shah was then appointed as the Chief of Ceremony for the State of Selangor which carries the title "Tengku Panglima DiRaja Selangor" until today. Tengku is also a member of the Council of Royal Court of Selangor (Dewan DiRaja Selangor).

YAM Tengku Sulaiman holds 231,600 ordinary shares of RM1.00 each in the Company but does not have any direct equity interest in the Company's subsidiaries.

ENCIK MOHD YUSOF BIN DAUD

Malaysian aged 54, was appointed Director of BGB on 10 January 1995. He holds a Diploma in Mechanical Engineering from the University of Technology (Malaysia) and a Bachelor of Science degree in Mechanical Engineering from the University of Strathclyde (United Kingdom). He is a member of the Institute of Engineers (Malaysia) and has 18 years of experience in the oil and gas industry while he was with Petronas Group. His work experience includes being manager in the quality assurance department of Malaysia Liquefied Natural Gas Dua Sdn Bhd, senior manager in the commercial division of Oil, Gas and Petrochemical Technical Services Sdn Bhd.

Encik Mohd Yusof holds 180,000 ordinary shares of RM1.00 each in the Company but does not have any direct equity interest in the Company's subsidiaries.

PUAN SRI KHOO SIAN KEOW

Malaysian, aged 62, was appointed as an Independent Non-Executive Director on 6 August 1997. She completed her secondary education in 1960 and since then has assisted her father in managing Hock Lee Sdn Bhd until mid 1970's. When she retired in 1974 from active business involvement, she dedicated herself to domestic and social work after her husband was appointed as a Cabinet Minister. She has remained active in social service all these years.

Puan Sri Khoo is a Member of Audit Committee of the Company and she does not have any equity interest in the Company nor the subsidiaries.

DATO' ABDUL HAMID BIN HJ MD. ZAINUDDIN

Malaysian, aged 69, was appointed as an Independent Non-Executive Director of BGB on 6 August 1997. Dato' Abdul Hamid is an active Bumiputra investor and entrepreneur. He also sits on the Board of several private companies.

Dato' Abdul Hamid is the Chairman of the Audit Committee of the Company and he does not have any equity interest in the Company nor the subsidiaries.

ENCIK ISMAIL BIN ARIS

Malaysian, aged 49, was appointed as an Executive Director of BGB on 30 April 2001. He holds an Advance Diploma in Banking. He is a member of the Institute of Bankers London and has 22 years of experience in the banking industry while he was with Standard Chartered Bank. His work experience includes being personal assistant to the Managing Director in Labuan Maritime Services Sdn Bhd, business development manager/project manager in Cash Berhad (seconded to subsidiary company Far East Marble Sdn Bhd-involved with KLCC project) and executive director in Mega Pacific Zaricon Sdn Bhd (KLCC & Putrajaya infrastructure works) as well as dealing with marbles and granites (Hock Heng Granite Sdn Bhd).

Encik Ismail holds 37,500 ordinary shares of RM1.00 each in the Company but does not have any direct equity interest in the Company's subsidiaries.

None of the Directors have any family relationship with each other and/or major shareholders of the Company and there are no business arrangements with the Company in which they have personal interest except for Mr Lai Tan Fatt, Mr Wong Chick Wai and Dato' Edmond Hoyt Yung who are directors and shareholders of Goodyear Investors (Malaysia) Sdn Bhd (substantial shareholder of Bina Goodyear Berhad)

None of the Directors have been convicted for offences within the past ten (10) years other than traffic offences, if any.

Corporate Governance

The Board of Directors of Bina Goodyear Berhad strives to uphold the standards of corporate governance practiced throughout the Group by their assured commitment to protect and enhance shareholders value as a fundamental part of discharging their responsibilities.

Set out below is a statement and description in general on how the Company and Group have applied and the extent of compliance with the Best Practices of Corporate Governance spelt out in the Malaysian Code of Corporate Governance.

THE BOARD OF DIRECTORS

Composition

The Board currently has nine (9) members comprising the Non-Executive Chairman, the Managing Director, two (2) Executive Directors, three (3) Independent Non-Executive Directors and two (2) Non-Independent Non-Executive Directors.

The size and composition of the Board has been maintained in line with the needs of the Company and in compliance with Bursa Malaysia Securities Berhad ("Bursa Malaysia") Listing Requirements. The Board has a balanced composition of Executive and Non-Executive Directors, with one third (1/3) Independent Non-Executive Directors.

The Board comprising members from wide range of business and financial experience is vital for efficiency, management of the Group's businesses and the strategies success of the Group. A brief profile of the Directors is set out on pages 9 to 10 of this annual report.

Board balance is achieved with the contribution of the independent non-executive directors and the fair representation of the shareholders' interests. The independent non-executive directors exercise their unbiased independent judgment freely and do not have any business or other relationships that could interfere with their duties. The Board also has an effective working partnership with Management in establishing the strategic direction.

The Board retains full and effective overall control of the Company. This includes responsibility for determining the Company's overall strategic direction, formulation of policies and overseeing resources, investments and businesses of the Group.

Meetings

The Board meets at least four (4) times a year with additional meetings convened when necessary. Scheduled Board meetings are structured with a pre-set agenda. The Board members are provided with Board papers which contain management and financial information and other matters to be discussed prior to the meetings to enable the Directors to obtain further explanations and/or clarifications if necessary, in order to ensure the effectiveness of the proceeding of the meetings. During the financial year ended 30 June 2005, there were five (5) meetings held and the Board members' attendance is outlined as follows:-

Name	Attendance
Md Azar Bin Ismail	5/5
Lai Tan Fatt	5/5
Wong Chick Wai	5/5
Dato' Edmond Hoyt Yung	5/5
YAM Tengku Sulaiman Shah Ibni Sultan Salahuddin Abdul Aziz Shah	3/5
Mohd Yusof Bin Daud	5/5
Ismail Bin Aris	5/5
Puan Sri Khoo Sian Keow	5/5
Dato' Abdul Hamid Bin Hj Md. Zainuddin	5/5

Board Committee

The Audit Committee was established to act as a Committee of the Board of Directors. The composition and terms of reference of the Committee together with its report are as set out on pages 16 to 17 of the annual report.

The Nomination Committee was set up and is empowered by the Board to propose new nominees to the Board as to the appointment of new Directors. The Committee also keeps under review the Board structure, size as well as the composition. With the assistance of the Company Secretary, all appointments are ensured properly made, by complying with all statutory and regulatory requirements. The Nomination Committee is also responsible for assessing the directors on an on-going basis.

The Remuneration Committee was established for drawing up the policy framework and for making recommendations to the Board on remuneration packages and benefits extended to the Executive Directors. The remuneration packages of Non-Executive Directors is determined by the Board as a whole, with the Directors concerned required to abstain from the deliberations and voting on decisions in respect of the individual's remuneration.

The ESOS Committee (also known as "Options Committee") was established on 3 September 2003 and comprises of one (1) executive director, one (1) independent non-executive, Senior General Manager of Finance division, Company Secretary, Human Resource Manager, and General Manager.

Director' Remunerations

The objective of the Group's policy on Directors' Remuneration is to ensure that the Group attracts and retains Directors of the calibre needed to run the Group successfully.

The aggregate Directors' remuneration paid or payable or otherwise made available to all Directors of the Company during the financial year ended 30 June 2005 are as follows:

	Basic Salary (RM)	Bonus (RM)	Fees (RM)	Meeting Allowances (RM)	Benefits in kind (RM)
Executive Directors	828,000	96,000	15,000	10,000	54,833.33
Non-Executive Directors	96,000	12,000	30,000	20,500	nil

The number of Directors of the Company whose total remuneration falls within the following bands:

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
Below RM50,000	nil	5
RM50,001 - RM100,000	nil	nil
RM100,001 - RM150,000	nil	1
RM150,001 - RM200,000	nil	nil
RM200,001 - RM250,000	1	nil
RM250,001 - RM300,000	nil	nil
RM300,001 - RM350,000	1	nil
RM350,001 - RM400,000	nil	nil
RM400,001 - RM450,000	1	nil

Re-election of the Directors

The Articles of Association provide that at least one-third of the Board is subject to retirement by rotation at each Annual General Meeting. The Directors retiring each year shall be those who have been in office since their last election whereby each retiring Director is eligible for re-appointment. The election of each Director is voted on separately.

Directors over seventy (70) years of age retire at every AGM and may submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

Directors' Training

The Board members are encouraged to attend continuous education programmes/seminars and shall as such receive further training from time to time to keep themselves abreast of the latest development in laws and regulations where appropriate and with the changing commercial risks.

Supply of Information

The Board of Directors have access to the advice and services of the Company Secretary and all information in relation to the Group whether as a full Board or in their individual capacity to assist them in furtherance of their duties.

Prior to the meetings of the Board and the Board of Committees, Board papers, which include agenda and reports relevant to the issues of meeting, will be forwarded to all Directors in advance to enhance the quality of decisions recommended at the Board meetings. Any additional information requested by Directors is also readily available.

The Directors meet, review and approve all corporate announcements, including the announcement of the quarterly financial results, prior to releasing them to Bursa Malaysia.

SHAREHOLDERS

The Board believes in clear communication with the Company's shareholders. The annual reports and the announcements made quarterly and otherwise, are the primary modes of communication to report on the Group's business, activities and financial performance to all its shareholders.

The general meetings are opportunities to meet shareholders, to encourage them to participate in getting to know the Company's and the Group's progress and/or performance better.

ACCOUNTABILITY AND AUDIT

Financial Reporting

In its financial reporting to shareholders and other interested parties by means of quarterly results announcement and the annual financial statements, the Board aims to present a balanced and understandable assessment of the Group's financial position and prospects.

The Audit Committee assists the Board in scrutinising information for disclosure to ensure accuracy and adequacy.

Statement of Directors' Responsibilities in respect of the Annual Audited Financial Statements

The Board of Directors do hereby state that the preparation of financial statements for the year ended 30 June 2005 is the responsibility of the Directors. They are legally required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company and of their results and cash flow for the financial year then ended. In preparing those financial statements, the Directors have:

- adopted suitable accounting policies and then applied them consistently;
- made judgements and estimates that are prudent and reasonable;
- ensured applicable accounting standards have been followed.

The Directors are responsible for ensuring proper accounting records are kept which discloses with reasonable accuracy at any time the financial position of the Company and its subsidiaries and to enable them to ensure that the financial statements comply with the Companies Act 1965.

Internal Control

The Board acknowledges its overall responsibility of the Group's system of internal control and the need to review its effectiveness regularly. The Board recognises that risks cannot be eliminated completely, as such, the systems and processes put in place would have to be aimed at minimising and managing them. The Audit Committee assists the Board in fulfilling this obligation by reviewing the effectiveness and adequacy of the system.

Relationship with Auditors

The Company maintains a professional and transparent relationship with the auditors in seeking their professional advice and towards ensuring compliance with the accounting standards.

Key features underlying the relationship of the Audit Committee with the external auditors are included in the Audit Committee's terms of reference as set out on pages 16 to 17 of the Annual Report.

The external auditors are also invited to brief the Audit Committee on specific issues as and when necessary.

OTHER INFORMATION

Utilisation of Proceeds

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

Share Buybacks

During the financial year, there were no share buybacks by the Company.

Options, Warrants or Convertible Securities

There were no options, warrants or convertible securities exercised by the Company during the financial year.

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

The Company did not sponsor any ADR or GDR programme during the financial year.

Imposition of Sanction/Penalties

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

Non-Audit Fees

Non-audit fees paid to the external auditors, Messrs Yap Yeo & Co. by the Company during the financial year amounted to RM35,000.00.

Profit Estimate, Forecast or Projection

There was no variance between the results for the financial year and the unaudited results previously announced. The Company did not make any release on the profit estimate, forecast or projections for the financial year.

Profit Guarantee

During the year, there was no profit guarantee given by the Company and all its subsidiaries.

Material Contracts

During the year, there were no material contracts on the Company and its subsidiaries which involve Directors' and major shareholders' interests.

Contracts Relating to Loans

There were no contracts relating to loans by the Company in respect of the abovesaid item.

Revaluation of Landed Properties

The Company does not have a revaluation policy on its landed properties.

T.C.Electronics Factory, Port Klang.
(Interior)



T.C.Electronics Factory, Port Klang.
(Research & Development Department)



T.C.Electronics Factory, Port Klang.



T.C.Electronics Factory, Port Klang.
(Interior)



Introduction

The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of internal control to safeguard shareholders investments and the Group's assets. Paragraph 15.27(b) of the Bursa Malaysia Securities Berhad Listing Requirements require directors of listed companies to include a statement in annual reports on the state of their internal control. The Board of Directors of Bina Goodyear Berhad is pleased to present the Statement On Internal Control that outlines the nature and scope of internal control of the Group.

Board Responsibility

The Board of Directors recognises the importance of sound internal control and risk management practices to good corporate governance. The Board affirms its overall responsibility for the Group's system of internal control and risk management, and for reviewing the adequacy and integrity of those systems whilst the role of the management is to implement the Board's policies on risk management and control effectiveness.

The system of internal control of the Group is designed to manage rather than eliminate the risk of failure to achieve business objectives; thus only provide reasonable and not absolute assurance of effectiveness. The system control covers not only financial controls but operational and compliance controls and risk management.

Risk Assessment/Management

As part of the on going process to identify, evaluate and manage significant risk faced by the Group, the Audit Committee had approved a risk assessment policy that facilitates the Internal Audit to appraise and assess the state of internal controls objectively and effectively. This includes identifying principal risks in critical areas, assessing the likelihood and impact of material exposure, determining the corresponding mitigating measures and subsequent evaluation of residual risks. Thus, the Internal Audit adopts a standard risk assessment methodology as an effective mean of communication in regards to the control issues with the Audit Committee and the management.

Internal Control/Control Environment

The Board through its Audit Committee is ultimately responsible for the Group's system of internal controls and for reviewing its effectiveness.

Apart from risk assessment/management process, the Board has put in place the following to enhance the system of internal control of the Group:-

- An organisational structure with defined lines of responsibilities and accountability;
- Regular operational meetings attended by Directors and senior management to review the projects' progress and status, progress of tasks undertaken as well as other operational issues;
- Regular review of financial results and division performance;
- Appointment of Audit Committee, Nomination Committee and Remuneration Committee, where the chair is independent or non-executive director and majority of members are independent directors, to assist the senior management in managing the Group's businesses; and
- Appointment of an Independent Internal Auditor function to evaluate the effectiveness of key controls and ensure compliance with the Group policies and procedures.

Internal Audit Function

The Group has outsourced its internal audit function to a professional firm to assist the Audit Committee in discharging its duties and responsibilities. The duties of the Group's Internal Audit is performed with impartiality, proficiency and due professional care and it provides the Audit Committee and the Board with the reasonable assurance it requires regarding adequacy and integrity of the internal control system.

The Internal Auditor submits the findings and recommendations to improve the internal controls to the Board of Audit Committee for review, response and implementation of corrective actions, which would enhance the internal control aspects of the relevant areas under review.

The Audit Committee considers the reports from the internal audit and management responses, before reporting and making recommendations to the Board in strengthening the risk management and internal control systems.

Weaknesses in Internal Control that resulted in Material Loss

The Board, through the Audit Committee has reviewed the effectiveness of the Group's system of the internal control. The Board is of the view that there were no material losses incurred during the financial year as a result of weaknesses in internal control. The Group continues to take the necessary measures to strengthen its internal control.

The Board acknowledges the importance of an internal audit function and is committed to ensure that the system of internal control will continue to be reviewed, added on or updated in line with the changes in the operating environment. For the financial year under review, the Board is of the view that the existing system of internal control is adequate to safeguard the Group's assets at the existing level of operations of the Group.

MEMBERSHIP

The present members of the Audit Committee comprise:-

Dato' Abdul Hamid Bin Hj Md Zainuddin	- Chairman, Independent Non-Executive Director
Puan Sri Khoo Sian Keow	- Independent Non-Executive Director
Lai Tan Fatt	- Managing Director

TERMS OF REFERENCE**1. Objectives**

The primary objective of the Audit Committee is to assist the Board of Directors in the effective discharge of its fiduciary responsibilities for corporate governance, financial reporting and internal control.

2. Composition

- 2.1 The Audit Committee shall be appointed by the Board from amongst the Directors of the Company and shall comprise of not fewer than three (3) members, of whom the majority shall be independent Directors.
- 2.2 The members of the Audit Committee shall elect a Chairman from among their number who shall be an independent director.
- 2.3 If the number of members of the Committee is reduced below three (3), the Board shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum of three (3) members.

3. Authority

The Committee shall, in accordance with a procedure to be determined by the Board :-

- 3.1 have the authority to investigate any matter within its terms of reference;
- 3.2 have the resources which are required to perform its duties;
- 3.3 have full and unrestricted access to any information pertaining to the Company;
- 3.4 have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any);
- 3.5 be able to obtain independent professional or other advice; and
- 3.6 be able to convene meetings with the external auditors, excluding the attendance of the executive members of the committee, whenever deemed necessary.

4. Functions

The functions of the Audit Committee shall be:

- 4.1 to review the following and report the same to the Board:-
 - (a) with the external auditor, the audit plan,
 - (b) with the external auditor, his evaluation of the system of internal controls;
 - (c) with the external auditor, his audit report;
 - (d) the assistance given by the employees of the Company to the external auditor;
 - (e) the adequacy of the scope, functions and resources of the internal audit functions and that it has the necessary authority to carry out its work;
 - (f) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;

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

- (i) changes in or implementation of major accounting policy changes;
- (ii) significant and unusual events; and
- (iii) compliance with accounting standards and other legal requirements;

(h) any related party transaction and conflict of interest situation that may arise within the Company or Group;

(i) any letter of resignation from the external auditors of the Company; and

(j) any other functions as may be agreed by the Committee and the Board or as may be required or empowered by statutory legislation or guidelines prepared by relevant governing authorities.

4.2 The term of office of the Audit Committee members shall be reviewed by the Board no less than once every three years. However, the appointment terminates when a member ceases to be a Director.

5. Meetings

5.1 The quorum for Audit Committee's meetings shall be at least two thirds (2/3) of the members with Independent Directors forming the majority.

5.2 The Audit Committee shall meet at least four (4) times a year and such additional meetings as the Chairman shall decide in order to fulfil its duties.

5.3 Notwithstanding paragraph 5.2 above, upon the request of any member of the Committee, the Management, or the External Auditors, the Chairman shall convene a meeting of the Committee to consider the matters brought to its attention.

5.4 The Committee may invite any person to any particular audit Committee meeting only at its invitation, specific to the relevant meeting.

5.5 The Company Secretary shall act as secretary of the Committee and shall be responsible for drawing up and circulating the agenda and the notice of meetings.

5.6 In addition to the availability of detailed minutes of the Committee's meetings, a summary of significant matters and resolutions will be reported by the Committee at each Board of Directors' Meeting.

MEETINGS AND ATTENDANCE

The Audit Committee held five (5) meetings during the financial year ended 30 June 2005 and the details of attendance of the Audit Committee Members are as follows:-

Audit Committee Members	No. of Meetings Attended
Dato' Abdul Hamid Bin Hj. Md Zainuddin	5/5
Puan Sri Khoo Sian Keow	5/5
Lai Tan Fatt	5/5

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

The Audit Committee carried out its duties in accordance with its terms of reference during the year.

The main activities undertaken by the Committee were as follows:-

- Held meetings to review and to discuss the Group's quarterly results announcements and the audited financial statements of the Company and of the Group prior to submission to the Board for their consideration and approval. The review was to ensure that the audited financial statements were drawn up in accordance with the provisions of the Companies Act 1965 and the applicable approved accounting standards approved by the MASB.
- The Audit Committee also discussed and reviewed the Group's related party transactions and were reported the same to the Board.
- Reviewed the appointment of external auditors and their remuneration thereof.
- Reviewed the adequacy of the internal control system.
- Reviewed the internal audit findings of the Internal audit Department on their evaluation of the controls of certain aspects of the operations of the Company and the Group. Compliance checks were conducted to the implemented manuals and operational procedures.



Subang Perdana Township,
Subang Jaya.



Putrajaya Marriott Hotel,
IOI Resort.



Bandar Tasek Mutiara Township,
Seberang Prai, Pulau Pinang.



Palace of Justice, Putrajaya (night view)



Dataran Prima Condominium
Phase 1 & 2



Taman Pusat Kepong, Kepong,
Shops/Offices/Apartment.



Taman Lagenda Mas 2B - Townhouse, Cheras, Selangor.
(under construction)



Kota Kemuning Town Centre 3,
Shops/Offices.



FINANCIAL STATEMENTS

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Bina Goodyear Berhad
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The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2005.

Principal Activities

The principal activities of the Company are those of construction and building contractors. The principal activities of the subsidiary companies are disclosed in Note 6 in the notes to the financial statements.

There have been no significant changes in the nature of these activities during the year.

Financial Results

	Group RM	Company RM
Net profit for the year	8,742,450	4,398,623

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

Dividends

Since the end of the previous financial year, the Company paid a first and final tax exempt dividend of 5 sen per share on 46,259,800 ordinary shares, totaling RM2,312,990 in respect of the financial year ended 30 June 2004 on 25 January 2005.

The Board of Directors proposed a first and final dividend of 5 sen per share less tax at 28% in respect of the financial year ended 30 June 2005 to be paid to shareholders registered in the Register of Members on a date to be determined later by the Directors to be approved by the shareholders at the forthcoming Annual General Meeting. Based on the issued and paid up share capital of the Company as at the date of the report, the final dividend would amount to RM1,665,352.

Movements On Reserves And Provisions

There were no material transfers to or from reserves or provisions during the year, except as disclosed in the financial statements.

Issue Of Shares And Debentures

During the financial year, 3,678,000 new ordinary shares of RM1.00 each were issued by the Company for acquisition of 75.50% shares in TC Electronics Sdn. Bhd.

The new ordinary shares issued during the year ranked pari passu in all respects with the existing ordinary shares.

The Group and the Company did not issue any debentures during the financial year.

Employees' Share Option Scheme

The Company had on 6 June 2003 implemented the Employees Share Option Scheme ("ESOS") for a duration of five (5) years.

The main features of the ESOS as set out in its Bye-Laws are as follows:

- a. Eligible employees are any full time employee (including the Executive Directors) of the Group who is a Malaysian or permanent resident in Malaysia, who have been serving under employment contract and have been in the service for a continuous period of three (3) years.
- b. The total number of shares to be offered shall not exceed 10% of the issued and paid-up capital of the Company, whereby not more than fifty percent (50%) of the shares available to the directors and senior management, and not more than ten percent (10%) of the shares available to any individual employee or director who holds twenty percent (20%) or more in the issued and paid-up share capital, at any time during the existence of the ESOS.
- c. The option price for a new share under the ESOS shall be weighted average market price of the shares as shown in the Daily Official List issued by Bursa Malaysia for the five (5) market days immediately prior to each date of offer, with a discount, of not more than 10 % (or such higher discount as may be allowed under the SC Guidelines from time to time), if deemed appropriate subject always to the minimum price of RM1.00, being the par value of the shares.
- d. No offer shall be made for less than 100 shares.

The outstanding offered options to take up unissued ordinary shares of RM1.00 each and the option prices are as follows:

Date of offer	Number of options over ordinary shares of RM1 each in the Company					
	Option price	As at 01.07.2004	Expired Option price	Granted	Exercised	As at 30.06.2005
15 September 2003	2.10	842,200	-	-	-	842,200

The Company has been granted exemption by the Companies Commission of Malaysia from having disclosed the list of option holders and their holdings.

Directors

Directors who held office during the year since the date of the last report are as follows:

LAI TAN FATT

DATO' EDMOND HOYT YUNG

WONG CHICK WAI

MD AZAR BIN ISMAIL

MOHD YUSOF BIN DAUD

PUAN SRI KHOO SIAN KEOW (F)

DATO' ABDUL HAMID BIN HJ MD ZAINUDDIN

ISMAIL BIN ARIS

YAM TENGGU SULAIMAN SHAH IBNI SULTAN SALAHUDDIN ABDUL AZIZ SHAH

Directors' Interests

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

Shareholdings in the name of the Director :	Number of ordinary shares of RM1 each in the Company			
	As at 01.07.2004	Bought	Sold	As at 30.06.2005
LAI TAN FATT	2,364,000	-	(1,168,800)	1,195,200
DATO' EDMOND HOYT YUNG	1,080,000	837,300	-	1,917,300
WONG CHICK WAI	2,357,280	65,000	(391,900)	2,030,380
MOHD YUSOF BIN DAUD	180,000	-	-	180,000
YAM TENGGU SULAIMAN SHAH IBNI SULTAN SALAHUDDIN ABDUL AZIZ SHAH	231,600	-	-	231,600
ISMAIL BIN ARIS	37,500	-	-	37,500

Shareholdings in which the Director is deemed to have an interest :

LAI TAN FATT	14,956,800	1,967,565	-	16,924,365
DATO' EDMOND HOYT YUNG	14,956,800	1,242,165	-	16,198,965
WONG CHICK WAI	14,956,800	2,296,965	-	17,253,765

Number of options over ordinary shares of RM1 each in the Company

Shareholdings in the name of the Director :	As at 01.07.2004	Granted	Exercised	As at 30.06.2005
	LAI TAN FATT	125,000	-	-
WONG CHICK WAI	100,000	-	-	100,000

None of the other directors in office at the end of the financial year had any interest in the ordinary shares of the Company and of its related corporations, during the financial year.

Directors' Benefits

During and at the end of the financial year, no arrangements subsisted to which the Company or its subsidiary companies is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than those disclosed in the financial statements) by reason of a contract made by the Company or by related corporations with the Director or with a firm of which the Director 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 arisen by virtue of the significant related party transactions as disclosed in Note 26 to the financial statements.

Directors' Rotation

In accordance with Article 115 of the Company's Articles of Association, WONG CHICK WAI, PUAN SRI KHOO SIAN KEOW and YAM TENGGU SULAIMAN SHAH IBNI SULTAN SALAHUDDIN ABDUL AZIZ SHAH, retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

Bad And Doubtful Debts

Before the income statements and the balance sheets were made out, the Directors took reasonable steps to ascertain that proper action has been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and have satisfied themselves that all known bad debts have been written off and that adequate allowance has been made for doubtful debts.

At the date of this report, the Directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

Current Assets

Before the income statements and the balance sheets were made out, the Directors took reasonable steps to ensure that any current assets, other than debts, which were unlikely to realize in the ordinary course of business their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected to realize.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading.

Valuation Methods

At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

Contingent And Other Liabilities

The contingent liabilities of the Company are disclosed in Note 29 to the financial statements. At the date of this report, there does not exist: -

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

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

Change Of Circumstances

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

Items Of Unusual Nature

The results of the operations of the Group and of the Company for the financial year ended 30 June 2005 were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature.

Event Subsequent To Balance Sheet Date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, 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.

Auditors

The auditors, Messrs S.F.YAP & CO., have expressed their willingness to accept re-appointment as auditors.

Signed on behalf of the Board in accordance with a resolution of the Directors, dated 12 October 2005

LAI TAN FATT

WONG CHICK WAI

Kuala Lumpur
Dated : 12 OCT 2005

Bina Goodyear Berhad
(18645-H)
(Incorporated in Malaysia)

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, **LAI TAN FATT** and **WONG CHICK WAI**, being two of the Directors of **BINA GOODYEAR BERHAD**, do hereby state on behalf of the board that in the opinion of the Directors, the accompanying financial statements as set out on pages 27 to 60 are drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2005 and of the results and cash flows of the Group and of the Company for the year ended on that date.

Signed on behalf of the Board in accordance with a resolution of the Directors, dated 12 October 2005

LAI TAN FATT

WONG CHICK WAI

Kuala Lumpur
Dated : 12 OCT 2005

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STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, **LAI TAN FATT**, the Director primarily responsible for the accounting records and financial management of **BINA GOODYEAR BERHAD**, do solemnly and sincerely declare that the financial statements as set out on pages 27 to 60 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 LAI TAN FATT, at)
Kuala Lumpur in the State of Federal)
Territory on this ...12..... day of)
.....OCTOBER..... 20 05.....)

Before me,

Bina Goodyear Berhad
(18645-H)
(Incorporated in Malaysia)

We have audited the financial statements as set out on pages 27 to 60 of **BINA GOODYEAR BERHAD**. The preparation of the financial statements is the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with section 174 of the Companies Act 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We have conducted our audit in accordance with approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the directors as well as evaluating the overall adequacy of the presentation of information in the financial statements.

We believe our audit provides a reasonable basis for our opinion.

In our opinion:

- a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of :
- i) the state of affairs of the Group and of the Company as at 30 June 2005 and of the results and cash flows of the Group and of the Company for the year ended on that date; and
 - ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and
- b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and by its subsidiary companies have been properly kept in accordance with the provisions of the Act.

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

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

S.F.YAP & CO.
NO. AF 0055
CHARTERED ACCOUNTANTS

YAP SEONG FATT
NO. 398/04/06 (J)
CHARTERED ACCOUNTANT

Kuala Lumpur
Date : 12 OCT 2005

Bina Goodyear Berhad
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	Note	Group		Company	
		2005 RM	2004 RM	2005 RM	2004 RM
PROPERTY, PLANT AND EQUIPMENT	3	11,318,081	7,017,219	1,247,437	1,133,572
GOODWILL ON CONSOLIDATION	4	2,689,085	-	-	-
INVESTMENT PROPERTIES	5	10,516,086	10,939,358	10,516,086	10,939,358
INVESTMENT IN SUBSIDIARY COMPANIES	6	-	-	10,835,000	2,500,000
INVESTMENT IN ASSOCIATED COMPANY	6	1,500,000	-	-	-
CURRENT ASSETS					
Inventories	7	12,801,660	6,608,847	6,752,598	4,223,658
Property development costs	8	324,821	7,431,935	-	2,945,001
Trade and other receivables	9	62,379,007	47,215,990	48,043,147	41,938,956
Amounts due from customers on contracts	10	57,302,974	42,846,585	51,123,449	35,714,317
Amounts due from subsidiary companies	11(i)	-	-	4,474,273	4,453,212
Amount due from associated company	11(ii)	3,009,235	-	-	-
Tax recoverable		69,716	48,640	-	48,640
Joint venture	12	2,314,031	2,309,750	2,314,031	2,309,750
Deposits, cash and bank balances	13	38,155,233	44,519,764	30,601,713	39,718,179
		176,356,677	150,981,511	143,309,211	131,351,713
CURRENT LIABILITIES					
Trade and other payables	14	49,303,755	43,948,929	34,273,050	33,807,773
Amount due to subsidiary company	11	-	-	4,321,179	2,553,600
Amounts due to related parties	15	-	10,332	-	10,332
Provision for taxation		682,508	236,820	321,000	-
Borrowings	16 & 17	30,825,195	26,014,797	28,295,931	24,333,520
Bank overdrafts	13 & 17	5,570,701	978,401	3,725,340	655,751
		86,382,159	71,189,279	70,936,500	61,360,976
NET CURRENT ASSETS		89,974,518	79,792,232	72,372,711	69,990,737
		115,997,770	97,748,809	94,971,234	84,563,667
FINANCED BY :					
Share capital	18	46,259,800	42,581,800	46,259,800	42,581,800
Reserves		64,064,569	53,042,672	48,172,225	41,494,156
SHAREHOLDERS' EQUITY		110,324,369	95,624,472	94,432,025	84,075,956
MINORITY INTEREST		2,141,305	-	-	-
NON-CURRENT AND DEFERRED LIABILITIES					
Borrowings	16 & 17	3,360,096	2,101,337	539,209	487,711
Deferred taxation	19	172,000	23,000	-	-
		3,532,096	2,124,337	539,209	487,711
		115,997,770	97,748,809	94,971,234	84,563,667

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

Bina Goodyear Berhad
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	Note	Group		Company	
		2005 RM	2004 RM	2005 RM	2004 RM
REVENUE	20	232,684,740	227,938,013	177,836,095	179,717,055
Cost of sales	21	(211,729,379)	(215,491,814)	(168,144,369)	(174,510,951)
GROSS PROFIT		20,955,361	12,446,199	9,691,726	5,206,104
Administration charges and office expenses		(8,383,765)	(4,960,365)	(3,834,530)	(3,354,251)
PROFIT FROM OPERATIONS		12,571,596	7,485,834	5,857,196	1,851,853
Finance cost		(440,078)	(294,354)	(45,746)	(16,113)
Investment and other income		1,677,303	1,754,686	1,166,044	1,577,711
PROFIT BEFORE TAXATION	22	13,808,821	8,946,165	6,977,494	3,413,451
Taxation	23	(4,711,296)	(2,492,089)	(2,578,871)	(924,360)
NET PROFIT AFTER TAX		9,097,525	6,454,077	4,398,623	2,489,091
Minority interest		(355,075)	-	-	-
NET PROFIT FOR THE YEAR		8,742,450	6,454,077	4,398,623	2,489,091
EARNINGS PER SHARE (SEN) - Basic	24	19	15	10	6
- Diluted	24	19	15	-	-
GROSS DIVIDENDS PER SHARE (SEN)	25	5	5	5	5

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2005

Bina Goodyear Berhad
(18645-H)
(Incorporated in Malaysia)

Group	Note	Issued & Fully Paid Ordinary Shares of RM1.00 Each		<-----Non-distributable----->		Distributable		Total RM
		Nominal Value RM	Share Premium RM	Reserve on Consolidation RM	Revaluation Reserve RM	Retained Profits RM		
At 1 July 2003		42,000,000	1,999,905	382,304	1,638,465	44,042,181	90,062,855	
Net profit for the year		-	-	-	-	6,454,077	6,454,077	
Dividends								
- First and final for the year ended 30 June 2003	25	-	-	-	-	(2,114,240)	(2,114,240)	
Exercise of ESOS	18	581,800	639,980	-	-	-	1,221,780	
At 30 June 2004		42,581,800	2,639,885	382,304	1,638,465	48,382,018	95,624,472	
At 1 July 2004		42,581,800	2,639,885	382,304	1,638,465	48,382,018	95,624,472	
Net profit for the year		-	-	-	-	8,742,450	8,742,450	
Dividends								
- First and final for the year ended 30 June 2004	25	-	-	-	-	(2,312,990)	(2,312,990)	
Issuance of share capital	18	3,678,000	4,657,000	-	-	-	8,335,000	
<u>Net loss not recognised in income statement</u> Realised on disposal of investment properties		-	-	-	(64,563)	-	(64,563)	
At 30 June 2005		46,259,800	7,296,885	382,304	1,573,902	54,811,478	110,324,369	

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

Bina Goodyear Berhad
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Company	Note	Issued & Fully Paid Ordinary		<----Non-distributable---->		Distributable Retained Profits RM	Total RM
		Shares of RM1.00 Each					
		Nominal Value RM	Share Premium RM	Revaluation Reserve RM			
At 1 July 2003		42,000,000	1,999,905	1,638,465		36,840,955	82,479,325
Net profit for the year		-	-	-		2,489,091	2,489,091
Dividends							
- First and final for the year ended 30 June 2003	25	-	-	-		(2,114,240)	(2,114,240)
Exercise of ESOS	18	581,800	639,980	-		-	1,221,780
At 30 June 2004		42,581,800	2,639,885	1,638,465		37,215,806	84,075,956
At 1 July 2004		42,581,800	2,639,885	1,638,465		37,215,806	84,075,956
Net profit for the year		-	-	-		4,398,623	4,398,623
Dividends							
- First and final for the year ended 30 June 2004	25	-	-	-		(2,312,990)	(2,312,990)
Issuance of share capital	18	3,678,000	4,657,000	-		-	8,335,000
<u>Net loss not recognised in income statement</u>							
Realised on disposal of investment properties		-	-	(64,564)		-	(64,564)
At 30 June 2005		46,259,800	7,296,885	1,573,901		39,301,439	94,432,025

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

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	Note	Group		Company	
		2005 RM	2004 RM	2005 RM	2004 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		13,808,821	8,946,165	6,977,494	3,413,451
Adjustment for :-					
Amortisation of goodwill		141,531	-	-	-
Depreciation		3,704,710	2,660,073	535,735	616,896
Gain on disposal of investment properties		(19,891)	(71,414)	(19,891)	(71,414)
Gain on disposal of property, plant and equipment		(307,520)	(367,500)	(1,070)	(262,500)
Loss on disposal of property, plant and equipment		-	220	-	-
Impairment losses on property, plant & equipment		-	136,054	-	94,223
Interest income		(670,134)	(627,186)	(481,925)	(561,019)
Interest expense		2,458,350	1,824,064	1,446,626	1,506,214
Property, plant & equipment written off		3,867	-	3,867	-
Operating profit before working capital changes		19,119,734	12,500,476	8,460,836	4,735,851
Changes in working capital					
Development properties		7,107,113	3,151,432	2,945,001	(2,322,614)
Receivables		(28,673,323)	31,247,810	(21,538,665)	33,924,147
Inventories		(3,867,251)	(2,392,265)	(2,528,940)	(1,731,758)
Payables		3,542,603	(24,322,516)	2,222,522	(18,905,085)
Cash generated from/(used in) operations		(2,771,124)	20,184,937	(10,439,246)	15,700,541
Interest received		670,134	627,186	481,925	561,019
Interest paid		(2,458,350)	(1,817,157)	(1,446,626)	(1,499,306)
Tax paid		(4,241,516)	(2,449,744)	(2,210,631)	(858,000)
Net cash from/(used in) operating activities		(8,800,856)	16,545,222	(13,614,578)	13,904,254
CASH FLOWS FROM INVESTING ACTIVITIES					
Property, plant and equipment					
- additions		(1,323,266)	(1,351,017)	(429,646)	(437,504)
- disposals		308,700	369,200	2,250	262,500
Investment properties					
- additions		-	(304,200)	-	(304,200)
- disposals		380,000	184,392	380,000	184,392
Purchase of investment in associated company		(1,500,000)	-	-	(400,000)
Acquisition of subsidiary, net of cash acquired		1,151,374	-	-	-
Net cash used in investing activities		(983,192)	(1,101,625)	(47,396)	(694,812)
		(9,784,048)	15,443,597	(13,661,974)	13,209,442

CASH FLOWS FROM FINANCING ACTIVITIES	Note	Group		Company	
		2005 RM	2004 RM	2005 RM	2004 RM
Proceeds from issue of shares		-	1,221,780	-	1,221,780
Proceeds from term loan and revolving credit		25,164,827	26,200,000	25,164,827	25,700,000
Payment of finance lease liabilities		(2,329,959)	(1,774,236)	(134,518)	(49,455)
Repayment of term loan and revolving credit		(21,694,661)	(35,244,802)	(21,241,400)	(34,886,905)
Dividend paid		(2,312,990)	(2,114,240)	(2,312,990)	(2,114,240)
Fixed deposits pledged with licensed banks		(1,093,402)	2,083,657	(1,093,402)	2,083,657
Net cash from/ (used in) financing activities		(2,266,185)	(9,627,841)	382,517	(8,045,163)
Net increase/(decrease) in cash and cash equivalents		(12,050,233)	5,815,756	(13,279,457)	5,164,279
Cash and cash equivalents at beginning of the year		40,236,533	34,420,777	35,757,598	30,593,319
Cash and cash equivalents at end of the year	13	28,186,300	40,236,533	22,478,141	35,757,598
		=====	=====	=====	=====

During the year, the Group acquired TC Electronics Sdn. Bhd. The fair value of assets acquired and liabilities assumed are as follows:-

	RM
Property, plant and equipment	1,758,403
Inventories	2,325,563
Trade receivables	2,886,922
Other receivables, deposits & prepayment	115,738
Tax recoverable	39,568
Amount due from related company	956,939
Cash in hand & at bank	1,151,374
Trade payables	(1,246,517)
Other payables & accruals	(555,375)
Deferred taxation	(142,000)
Minority interest	(1,786,231)
Goodwill on consolidation	2,830,616
	8,335,000
Less: Purchase consideration discharged by shares issued	(8,335,000)
Add: Cash and bank balance & the subsidiary companies acquired	1,151,374
Cash inflow on acquisition	1,151,374
	=====

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

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The following accounting policies are adopted by the Group and the Company and are consistent with those adopted in previous years except for the adoption of MASB 32, Property Development Activities. Apart from the new policy and extended disclosures where required by this new standard, there is no material effect on these financial statements.

A Basis of preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention (as modified for the revaluation of investment properties), except as disclosed in this summary of significant accounting policies.

The financial statements comply with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965. New accounting standards that are effective for the financial year are adopted and applied by the Group prospectively as allowed by the respective accounting standards.

The preparation of the financial statements in conformity with the applicable approved accounting standards and the provisions of the Companies Act, 1965 require the Directors to make estimates and assumptions that may affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported financial year. Actual results could differ from those estimates.

B Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiary companies made up to 30 June 2005.

All subsidiary companies are consolidated using the acquisition method of accounting. Under the acquisition method, the results of subsidiary companies acquired or disposed of during the year are included in the consolidated income statement from the date of acquisition or up to the date of disposal respectively.

Goodwill or reserve on consolidation represents the difference between the acquisition cost of shares in the subsidiary companies and the fair value of attributable net assets acquired at the date of acquisition. Reserve on consolidation is retained in the consolidated financial statements and goodwill is amortised on the straight line basis over its estimated useful life or 20 years.

The gain or loss on disposal of a subsidiary company is the difference between the net disposal proceeds and the Group's share of its net assets together with any unamortised balance of goodwill on acquisition and exchange differences.

All significant inter-company transactions and balances are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

Minority interest is measured at the Minorities' share of the post-acquisition fair values of the identifiable assets and liabilities of the acquiree.

C. Subsidiary companies

A subsidiary company is a company in which the Group has long term equity interest of more than 50% or has power to exercise control over the financial and operating policies so as to obtain benefits therefrom. The Group's subsidiary companies are listed in Note 6 to the financial statements.

Investment in subsidiary companies are eliminated on consolidation and are stated at cost less impairment losses, if any.

D Associated companies

An associated company is a company in which the Group and the Company have a long term equity interest and where the Group and the Company is in a position to exercise significant influence over the financial and operating policies of the investee company.

The Company's investment in associated companies is stated at cost less impairment losses, if any.

Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting. The Group's interests in associated companies is stated at cost plus adjustments to reflect changes in the Group's share of profits and losses in the associated companies.

Goodwill or negative goodwill arising on acquisition represents the difference between the cost of investment and the Group's share of the value of net assets of the associated companies at the date of acquisition.

Goodwill on acquisition is stated at cost less impairment losses, if any. Negative goodwill arising on acquisition is not recognised as income.

The Group's share of results and reserves less losses in the associated companies acquired or disposed of is included in the consolidated financial statements from the effective date of acquisition or up to the effective date of disposal.

E Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Freehold land is not depreciated. Depreciation of other property, plant and equipment is provided on straight line basis to write off the cost of each asset to its residual value over the estimated useful life at the following annual rates :

Leasehold land and buildings	1 - 4%
Motor vehicles	14 - 25%
Machinery & equipment	20 - 40%
Furniture, fittings and office equipment	10 - 25%
Renovation & others	10 - 20%

F Impairment of assets

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and an impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of net selling price and value in use.

An impairment loss is charged to the income statement immediately. Reversal of impairment losses recognised in prior years is recorded when the impairment losses recognised for the asset no longer exist or have decreased.

G Investment properties

Investment properties are held for their investment potential and rental income. Provision for diminution in value is made only when the Directors consider that there has been a permanent diminution in value. It is the Group's policy to revalue its investment properties once in every five (5) years, or at such shorter period as may be considered to be appropriate, based upon independent professional valuations on open market value basis. No depreciation or amortisation is provided on investment properties. Increases in their carrying amount are credited to revaluation reserve. Decreases that offset previous increases of the same asset are charged against revaluation reserve; all other decreases are charged to the income statement.

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

H Inventories

Inventories are stated at the lower of cost and net realisable value after making due allowance for any obsolete or slow-moving items. Net realisable value is the estimated selling price in the ordinary course of business, less cost of completion and selling price.

Cost is determined on a first-in-first-out basis. Cost of raw materials comprises purchase price plus cost incurred in bringing the inventories to their present location and condition. Cost of finished goods and work in progress comprises cost of raw materials, direct labour and an appropriate proportion of production and other overheads. The cost of unsold properties comprises costs associated with the acquisition of land, direct costs and an appropriate proportion of allocated costs attributable to property development activities.

I Property development costs

Property development costs comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

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

The excess of revenue recognised in the income statement over billings to purchasers is shown as accrued billings under trade and other receivables and the excess of billings to purchasers over revenue recognised in the income statement is shown as progress billings under trade and other payables.

J Capitalisation of borrowing costs

Borrowing costs incurred on properties under development are capitalised. Capitalisation of borrowing costs will cease when the assets are ready for their intended use.

The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is the weighted average of the borrowing costs applicable to the Group's borrowings that are outstanding during the year, other than borrowings made specifically for the purposes of financing a specific property under development, in which case the actual borrowing cost incurred on that borrowing less any investment income on the temporary investment of that borrowing will be capitalised.

Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

K Receivables

Receivables are carried at anticipated realisable value. Bad debts are written off in the period in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at the financial year end.

L Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

M Amounts due from/to customers on contracts

The aggregate of the costs incurred and the profit or loss recognised on each contract is compared against the progress billings up to the financial year end. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is shown as amount due from customers on contracts. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as amounts due to customers on contracts. Contract costs incurred to date include:

- i) Costs directly related to the contract;
- ii) Costs attributable to contract activity in general and can be allocated to the contract; and
- iii) Other costs specifically chargeable to the customers under the terms of the contract.

N Joint ventures

Joint venture represents contractual arrangements with third parties to undertake construction and development projects.

The Group's share of the results of the joint ventures is included in the Group and the Company's financial statements from the date of formation of the joint venture and up to the date of completion of the project.

O Share capital

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. Cost incurred directly attributable to the issuance of the shares is accounted for as a deduction from share premium, otherwise, it is charged to the income statement.

P Revenue recognition

- i) Revenue from construction contracts are recognised on the percentage of completion basis; the stage of completion is measured by reference to surveys of work performed to total contract sum for each contract. Foreseeable losses, if any, are provided in full.
- ii) Revenue from sales of development properties is recognised on the percentage of completion basis where foreseeable losses development projects, if any, are provided in full.
- iii) Revenue from sales of goods are recognised upon delivery of products and customer acceptance.
- iv) Revenue from rental of investment properties and construction plant and machinery are recognised over the period of rental.
- v) Dividend income from subsidiary companies are included in the income statement of the Company when declared.

Q Construction contracts

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised over the period of contract as revenue and expenses respectively.

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

The Group uses the percentage of completion method to determine the appropriate amount of revenue and costs to be recognised in a period of contract. When it is probable that contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

R Taxation

The tax expense in the income statement represents the aggregate amount of current and deferred tax included in the determination of net profit or loss for the year.

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

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

Where there is intention to dispose of revalued investment properties, the deferred tax relating to such investment properties is recognised through a transfer from the related revaluation surplus. Neither provision nor disclosure is made of this tax effect where the Group intends to hold such investment properties for the foreseeable future.

S Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, bank balances, demand deposits, bank overdrafts and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

T Finance lease

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

Finance leases are capitalised at the estimated present value of the underlying lease payments at the date of inception. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of financial charges, are included in borrowings. The interest element of the finance charge is charged to the income statement over the lease period.

Property, plant and equipment acquired under finance lease contracts is depreciated over the useful life of the asset in line with the Group's accounting policy for property, plant and equipment. If there is no reasonable certainty that the ownership will be transferred to the Group, the asset is depreciated over the shorter of the lease term and its useful life.

U Financial instruments

Financial instruments carried on the balance sheets include cash and bank balances, investments, receivables, payables and borrowings. The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

V Employee benefits

i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expenses in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employee Provident Fund. Such contributions are recognised as an expense in the income statement as incurred.

iii) Equity compensation benefits

The Group's Employees' Share Option Scheme ("ESOS") allows the Group's employees to acquire shares of the Company. No compensation cost or obligation is recognised. When the options are exercised, equity is increased by the amount of the proceeds received.

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1) GENERAL INFORMATION

The Company is principally engaged as construction and building contractors. The principal activities of the subsidiary companies are set out in Note 6. There have been no significant changes in the nature of these activities during the financial year except that the Group's activities now include manufacturing and trading in electrical and electronic goods as a result of the acquisition of subsidiary company, TC Electronics Sdn. Bhd..

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

The address of the registered office of the Company is Wisma Goodyear, Tingkat 11, Blok B, Kelana Centre Point, 3 Jalan SS7/19, Kelana Jaya, 47301 Petaling Jaya.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 12 October 2005.

2) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The Group does not trade in derivative financial instruments.

The main areas of financial risks faced by the Group and the policy for managing each of these risks are set out as follows:

a) Interest rate risk

The Group obtains additional financing through bank borrowings and hire purchase arrangements. The Group's policy is to borrow principally on the floating rate basis but to retain a proportion of fixed debt. The objectives for the mix between fixed and floating rate borrowings are set to reduce the impact of an upward changes in interest rates while enabling benefits to be enjoyed if interest rates fall.

b) 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. In addition, the Company has given guarantees to subsidiaries for banking facilities. It is the Group's policy to monitor the financial standing of these counter parties on a going concern basis to ensure that the Group is exposed to minimal credit risk.

c) Liquidity and cash flow risk

The Group's exposure to liquidity and cash flow risks arises mainly from general funding and business activities.

It practices prudent liquidity risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

d) Foreign currency risk

The Group operates mainly within Malaysia. Its exposure to foreign currencies volatility is not significant.

3) PROPERTY, PLANT AND EQUIPMENT

a) The movement of property, plant and equipment during the financial year are as follows :-

The Group	Leasehold	Freehold	Motor	Machinery &	Furniture &	Renovation &	Total
	Land & Building	Land	Vehicles	Equipment	and Office Fittings Equipment	Others	
	RM	RM	RM	RM	RM	RM	RM
COST							
At 1 July 2004	-	1,055,000	3,612,709	10,397,338	2,670,219	-	17,735,266
Additions through acquisition of subsidiary	1,579,945	-	121,046	1,499,775	643,450	15,054	3,859,270
Additions	-	-	1,563,633	4,455,233	196,084	37,936	6,252,886
Disposals	-	-	(101,794)	(56,172)	(10,700)	-	(168,666)
At 30 June 2005	1,579,945	1,055,000	5,195,594	16,296,174	3,499,053	52,990	27,678,756
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES							
At 1 July 2004	-	-	2,059,213	6,365,859	2,292,975	-	10,718,047
Additions through acquisition of subsidiary	457,481	-	121,045	1,068,979	443,550	10,482	2,101,537
Charge for the year	26,293	-	607,856	2,847,374	214,457	8,730	3,704,710
Disposals	-	-	(97,927)	(56,172)	(9,520)	-	(163,619)
At 30 June 2005	483,774	-	2,690,187	10,226,040	2,941,462	19,212	16,360,675
NET BOOK VALUE							
At 30 June 2005	1,096,171	1,055,000	2,505,407	6,070,134	557,591	33,778	11,318,081
At 30 June 2004	-	1,055,000	1,553,496	4,031,479	377,244	-	7,017,219
DEPRECIATION							
Year ended 30 June 2004	-	-	424,739	2,021,526	213,808	-	2,660,073

Depreciation expense of the Group amounting to RM34,301 (2004: RM24,505) has been included in cost of contracts.

3) PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Company	Motor Vehicles	Machinery & Equipments	Furniture, Fittings and office equipment	Renovation & Others	Total
			RM	RM	
COST					
At 1 July 2004	2,396,199	583,977	2,503,877	-	5,484,053
Additions	299,002	162,088	155,620	37,936	654,646
Disposals	(101,794)	-	(10,700)	-	(112,494)
At 30 June 2005	2,593,407	746,065	2,648,797	37,936	6,026,205
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES					
At 1 July 2004	1,681,219	421,619	2,247,643	-	4,350,481
Charge for the year	202,407	189,785	135,955	7,587	535,734
Disposals	(97,927)	-	(9,520)	-	(107,447)
At 30 June 2005	1,785,699	611,404	2,374,078	7,587	4,778,768
NET BOOK VALUE					
At 30 June 2005	807,708	134,661	274,719	30,349	1,247,437
At 30 June 2004	714,980	162,358	256,234	-	1,133,572
DEPRECIATION					
Year ended 30 June 2004	218,201	204,329	194,366	-	616,896

b) Net book values of assets pledged as security for bank borrowings:

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Freehold land	1,055,000	1,055,000	-	-

c) Details of assets under hire purchase agreements:

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Motor vehicles				
- additions during the year	1,362,924	1,207,000	146,800	537,000
- net book value at year end	2,465,846	1,490,706	774,411	652,456
Machinery and equipment				
- additions during the year	3,920,370	680,860	-	-
- net book value at year end	5,107,977	2,498,662	-	-

4) GOODWILL ON CONSOLIDATION

	Group	
	2005 RM	2004 RM
Acquisition of subsidiary during the year	2,830,616	-
Amortisation of goodwill for the year	(141,531)	-
	2,689,085	-
	2,689,085	-

5) INVESTMENT PROPERTIES

Group & Company	2005 RM	2004 RM
At beginning of year		
Freehold land and buildings		
- at valuation	6,991,146	6,991,146
- at cost	3,881,512	3,690,290
Long term leasehold land and building		
- at valuation	66,700	66,700
	10,939,358	10,748,136
Movement during the year		
Freehold land and buildings		
- addition	-	304,200
- disposal	(423,272)	(112,978)
Long term leasehold land and building	-	-
	10,516,086	10,939,358
	10,516,086	10,939,358

Investment properties with values amounting to RM9,309,312 (2004: RM9,309,312) have been pledged as security for bank borrowings.

6) INVESTMENT IN SUBSIDIARY COMPANIES & ASSOCIATED COMPANY

Group	2005 RM	2004 RM
Investment in associated company		
Unquoted shares, at cost	1,500,000	-
	1,500,000	-
	1,500,000	-
Company	2005 RM	2004 RM
Investment in subsidiary companies		
Unquoted shares, at cost	10,835,000	2,500,000
	10,835,000	2,500,000
	10,835,000	2,500,000

6) INVESTMENT IN SUBSIDIARY COMPANIES & ASSOCIATED COMPANY (cont'd)

All the subsidiary & associated companies are incorporated in Malaysia. Details of subsidiary & associated companies are as follows :-

<u>Name</u>	<u>Effective interest</u>		<u>Principal activities</u>
	2005	2004	
i) Seranta Machinery & Equipment Sdn. Bhd.	100%	100%	Rental of construction equipment and machinery.
ii) BG Realty Sdn. Bhd.	100%	100%	Property management and property development.
iii) BG Builders Sdn. Bhd.	100%	100%	Construction works and housing development.
iv) TC Electronics Sdn. Bhd.	75.50%	-	Manufacturers and dealers in electrical and electronic goods.
v) Twin Ridge Sdn. Bhd. (Associated company of BG Realty Sdn. Bhd.)	30%	-	Property development.

During the year, the Company acquire 75.5% equity interest in TC Electronics Sdn. Bhd. by issuing of 3,678,000 new ordinary shares of RM1.00 each of the Company at an issue price of approximately RM2.266 each. The acquisition was accounted for using the acquisition method of accounting. The effect of this acquisition on the financial results of the Group during the financial year is as follows:-

	RM
Operating revenue and other income	21,439,174
Operating costs	(19,408,279)
Profit before tax	2,030,895
Tax expenses	(581,610)
Minority interest	(355,075)
Net profit	1,094,210
	=====

The effect of this acquisition on the financial position of the Group at the end of the financial year is as follow:-

	RM
Property, plant and equipment	1,634,340
Inventories	3,287,541
Trade receivables	3,676,104
Other receivables	1,371,018
Cash & bank balances	1,112,059
Trade payables	(1,618,871)
Other payables	(577,292)
Minority interest	(355,075)
Group's share of net assets	8,529,824
	=====

On 25 November 2004, the Group acquired 1,500,000 ordinary shares in Twin Ridge Sdn. Bhd. for a sum of RM1,500,000.00 being 30% equity interest in the associated company. The Group has not equity accounted for the results of the associated company as the Directors are in the opinion that it is immaterial to share any post acquisition profit or loss and reserve thereon.

7) INVENTORIES

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
<i>At cost</i>				
Raw material	1,881,564	-	-	-
Work in progress	369,039	-	-	-
Finished goods	1,036,939	-	-	-
Building materials	8,433,021	6,608,847	6,752,598	4,223,658
Completed properties	1,081,097	-	-	-
	<u>12,801,660</u>	<u>6,608,847</u>	<u>6,752,598</u>	<u>4,223,658</u>
	=====	=====	=====	=====

8) PROPERTY DEVELOPMENT COSTS

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Leasehold land, at cost	9,868,888	9,868,888	-	-
Deposit for freehold land	2,000,000	2,000,000	2,000,000	2,000,000
Development costs	30,415,465	19,491,455	945,001	622,388
	<u>42,284,353</u>	<u>31,360,343</u>	<u>2,945,001</u>	<u>2,622,388</u>
Add: Cost incurred during the year				
- Development costs	3,029,344	10,924,011	2,500	322,613
	<u>45,313,697</u>	<u>42,284,354</u>	<u>2,947,501</u>	<u>2,945,001</u>
Less: Cost recognised as an expenses in income statement				
- previous year	(34,852,419)	(18,776,974)	-	-
- current year	(6,107,859)	(16,075,445)	-	-
	<u>4,353,419</u>	<u>7,431,935</u>	<u>2,947,501</u>	<u>2,945,001</u>
Transfer to inventories	(1,081,097)	-	-	-
Transfer to receivables and deposits	(2,947,501)	-	(2,947,501)	-
	<u>324,821</u>	<u>7,431,935</u>	<u>-</u>	<u>2,945,001</u>
	=====	=====	=====	=====

Borrowing costs of the Group amounting to nil (2004: RM55,281) has been included in development expenditure during the year.

During the year, the Company transferred its development properties to deposit and debtor account as certain conditions contained in sales and purchase agreement have yet to be fulfilled by the parties.

9) TRADE AND OTHER RECEIVABLES

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Progress billings receivables	26,996,614	22,877,914	21,981,851	22,565,973
Retention sums	25,800,382	20,046,743	22,159,220	18,588,632
Trade receivables	4,623,605	2,717,236	947,501	-
	<u>57,420,601</u>	<u>45,641,893</u>	<u>45,088,572</u>	<u>41,154,605</u>
Other receivables, deposits and prepayment	4,958,406	1,574,097	2,954,575	784,351
	<u>62,379,007</u>	<u>47,215,990</u>	<u>48,043,147</u>	<u>41,938,956</u>
	=====	=====	=====	=====

Included progress billings receivables and retention sums are amounts due from related party companies of RM 22,569,944 (2004:RM14,321,095) for the Group and RM 14,651,845 (2004:RM 12,531,043) for the Company.

Progress billings are due within 1 to 90 days as stipulated in construction contracts and sale and purchase agreements. The retention sums are due after one year upon the expiry of the defect liability period stated in the respective construction contracts or sales and purchase agreements.

The normal credit term for other trade receivables and other receivable range from 30 to 45 days. Other credit terms are assessed and approved on case by case basis.

Included in the trade receivable and other receivable is amount due from a related parties of RM2,956,140(2004:RM Nil) which is unsecured, interest free and do not has fixed term of repayment.

10) AMOUNTS DUE FROM CUSTOMERS ON CONTRACTS

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Costs incurred on contracts to date	1,017,379,493	733,686,557	828,451,139	602,176,418
Attributable profit recognized to date	37,897,808	22,286,112	28,562,880	16,631,263
	<u>1,055,277,301</u>	<u>755,972,669</u>	<u>857,014,019</u>	<u>618,807,681</u>
Less: Progress billings to date	(997,974,327)	(713,126,084)	(805,890,570)	(583,093,364)
Amounts due from customers on contracts	<u>57,302,974</u>	<u>42,846,585</u>	<u>51,123,449</u>	<u>35,714,317</u>
	=====	=====	=====	=====

11) (i) AMOUNTS DUE FROM/ (TO) SUBSIDIARY COMPANIES

Company		2005 RM	2004 RM
The identities of amounts due from/(to) subsidiary companies are as follows:-			
Seranta Machinery & Equipment Sdn. Bhd.	- Trade	(855,287)	1,825,485
BG Realty Sdn. Bhd.	- Non trade	4,474,273	2,627,727
		<u>3,618,986</u>	<u>4,453,212</u>
BG Builders Sdn. Bhd.	- Subcontractors	(6,340,587)	(6,262,122)
	- Retention	(3,488,375)	(2,673,287)
	- Non trade	6,363,070	6,381,809
		<u>(3,465,892)</u>	<u>(2,553,600)</u>
		<u>153,094</u>	<u>1,899,612</u>
		=====	=====

The trade accounts are expected to be settled within normal credit periods. The non-trade accounts are unsecured, interest charged and do not have fixed terms of repayment.

11) (ii) AMOUNT DUE FROM ASSOCIATED COMPANY (cont'd)

The amount due from associated company, Twin Ridge Sdn. Bhd., relates to advances given in proportion to their equity interest for property development operations which are unsecured, interest free and has no fixed term of repayment.

12) JOINT VENTURE

Group & Company

The joint venture represents contractual arrangements entered with a third party as a jointly controlled operation to undertake a construction project. The amount in the financial statements represents working capital provided by the Company and the Company's share of profit or loss of that joint venture. The Company's interest in the joint venture is 49%. The method of contract profit recognition of the joint venture is in line with the Group's accounting policy.

Group & Company

	2005	2004
	RM	RM
Amount due from joint venture operation	3,139,556	3,130,618
Share of loss of joint venture operation	(825,525)	(820,868)
	<u>2,314,031</u>	<u>2,309,750</u>
	=====	=====

The following amounts represent the Company's share of the assets, liabilities, revenue and expenses of the jointly controlled operation:

	2005	2004
	RM	RM
Current assets	4,180,212	4,794,544
Current liabilities	(1,866,181)	(2,484,794)
	<u>2,314,031</u>	<u>2,309,750</u>
	=====	=====

	Joint Venture's		Company's share	
	Income Statement		(49%)	
	2005	2004	2005	2004
	RM	RM	RM	RM
Revenue	-	-	-	-
Expenses	(9,505)	(99,537)	(4,657)	(48,774)
	<u>(9,505)</u>	<u>(99,537)</u>	<u>(4,657)</u>	<u>(48,774)</u>
Loss from ordinary activities before tax	(9,505)	(99,537)	(4,657)	(48,774)
Taxation	-	-	-	-
	<u>(9,505)</u>	<u>(99,537)</u>	<u>(4,657)</u>	<u>(48,774)</u>
Loss after taxation	(9,505)	(99,537)	(4,657)	(48,774)
Accumulated loss brought forward	(1,675,240)	(1,575,703)	(820,868)	(772,094)
	<u>(1,684,745)</u>	<u>(1,675,240)</u>	<u>(825,525)</u>	<u>(820,868)</u>
Accumulated loss carried forward	(1,684,745)	(1,675,240)	(825,525)	(820,868)
	=====	=====	=====	=====

13) CASH AND CASH EQUIVALENTS

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Fixed deposits with licensed banks	15,845,239	29,267,009	15,845,239	29,267,009
Cash held under Housing Development Accounts	1,690,319	1,350,945	-	-
Cash and bank balances	20,619,675	13,901,810	14,756,474	10,451,170
	<hr/>	<hr/>	<hr/>	<hr/>
Deposits, cash and bank balances	38,155,233	44,519,764	30,601,713	39,718,179
Less: Bank overdrafts - secured	(5,570,701)	(978,401)	(3,725,340)	(655,751)
	<hr/>	<hr/>	<hr/>	<hr/>
Less: Fixed deposits pledged to licensed banks	(4,398,232)	(3,304,830)	(4,398,232)	(3,304,830)
	<hr/>	<hr/>	<hr/>	<hr/>
	28,186,300	40,236,533	22,478,141	35,757,598
	=====	=====	=====	=====

The Group has deposited sales proceeds into Housing Development Accounts in accordance with Section 7 (A) of the Housing Developers (Control and Licensing) Act, 1966. This account, which consists of monies received from purchasers, are maintained for the payment of property development expenditure incurred.

Interest rates on bank overdrafts during the year ranged from 7.75% to 8% per annum (2004: 7.75% - 8%).

Fixed deposits amounting to RM4,398,232 (2004: RM3,304,830) for the Group and for the Company have been pledged to licensed banks as security for credit facilities granted to the Group. Interest rate on fixed deposits during the year ranged from 2.50% to 3.70% per annum (2004: 2.60% - 3.70%).

14) TRADE AND OTHER PAYABLES

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Trade payables	17,687,989	13,191,781	11,258,033	8,611,088
Sub-contractors	11,327,333	10,633,382	8,065,450	8,972,480
Retention sums	17,864,350	19,317,371	14,162,573	15,765,427
	<hr/>	<hr/>	<hr/>	<hr/>
Accruals	46,879,672	43,142,534	33,486,056	33,348,995
Other payables	529,594	203,259	350,156	79,907
Deposits received	1,669,731	437,705	212,080	213,440
	<hr/>	<hr/>	<hr/>	<hr/>
	224,758	165,431	224,758	165,431
	<hr/>	<hr/>	<hr/>	<hr/>
	49,303,755	43,948,929	34,273,050	33,807,773
	=====	=====	=====	=====

The normal credit terms extended by sub-contractors range from 15 to 90 days and trade payables range from 1 to 120 days. The retention sums are payable after 1 month upon the issuance of Certificate of Practical Completion (CPC).

15) AMOUNTS DUE TO RELATED PARTIES

Group & Company

**2005
RM**

**2004
RM**

The identities of amount due to related parties are as follows:-

Subang Perdana Services Sdn. Bhd. (a company in which Lai Tan Fatt and Wong Chick Wai are substantial shareholders, Wong Chick Wai is director)	-	10,332
	-----	-----
	-	10,332
	=====	=====

Amounts due to related companies represent advances and payments on behalf are unsecured, interest free and do not have fixed terms of repayment.

16) BORROWINGS

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
<u>Current</u>				
<u>Secured</u>				
Revolving credit	5,000,000	7,600,000	5,000,000	7,600,000
Term loan	426,245	467,985	-	21,400
Finance lease liabilities	2,254,123	1,346,812	151,104	112,120
Short term advance	23,144,827	16,600,000	23,144,827	16,600,000
	-----	-----	-----	-----
	30,825,195	26,014,797	28,295,931	24,333,520
	-----	-----	-----	-----
<u>Non-current</u>				
<u>Secured</u>				
Term loan	202,570	635,491	-	-
Finance lease liabilities	3,157,526	1,465,846	539,209	487,711
	-----	-----	-----	-----
	3,360,096	2,101,337	539,209	487,711
	-----	-----	-----	-----
Total	34,185,291	28,116,134	28,835,140	24,821,231
	=====	=====	=====	=====

Interest rates on the above are as follows :-

Revolving credit	4.75%	4.14% - 4.90%	4.75%	4.14% - 4.90%
Term loan	7.50% - 8.00%	5.00% - 8.25%	-	8.00%
Finance lease liabilities	4.96% - 12.34%	6.00% - 10.50%	6.00% - 12.34%	6.00% - 9.34%
Short term advance	7.50%	7.50%	7.50%	7.50%

16) BORROWINGS (cont'd)

Repayment terms Term loan	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
- not later than 1 year	426,245	467,985	-	21,400
- between 1 to 2 years	202,570	429,212	-	-
- between 2 to 5 years	-	206,279	-	-
	<u>628,815</u>	<u>1,103,476</u>	<u>-</u>	<u>21,400</u>
	=====	=====	=====	=====
<u>Finance lease liabilities</u>				
Minimum lease payment				
- not later than 1 year	2,573,501	1,506,837	189,744	149,799
- between 1 to 2 years	1,797,729	695,547	189,726	133,992
- between 2 to 5 years	1,566,564	928,389	358,344	425,103
- more than 5 years	54,948	-	54,948	-
	<u>5,992,742</u>	<u>3,130,773</u>	<u>792,762</u>	<u>708,894</u>
Future finance charges on finance lease	(581,093)	(318,115)	(102,449)	(109,063)
	<u>5,411,649</u>	<u>2,812,658</u>	<u>690,313</u>	<u>599,831</u>
	=====	=====	=====	=====
Present value of finance lease liabilities				
- not later than 1 year	2,254,123	1,346,812	151,104	112,120
- between 1 to 2 years	1,634,430	610,507	161,134	106,924
- between 2 to 5 years	1,418,651	855,339	324,926	380,787
- more than 5 years	104,445	-	53,149	-
	<u>5,411,649</u>	<u>2,812,658</u>	<u>690,313</u>	<u>599,831</u>
	=====	=====	=====	=====

17) BANKING FACILITIES

The banking facilities of the Group and the Company comprise term loans, bank guarantees, short term advances, revolving credits and bank overdrafts and are secured by :-

- legal assignment over the freehold land (Note 3)
- ownership of equipment or vehicles approved by the hire-purchase creditors (Note 3)
- legal assignment over the certain investment properties (Note 5)
- legal assignment over sale proceeds and end finance proceeds in respect of proposed property development
- legal assignment over the progressive payments of contracts from construction contracts
- joint & several guarantee by certain directors of the Company
- first party fixed deposits held under lien supported by charges on fixed deposits (Note 13).

18) SHARE CAPITAL

Group & Company

	2005 RM	2004 RM
Authorised :		
Ordinary shares of RM1.00 each	100,000,000	100,000,000
	=====	=====
Issued & fully paid :		
Ordinary shares of RM1.00 each		
At beginning of year	42,581,800	42,000,000
Issued during the year	3,678,000	-
Exercise of ESOS	-	581,800
	-----	-----
At end of year	46,259,800	42,581,800
	=====	=====

During the financial year, the Company's issued and paid up share capital was increased from RM42,581,800 to RM46,259,800 by way of the issue of 3,678,000 new ordinary share of RM1.00 each at an issue price of approximately RM2.266 per share for acquisition 75.5% shares in TC Electronics Sdn Bhd. The new ordinary shares rank pari passu in respects with the existing ordinary shares of the Company.

The Company had on 6 June 2003 implemented the Employee Share Option Scheme ("ESOS") for a duration of five (5) years. The main features of the ESOS as set out in its Bye-Laws are as follows:

- a) Eligible employees are any full time employee (including the Executive Directors) of the Group who is a Malaysian or permanent resident in Malaysia, who have been serving under employment contract and have been in the service for a continuous period of three (3) years.
- b) The total number of shares to be offered shall not exceed 10% of the issued and paid-up capital of the Company, whereby not more than fifty percent (50%) of the shares available to the directors and senior management, and not more than ten percent (10%) of the shares available to any individual employee or director who holds twenty percent (20%) or more in the issued and paid-up share capital, at any time during the existence of the ESOS.
- c) The option price for a new share under the ESOS shall be weighted average market price of the shares as shown in the Daily Official List issued by Bursa Malaysia for the five (5) market days immediately prior to each date of offer, with a discount, of not more than 10% (or such higher discount as may be allowed under the SC Guidelines from time to time), if deemed appropriate subject always to the minimum price of RM1.00, being the par value of the shares.
- d) No offer shall be made for less than 100 shares.

There is no share options exercised during the financial year.

At 30 June 2005, the Company has 842,200 unissued ordinary shares under option at exercise price of RM2.10 per share.

19) DEFERRED TAXATION

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
At beginning of year	23,000	27,000	-	13,000
Acquisition of subsidiary company	142,000	-	-	-
Transfer from/ (to) income statement (Note 23)	7,000	(4,000)	-	(13,000)
	-----	-----	-----	-----
At end of year	172,000	23,000	-	-
	=====	=====	=====	=====

The Group has not accounted for tax effects of the temporary differences and potential tax savings in two of the subsidiary companies which would result in a debit to the deferred tax balance at the year end amounting to RM420,000 (2004: RM368,000).

Deferred tax liability has not been recognised in the financial statements for revalued investment properties in which the Group has no intention of disposing of in the foreseeable future.

20) REVENUE

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Construction contracts	203,933,405	208,601,002	177,836,095	179,717,055
Revenue from property development	7,312,061	19,335,320	-	-
Sale of goods	21,439,174	-	-	-
Rental income on construction machinery and equipment	100	1,691	-	-
	<u>232,684,740</u>	<u>227,938,013</u>	<u>177,836,095</u>	<u>179,717,055</u>
	=====	=====	=====	=====

21) COST OF SALES

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Construction costs	181,554,715	202,953,241	168,144,369	174,510,951
Development expenditure	3,989,549	6,556,913	-	-
Cost of inventories sold	16,638,373	-	-	-
Construction machinery and equipment rental cost	9,546,742	5,981,660	-	-
	<u>211,729,379</u>	<u>215,491,814</u>	<u>168,144,369</u>	<u>174,510,951</u>
	=====	=====	=====	=====

22) PROFIT BEFORE TAXATION

a) Profit before taxation is arrived at after charging:

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Auditors' remuneration - The Group	53,500	44,500	-	-
- The Company	-	-	28,000	28,000
- Joint venture	245	735	245	735
Depreciation - The Group	3,704,710	2,660,073	-	-
- The Company	-	-	535,735	616,896
Directors' remuneration - salaries	1,020,000	792,600	924,000	792,600
- fees	45,000	45,000	45,000	45,000
- bonus	124,000	79,500	108,000	79,500
- others	30,500	33,000	30,500	33,000
Property, plant & equipment written off	3,867	-	3,867	-
Loss on foreign exchange transaction	79	-	-	-
Hire of machinery	2,351,773	1,716,480	8,796,613	5,975,459
Hire purchase interest	380,736	236,879	45,665	12,633
Loss on disposal of property, plant & equipment	-	220	-	-
Other interest	512,910	16,588	5,206	4,682
Overdraft interest	377,995	81,602	268,077	53,786
Impairment losses on property, plant and equipment	-	136,054	-	94,223
Amortisation of goodwill	141,531	-	-	-
Rental	625,400	564,410	267,248	250,658
Term loan interest	1,186,709	1,488,995	1,127,678	1,435,112

22) PROFIT BEFORE TAXATION (cont'd)

And Crediting :-	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Fixed deposit interest	481,925	589,559	481,925	561,019
Gain on disposal of investment properties	19,891	71,414	19,891	71,414
Gain on disposal of property, plant & equipment				
- The Group	307,520	367,500	-	-
- The Company	-	-	1,070	262,500
Interest received	55,001	-	-	-
Other interest received	133,208	37,627	-	-
Rental income	663,158	682,778	663,158	682,778
	=====	=====	=====	=====

The following expenses have been included in contract cost:-

Term loan interest	1,127,678	1,435,112	1,127,678	1,435,112
Overdraft interest	377,995	81,602	268,077	53,786
Other interest	512,598	16,588	5,125	1,202
Depreciation	34,301	24,505	-	-
Hire of machinery	1,333,477	1,057,991	8,796,613	5,975,459
Rental	87,370	70,780	74,650	58,060
	=====	=====	=====	=====

b) EMPLOYEE INFORMATION

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Staff costs	17,534,578	13,556,054	11,476,626	9,575,859
	=====	=====	=====	=====

Directors' remuneration were included in staff costs.

The total number of employees of the Group and the Company (excluding directors) at financial year end were 336 (2004: 206) and 151 (2004: 139) respectively.

Staff costs include contribution to Employee Provident Fund for Group is RM1,062,829 (2004:RM816,868) and for Company is RM719,094 (2004: 643,736).

23) Taxation

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Malaysian taxation based on profit for the year	4,106,300	2,509,068	2,027,000	948,970
Deferred taxation (Note 19)	7,000	(4,000)	-	(13,000)
	-----	-----	-----	-----
Under/ (over) provision in previous year	597,996	(12,979)	551,871	(11,610)
	-----	-----	-----	-----
	4,711,296	2,492,089	2,578,871	924,360
	=====	=====	=====	=====

The Company has approximately RM25,447,380 (2004: RM23,238,161) tax credit under S108 of the Income Tax Act 1967, and tax exempt account amounting to RM357,157 (2004: RM2,670,647) available for distribution as dividends.

23) Taxation (cont'd)

The numerical reconciliation between the average effective tax rate and the applicable tax rate of the Group and of the Company are as follows:

	Group		Company	
	2005 %	2004 %	2005 %	2004 %
Applicable tax rate	28.00	28.00	28.00	28.00
Tax effects in respect of:				
Change in tax rate	(1.16)	(1.79)	-	-
Expenses not deductible for tax purposes	2.94	2.67	3.88	2.05
Under/(over) provision of tax in prior year	4.33	0.64	7.91	(0.34)
Others	0.01	(1.67)	(2.83)	(2.63)
Average effective tax rate	34.12	27.85	36.96	27.08

24) EARNINGS PER SHARE

a) Basic earnings per share

The basic earnings per ordinary share is calculated by dividing the Group's profit attributable to shareholders amounting to RM8,742,450 (2004: RM6,454,077) by the weighted average number of ordinary shares of the Company in issue during the financial year of 46,259,800 (2004: 42,260,708).

b) Diluted earnings per share

The outstanding share options from ESOS have been excluded from the computation of diluted earnings per share as their conversion to ordinary shares are anti-dilutive.

25) DIVIDENDS

Group & Company

Dividend paid in respect of the financial year are as follows:-

	2005 RM	2004 RM
First and final dividend paid - 5% less tax exempt at 28% (2004 : 5% tax exempt)	2,312,990	2,114,240
Sen per share (Gross)	5	5

The first and final 5% tax exempt dividend per share in respect of financial year ended 30 June 2004 which have been accounted for in the financial statements of the Group and of the Company in the financial year ended 30 June 2005 was paid on 25 January 2005.

The Board of Directors proposed a first and final dividend of 5 sen less tax at 28% per share in respect of the financial year ended 30 June 2005 to be paid to shareholders registered in the Register of Members on a date to be determined later by the Directors to be approved by the shareholders at the forthcoming Annual General Meeting. Based on the issued and paid up share capital of the Company as at the date of the report, the final dividend would amount to RM1,665,352.

26) SIGNIFICANT INTERCOMPANY AND RELATED PARTIES TRANSACTIONS

Identity of related parties

The Group has a related parties relationships with its directors, its subsidiaries and its related parties.

Significant related party transactions are as follows:

Transactions between the Company and its subsidiary companies

	2005	2004
	RM	RM
Machinery rental paid/payable to subsidiary - Seranta Machinery & Equipment Sdn. Bhd.	8,418,452	5,056,980
Subcontract fee paid/payable to subsidiary - BG Builders Sdn. Bhd.	34,019,201	9,039,387
	=====	=====

Transactions with companies in which certain directors have substantial financial interest

	Group		Company	
	2005	2004	2005	2004
	RM	RM	RM	RM
Potensi Naga Sdn. Bhd. (an indirect subsidiary company of Mutiara Goodyear Development Berhad, a company in which Lai Tan Fatt, Edmond Hoyt Yung and Wong Chick Wai are directors and have substantial shareholdings)				
- Rental paid/payable	355,630	415,629	158,398	158,397
- Janitorial usage charges paid/payable	2,558	2,469	2,558	2,469
- Parking fee paid/payable	51,600	123,410	51,600	99,410
- Maintenance fee	40,063	-	40,063	-
Subang Perdana Services Sdn. Bhd. (a company in which Lai Tan Fatt and Wong Chick Wai are substantial shareholders)				
- Quit rent paid/payable	4,221	4,252	4,221	4,252
- Insurance paid/ payable	4,452	5,175	4,452	5,175
- Security charges paid/ payable	-	51,142	-	45,670
- Cleaning fee paid/payable	-	9,735	-	9,735
Pembangunan Bandar Mutiara Sdn. Bhd. (a subsidiary company of Mutiara Goodyear Development Berhad, a company in which Lai Tan Fatt, Edmond Hoyt Yung and Wong Chick Wai are directors and have substantial shareholdings)				
- Contract fee received/receivable	11,853,018	8,454,249	61,094	71,104
- Transportation & travelling paid/ payable	-	2,814	-	-
Puncak Kencana Sdn. Bhd. (an indirect subsidiary company of Mutiara Goodyear Development Berhad, a company in which Lai Tan Fatt, Edmond Hoyt Yung and Wong Chick Wai are directors and have substantial shareholdings)				
- Contract fee received/receivable	36,248,716	9,515,144	35,616,229	9,515,144

26) SIGNIFICANT INTERCOMPANY AND RELATED PARTIES TRANSACTIONS (cont'd)

Transactions with companies in which certain directors have substantial financial interest

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Regal Form Sdn. Bhd. (an indirect subsidiary company of Mutiara Goodyear Development Berhad, a company in which Lai Tan Fatt, Edmond Hoyt Yung and Wong Chick Wai have substantial shareholdings, Edmond Hoyt Yung and Wong Chick Wai are also directors)				
- Contract fee received/receivable	13,553,214	19,867,148	125,193	603,404
Sri Majuni Sdn. Bhd. (a company in which Edmond Hoyt Yung and Lai Tan Fatt are directors and substantial shareholders)				
- Insurance paid/ payable	266,418	216,107	109,924	82,968
	=====	=====	=====	=====

The directors are of the opinion that the above transactions have been entered into the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transaction with unrelated parties.

27) DIRECTORS' REMUNERATION

	Group		Company	
	2005 RM	2004 RM	2005 RM	2004 RM
Executive Directors:				
Salaries	828,000	714,600	828,000	714,600
Bonus	96,000	72,000	96,000	72,000
Fees	15,000	15,000	15,000	15,000
Meeting allowances	10,000	9,500	10,000	9,500
Benefits-in-kind	54,833	-	54,833	-
	-----	-----	-----	-----
	1,003,833	811,100	1,003,833	811,100
	=====	=====	=====	=====
Non-executive Directors:				
Salaries	96,000	78,000	96,000	78,000
Bonus	12,000	7,500	12,000	7,500
Fees	30,000	30,000	30,000	30,000
Meeting allowances	20,500	23,500	20,500	23,500
	-----	-----	-----	-----
	158,500	139,000	158,500	139,000
	=====	=====	=====	=====
Other Director of the Group:				
Salary	96,000	-	-	-
Bonus	16,000	-	-	-
Benefits-in-kind	23,950	-	-	-
	-----	-----	-----	-----
	135,950	-	-	-
	=====	=====	=====	=====
Total directors' remuneration	1,298,283	950,100	1,162,333	950,100
	=====	=====	=====	=====
Total directors' remuneration excluding benefits-in-kind	1,219,500	950,100	1,107,500	950,100
	=====	=====	=====	=====

27) DIRECTORS' REMUNERATION (cont'd)

	Number of Directors	
	2005 RM	2004 RM
Executive Directors:		
RM100,000 - RM150,000	-	-
RM150,001 - RM200,000	-	-
RM200,001 - RM250,000	1	2
RM250,001 - RM300,000	-	-
RM300,001 - RM350,000	1	-
RM350,001 - RM400,000	-	1
RM400,001 - RM450,000	1	-
Non executive Directors:		
Below RM50,000	5	5
RM50,000 - RM100,000	-	1
RM100,001 - RM150,000	1	-
	=====	=====

28) NON CASH TRANSACTIONS

The principal non cash transactions during the financial year are the acquisition of property, plant and equipment by means of hire purchases (Note 3).

29) CONTINGENT LIABILITIES (UNSECURED)

	Company	
	2005 RM	2004 RM
Corporate guarantees given to financial institutions for banking facilities granted to subsidiaries	23,428,580	27,444,880
Corporate guarantees given to a wholly owned subsidiary's client for its contract performance	4,848,662	3,965,975
Corporate guarantees in favour of suppliers of goods for credit terms granted to subsidiaries	3,228,399	12,578,399
	-----	-----
	31,505,641	43,989,254
	=====	=====

It is anticipated that no material liabilities will arise as a result of these guarantees.

30) SEGMENT ANALYSIS

(a) Primary reporting format - business segment

The Group's operations comprise the following business segment:

- (i) Construction
- (ii) Property development
- (iii) Construction machinery & equipment rental
- (iv) Dealers in electrical and electronic goods

	Construction	Property Development	Machinery & Equipment Rental and Trading in Building Materials	Trading in electrical & electronic goods	Elimination	Consolidation
2005	RM	RM	RM	RM	RM	RM
REVENUE						
External sales	203,933,405	7,312,061	100	21,439,174	-	232,684,740
Inter-segment sales	35,953,727	-	11,123,543	-	(47,077,270)	-
Total revenue	239,887,132	7,312,061	11,123,643	21,439,174	(47,077,270)	232,684,740
=====						
RESULTS						
Segment operating profit	8,880,328	438,296	1,210,690	2,015,446	26,836	12,571,596
Finance costs						(440,078)
Investment and other income						1,677,303
Profit before taxation						13,808,821
Taxation						(4,711,296)
Minority interest						(355,075)
Net profit for the year						8,742,450
=====						
OTHER INFORMATION						
Segment assets	195,889,752	11,530,757	11,247,470	11,016,499	(27,374,265)	202,310,213
Tax assets						69,716,00
Consolidated total assets						202,379,929
=====						
Segment liabilities	94,156,823	6,200,894	5,654,561	2,196,162	(19,148,693)	89,059,747
Tax liabilities						854,508
Consolidated total liabilities						89,914,255
=====						
Capital expenditure	909,510	254,636	5,073,886	14,854	-	6,252,886
Depreciation	688,118	164,072	2,713,604	138,916	-	3,704,710
=====						

30) SEGMENT ANALYSIS (cont'd)

	Construction	Property Development	Machinery & Equipment Rental and Trading in Building Materials	Elimination	Consolidation
2004	RM	RM	RM	RM	RM
REVENUE					
External sales	208,601,002	19,335,320	1,691	-	227,938,013
Inter-segment sales	18,557,919	-	8,045,241	(26,603,160)	-
Total revenue	227,158,921	19,335,320	8,046,932	(26,603,160)	227,938,013
=====					
RESULTS					
Segment operating profit	3,582,254	2,426,884	1,720,063	(243,367)	7,485,834
Finance costs					(294,354)
Investment and other income					1,754,686
Profit before taxation					8,946,166
Taxation					(2,492,089)
Net profit for the year					6,454,077
=====					
OTHER INFORMATION					
Segment assets	170,666,727	10,805,466	10,057,367	(22,640,112)	168,889,448
Tax assets					48,640
Consolidated total assets					168,938,088
=====					
Segment liabilities	81,940,132	5,851,817	5,158,592	(19,896,745)	73,053,796
Tax liabilities					259,820
Consolidated total liabilities					73,313,616
=====					
Capital expenditure	1,012,907	821,500	1,333,830	-	3,168,237
Depreciation	708,846	128,973	1,822,254	-	2,660,073
=====					

Transactions between segments were entered into in the normal course of business and were established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. The effects of such inter-segment transactions are eliminated.

(b) Secondary reporting - geographical segment

The Group's secondary format by geographical location, is not shown as the activities of the Group are carried in Malaysia.

31) FINANCIAL INSTRUMENTS

a) Interest rate risk

The interest rate risk that financial instruments' values will fluctuate as a result of changes in market interest rate, and the effective weighted average interest rate on classes of financial assets and financial liabilities, are as follows:-

Group	Note	Less than 1 year RM	More than 1 year RM	Total RM	Effective interest rate during the year %
2005					
Financial Asset					
Fixed deposit with licensed bank	13	15,845,239	-	15,845,239	2.50 - 3.70
Financial Liabilities					
Borrowings	16	30,825,195	3,360,096	34,185,291	4.75 - 12.34
Bank overdraft	13	5,570,701	-	5,570,701	8.00 - 9.50
		=====	=====	=====	=====
		Less than 1 year RM	More than 1 year RM	Total RM	Effective interest rate during the year %
2004					
Financial Asset					
Fixed deposit with licensed bank	13	29,267,009	-	29,267,009	2.63 - 3.76
Financial Liabilities					
Borrowings	16	26,014,797	2,101,337	28,116,134	4.22 - 11.02
Bank overdraft	13	978,401	-	978,401	8.30 - 9.92
		=====	=====	=====	=====
Company					
		Less than 1 year RM	More than 1 year RM	Total RM	Effective interest rate during the year %
2005					
Financial Asset					
Fixed deposit with licensed bank	13	15,845,239	-	15,845,239	2.50 - 3.70
Financial Liabilities					
Borrowings	16	28,295,931	539,209	28,835,140	4.75 - 12.34
Bank overdraft	13	3,725,340	-	3,725,340	8.00 - 9.50
		=====	=====	=====	=====
		Less than 1 year RM	More than 1 year RM	Total RM	Effective interest rate during the year %
2004					
Financial Asset					
Fixed deposit with licensed bank	13	29,267,009	-	29,267,009	2.63 - 3.76
Financial Liabilities					
Borrowings	16	24,333,520	487,711	24,821,231	4.22 - 9.75
Bank overdraft	13	655,751	-	655,751	8.30 - 9.92
		=====	=====	=====	=====

b) Credit risk

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet and the outstanding obligations under the guarantees are as disclosed in Note 29.

c) Fair value

The carrying amounts of financial assets and liabilities of the Group and the Company at the balance sheet date approximate their fair value due to the relatively short term maturity of these financial instruments.

32) CAPITAL COMMITMENT

Group

Authorised capital expenditure not provided for in the financial statements.	2005 RM	2004 RM
- Approved but not contracted for	978,532	-
	=====	=====

33) EVENT SUBSEQUENT TO BALANCE SHEET DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, 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.

Bina Goodyear Berhad

(18645-H)

(Incorporated in Malaysia)

Title/Location	Description/ Existing Use	Tenure	Land Area/ Built Up Area (sq. feet)	Ownership	Approximate Age of Building (years)	Net Book Value as at 30/06/05 RM'000	Date of Acquisition
Mukim of Ulu Kinta District of Kinta State of Perak - Lot 105977 (P.T. 29300)	Land for Semi-Detach/ Vacant	Leasehold 90 years (12.01.2081)	3,014/ N.A.	Bina Goodyear Bhd	N.A.	48	12-May-90
- Lot 105979 (P.T. 29302)	Irregular Lot for Semi-Detach/ Vacant	Leasehold 90 years (12.01.2081)	1,561/ N.A.	- do -	N.A.	19	12-May-90
Subang Perdana Phase 5 Subang Jaya State of Selangor (3 units)	Shop Lots Rented	Freehold *	N.A./ 3,834	- do -	9	836	02-Jun-95
Subang Perdana Phase 6 Subang Jaya State of Selangor	Shop Lots / Apartments Rented	Freehold	N.A./ 52,542	- do -	8	5,732	26-Jul-95
Bukit Lancang-Lot 419 Mukim of Damansara District of Klang State of Selangor	Plant and Machineries Workshop	Freehold	128,600/ N.A.	- do -	N.A.	1,147	18-Sep-96
Simpang Kuala Lot 66 & 67 Mukim of Pengkalan Kundur District of Kota Setar State of Kedah	Shop Lots / Offices Rented	Freehold	3,407/ 16,504	- do -	8	2,430	08-Mar-99
Parcel No. L041 L101 within Level No. 1 Building No. 41 of land held under H.S.(D) 52783 P.T. No. 54076 in the Mukim and District Klang	Shop offices Rented	Freehold	N.A./ 1,981	- do -	5	304	30-Jun-04
Mukim of Ulu Langat State of Selangor - Lot 2041 (Grant 9629)	Workshop	Freehold	505,112/ N.A.	Seranta Machinery & Equipment S/B	N.A.	1,055	04-Oct-01
Lot 4 Jalan Sultan Muhamed 2, Kawawan Perusahaan Bandar Sultan Suleiman (Selat Klang Utara) 42000 Port Klang, Selangor	Factory	Leasehold 30 years (6-10-2018)	87,120/ 25,900	TC Electronics S/B	18	987	06-Oct-88
No 2-4 Tingkat 2 and No 3-2 Tingkat 3 Blok 36, Bandar Sultan Suleiman, (Selat Klang Utara) 42000 Port Klang, Selangor	Worker Hostel	Apartmen 99 years (11-07-2095)	N.A. 1,532	TC Electronics S/B	8	109	12-Jul-96
Properties Disposed During The Year							
Subang Perdana Phase 5 Subang Jaya State of Selangor Disposal 2 unit Apartment & 1 unit Shoplot Z2-00-04, Z2-01-02 & Z2-01-08	Shop Lots / Apartments Rented	Freehold	N.A./ 2,574	Bina Goodyear Bhd.			

* Balance of land area after disposal.

Bina Goodyear Berhad
 (18645-H)
 (Incorporated in Malaysia)

Authorised Share Capital	RM100,000,000
Issued & Paid-up Capital	RM46,259,800
Class of Shares	Ordinary Shares of RM1.00 each
Voting Rights	One voting right per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

<u>Size of Holdings</u>	<u>No. of Holders</u>	<u>Total Holdings</u>	<u>%</u>
Less than 100	0	0	0
100 to 1,000	118	86,400	0.19
1,001 to 10,000	1,037	2,570,700	5.56
10,001 to 100,000	123	3,735,400	8.07
100,001 to less than 5% of issued shares	42	23,374,665	50.53
5% and above of issued shares	3	16,492,635	35.65
TOTAL	1,323	46,259,800	100

30 Largest Shareholders

<u>Name of Shareholders</u>	<u>No. of Shares</u>	<u>%</u>
1. Goodyear Investors (Malaysia) Sdn Bhd	9,000,000	19.46
2. EB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Goodyear Investors (M) Sdn Bhd	5,056,800	10.93
3. NTC Audio Sdn Bhd	2,435,835	5.27
4. HSBC Nominees (Asing) Sdn Bhd Beneficiary: SGC for Smiling Sun Limited	1,572,100	3.40
5. HSBC Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Wong Chick Wai	1,440,000	3.11
6. Lee Yuen Pheng	1,276,800	2.76
7. EB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lee Yu Yong @ Lee Yuen Ying	1,260,400	2.72
8. Allasia Industries Sdn Bhd	1,242,165	2.69
9. HSBC Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lai Tan Fatt	1,188,000	2.57
10. HSBC Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Edmond Hoyt Yung	1,080,000	2.33
11. TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Wong Yee Kiat	1,000,000	2.16
12. Kan See Man @ Kan See Mun	970,200	2.10
13. Citigroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hi Geok Kim @ Hi Peh Lang	943,000	2.04
14. Phan Sin Chong	938,000	2.03
15. Edmond Hoyt Yung	837,300	1.81
16. Lim Tzeh Foong	762,200	1.65
17. Diamond Form Sdn Bhd	725,400	1.57
18. HSBC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Rozana Bte Talib @ Shiribi	637,000	1.38
19. HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Alunan Harapan Sdn Bhd	600,000	1.30

Name of Shareholders	No. of Shares	%
20. RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Goodyear Management (M) Sdn Bhd	600,000	1.30
21. AM Nominees (Tempatan) Sdn Bhd Beneficiary: Perbadanan Nasional Berhad	563,600	1.22
22. Anita Lau Soo Leng	532,000	1.15
23. RHB Nominees (Tempatan) Sdn Bhd Beneficiary: RHB Asset Management Sdn Bhd for Perbadanan Nasional Berhad	519,800	1.12
24. Wong Soo Chai @ Wong Chick Wai	502,500	1.09
25. Lee Yoon Chan	475,000	1.03
26. Alunan Harapan Sdn Bhd	310,800	0.67
27. Goodyear Investors (Malaysia) Sdn Bhd	300,000	0.65
28. Tim Chai @ Ng Tiam Chai	255,400	0.55
29. Citigroup Nominees (Tempatan) Sdn Bhd	249,800	0.54
30. Lee Chong Lim	249,100	0.54
	37,523,200	81.11
	=====	=====

Substantial Shareholders

Name of Shareholders	No. of Shares	%
1. Goodyear Investors (Malaysia) Sdn Bhd	9,000,000	19.46
2. EB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Goodyear Investors (M) Sdn Bhd	5,056,800	10.93
3. NTC Audio Sdn Bhd	2,435,835	5.27
	16,492,635	35.65
	=====	=====

Directors' Shareholdings

Directors	No. of shares	
	Direct	Indirect
Md Azar Bin Ismail	Nil	Nil
Lai Tan Fatt	1,195,200	16,924,365 *
Wong Chick Wai	2,030,380	17,253,765 #
Dato' Edmond Hoyt Yung	1,917,300	16,198,965 ^
Mohd Yusof Bin Daud	180,000	Nil
Dato' Abdul Hamid Bin Hj Md. Zainuddin	Nil	Nil
Puan Sri Khoo Sian Keow	Nil	Nil
YAM Tengku Sulaiman Shah Ibni Sultan Salahuddin Abdul Aziz Shah	231,600	Nil
Ismail Bin Aris	37,500	Nil

* Deemed interested through Goodyear Investors (Malaysia) Sdn Bhd, Goodyear Management (Malaysia) Sdn Bhd, Allasia Industries Sdn Bhd and Diamond Form Sdn Bhd.

Deemed interested through Goodyear Investors (Malaysia) Sdn Bhd, Goodyear Management (Malaysia) Sdn Bhd, Allasia Industries Sdn Bhd and Alunan Harapan Sdn Bhd.

^ Deemed interested through Goodyear Investors (Malaysia) Sdn Bhd, Goodyear Management (Malaysia) Sdn Bhd and Allasia Industries Sdn Bhd.

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BINA GOODYEAR BERHAD

(18645-H)

(Incorporated in Malaysia)

PROXY FORM

No. of shares held

I/We,.....
of.....
being a *member/members of BINA GOODYEAR BERHAD, hereby appoint
.....
of.....
or failing him,.....
of.....
as *my/our proxy to vote for *me/us on *my/our behalf at the Thirty-first Annual General Meeting of the Company to be held at Topas Room, The Saujana, Kuala Lumpur, 2 Km Off Sultan Abdul Aziz Shah Airport Highway Saujana, 47200 Subang, Selangor on Thursday, 15 December 2005 at 10.00 a.m. and at any adjournment thereof *for/against the resolution(s) to be proposed thereat.

No.	Resolutions	For	Against
1.	To receive the Audited Financial Statements for the financial year ended 30 June 2005 together with the Reports of the Directors and Auditors thereon.		
2.	Declaration of a First and Final Dividend of 5% Less Tax at 28% for the financial year ended 30 June 2005.		
3.	Payment of Directors' Fees for the financial year ended 30 June 2005.		
4.	Re-election of Mr Wong Chick Wai as Director of the Company.		
5.	Re-election of Puan Sri Khoo Sian Keow as Director of the Company.		
6.	Re-election of YAM Tengku Sulaiman Shah Ibni Sultan Salahuddin Abdul Aziz Shah as Director of the Company.		
7.	Re-appointment Messrs S.F. Yap & Co. as Auditors of the Company and to authorise the Directors to fix their remuneration.		
8.	Authority to Directors to allot & issue shares pursuant to Section 132D of the Companies Act, 1965.		
9.	Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature		

[Please indicate with an "X", in the space provided whether you wish your vote to be casted for or against the resolution. Unless otherwise instructed, the proxy may vote as he or she shall think fit in respect of the resolution.]

**Delete if not applicable.*

Signed this day of 2005

.....
Signature of Member

Notes:-

1. A member of the Company entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him. A proxy may but need not be a member of the Company.
2. The instrument appointing a proxy must be deposited at the registered office of the Company at Tingkat 11, Blok B, Kelana Centre Point, 3 Jalan SS 7/19, Kelana Jaya, 47301 Petaling Jaya, not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof.
3. A member may appoint more than two (2) proxies to attend the same meeting. Where a member appoints two (2) or more proxies, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
4. If the appointer is a corporation, this form shall be executed under its common seal or under the hand of its officer or attorney duly authorised.

To:

The Company Secretary
Bina Goodyear Berhad (18645-H)
Wisma Goodyear
Tingkat 11, Blok B,
Kelana Centre Point
3, Jalan SS 7/19, Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan

Stamp