



BINA GOODYEAR GROUP

(18645-H)
Incorporated in Malaysia



VISION

TO BE A COMPETITIVE AND PROFITABLE CONTRACTOR

- MISSION
- › TO BUILD QUALITY PRODUCTS AND PROVIDE VALUE ADDED SERVICES.
 - › TO ACHIEVE STRONG FINANCIAL RETURNS FOR ALL STAKEHOLDERS.
 - › TO OPTIMIZE SKILLS, OUTPUT AND LEARNING CURVE.
 - › TO CONSTANTLY IMPROVE ON QUALITY, PRODUCTIVITY AND EFFICIENCY.
 - › TO BE TRANSPARENT, FAIR AND PROFESSIONAL.

**ANNUAL
REPORT 2010**

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CHAIRMAN'S STATEMENT



Dear Shareholders,

On behalf of the Board of Directors of Bina Goodyear Berhad, I am delighted to present to you the Annual Report and Financial Statements of your Company and the Group for the financial year ended 30th June 2010.

En. Md Azar bin Ismail / Chairman

Operating Background

The financial year ended 2010 saw much improvement in the property and construction industries. In particular, construction material prices stabilized although still higher than pre-crisis prices. With the improvements in the property market, many new projects including residential and commercial projects were launched. In this regard, the Group benefited by securing two new construction contracts valued at over RM160 million during the past six months.

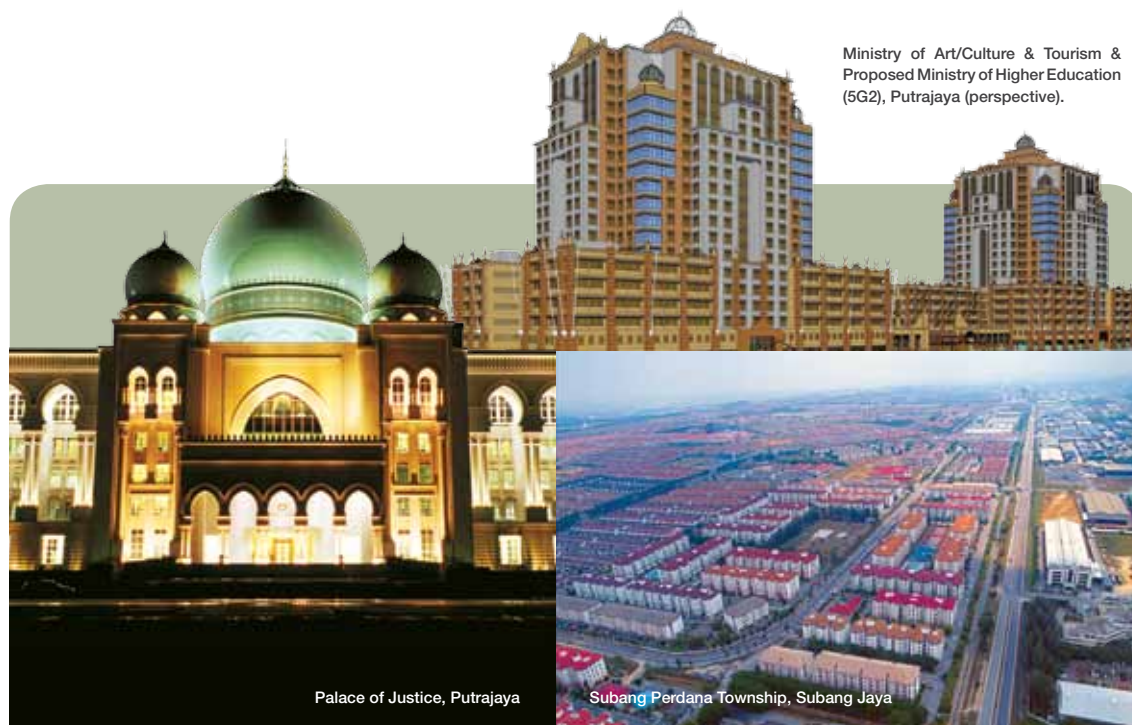
Review of Results

For the financial year ended 30 June 2010, revenue increased marginally by 1.5% to RM338.684 million from RM333.764 million in the previous year. The Group recorded pre-tax losses of RM8.95 million for the year against a pre-tax loss of RM24.03 million in 2009. These pre-tax losses are due to the disposal of a piece of land by a wholly owned subsidiary company amounting to RM7.1 million and provision for doubtful debts and costs of construction written off on completed projects where recoverability is deemed uncertain.

As of 30 June 2010, the Group's outstanding construction contracts stood at over RM257 million, not including the two new construction contracts secured recently valued at over RM160 million.

CHAIRMAN'S STATEMENT

cont'd



Prospects

The Group has maintained its good track record, reputation, confidence of its clients and financiers to ensure continued business growth. It will continue to actively tender for local construction projects and seek property development investment opportunities, focusing on medium cost buildings and landed properties.

The Group is confident it will be able to secure new construction contracts and resume its property development activities in the coming year.

Dividends

The Directors have not recommended any payment of dividend for the financial year ended 30 June 2010.

Acknowledgement

I take this opportunity to extend my sincere gratitude to my fellow Directors and management team for their dedication and commitment in their work. Similarly, to our valued customers and shareholders, thank you for your support and confidence in the Group.

MD AZAR BIN ISMAIL

Chairman

CORPORATE INFORMATION

BOARD OF DIRECTORS

Encik Md Azar Bin Ismail	<i>(Non-Executive Chairman)</i>
Mr. Wong Chick Wai	<i>(Managing Director)</i>
Mr. Eric Lai	<i>(Executive Director)</i>
Dato' Edmond Hoyt Yung	<i>(Non-Executive Director)</i>
Dato' Abdul Hamid Bin Hj Md. Zainuddin	<i>(Independent Non-Executive Director)</i>
Mr. Tan Su Tiam @ Tan Hooi Thean	<i>(Independent Non-Executive Director)</i>

AUDIT COMMITTEE

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

Mr. Tan Su Tiam @ Tan Hooi Thean
(Independent Non-Executive Director)

Encik Md Azar Bin Ismail
(Non-Executive Director)

COMPANY SECRETARY
Annie Yap Yin Hoon (LS 6644)

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

BANKERS

CIMB Bank Berhad
Standard Chartered Bank Malaysia Berhad
AmBank (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
Tel : 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

Main Board of Bursa Malaysia Securities
Berhad (Bursa Malaysia)

CORPORATE STRUCTURE



BINA GOODYEAR GROUP (18645-H)
Construction & Building Contractors

**BG Builders
Sdn Bhd** (542980-X) } **100%**
Construction Works & } Owned
Housing Development

**BG Realty
Sdn Bhd** (269516-A) } **100%**
Property Management & } Owned
Property Development

**Greater Heights
Development
Sdn Bhd** (709588-P) } **100%**
Property Development } Owned

**Seranta Machinery &
Equipment Sdn Bhd** (78214-M) } **100%**
Rental of Construction Equipment & Machinery } Owned

**TC Electronics
Sdn Bhd** (174562-K) } **75.5%**
Product Manufacturer of Automotive & } Owned
Home Loud Speakers

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-sixth Annual General Meeting of Bina Goodyear Berhad will be held at Palm Room, The Saujana, Kuala Lumpur, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor on Thursday, 16 December 2010 at 10.00 a.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 30 June 2010 together with the Reports of the Directors and Auditors thereon. **Resolution 1**
2. To approve the payment of Directors' Fees for the financial year ended 30 June 2010. **Resolution 2**
3. To re-elect Encik Md Azar Bin Ismail, Director retiring pursuant to Article 115 of the Company's Articles of Association and being eligible, offer himself for re-election. **Resolution 3**
4. To consider and if thought fit, to pass the following ordinary resolutions in accordance with Section 129(6) of the Companies Act, 1965:-
 - (i) "THAT pursuant to Section 129(6) of the Companies Act, 1965, Dato' Abdul Hamid Bin Hj Md Zainuddin, who is over the age of 70 years be and is hereby re-appointed as Director of the Company and to hold office until the conclusion of the next Annual General Meeting." **Resolution 4**
 - (ii) "THAT pursuant to Section 129(6) of the Companies Act, 1965, Mr Wong Chick Wai who has attained the age of 70 years be and is hereby re-appointed as Director of the Company and to hold office until the conclusion of the next Annual General Meeting." **Resolution 5**
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 6**

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 7

NOTICE OF ANNUAL GENERAL MEETING

cont'd

7. **Proposed Renewal of Shareholders' Mandate in respect of Recurrent Related Party Transactions ("RRPT") of A Revenue or Trading Nature ("Shareholders' Mandate")**

Shareholders' Mandate for RRPT with Subang Perdana Services Sdn Bhd and Sri Majuni Sdn Bhd

"THAT, approval be and is hereby given to the Company and/or its subsidiaries to enter into and give effect to recurrent related party transactions of a revenue or trading nature from time to time, which are necessary for day-to-day operations as set out in Part 2.4 of the Circular to Shareholders dated 18 November 2010, accompanying the Company's 2010 Annual Report, with Subang Perdana Services Sdn Bhd and Sri Majuni Sdn Bhd ("Related Parties") mentioned therein, 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 THAT such authority shall commence upon the passing of this resolution and 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 8

To consider and, if thought fit, to pass the following resolution as Special Resolution:-

8. **Proposed Amendments to the Articles of Association of the Company**

"THAT the proposed amendments to the Articles of Association of the Company as set out in Appendix II of the Circular to Shareholders dated 18 November 2010 be and are hereby approved AND THAT the Directors of the Company be and are hereby authorised to assent to any modifications, variations and/or amendments as may be considered necessary to give full effect to the proposed amendment to the Articles of Association of the Company."

Resolution 9

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

BY ORDER OF THE BOARD

ANNIE YAP YIN HOON
Company Secretary

Petaling Jaya
18 November 2010

NOTICE OF ANNUAL GENERAL MEETING

cont'd

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. 7, 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 in respect of Recurrent Related Party Transactions of A Revenue or Trading Nature

The proposed Ordinary Resolution 8, if passed, will allow the Group to enter into recurrent related party transactions with the respective Related Parties, 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 18 November 2010, which is despatched together with the Company's 2010 Annual Report.

3. Proposed Amendments to the Articles of Association of the Company

The Special Resolution proposed under item 8 is to allow the Company to pay cash dividend electronically by crediting the dividend into each shareholders' bank account in line with the implementation of e-dividend by Bursa Securities.

**NOTICE OF ANNUAL
GENERAL MEETING**

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**STATEMENT ACCOMPANYING
NOTICE OF ANNUAL GENERAL MEETING**

1. The Directors standing for re-election / re-appointment are:-

- (i) Encik Md Azar Bin Ismail - Retiring pursuant to Article 115 of the Company's Articles of Association
- (ii) Dato' Abdul Hamid Bin Hj Md Zainuddin - Retiring pursuant to Section 129(6) of the Companies Act, 1965.
- (iii) Mr Wong Chick Wai - Retiring pursuant to Section 129(6) of the Companies Act, 1965.

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

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

The shareholdings of the aforesaid Directors are as stipulated on page 72 of the Annual Report.

PROFILE OF DIRECTORS



ENCIK MD. AZAR BIN ISMAIL

Malaysian, aged 60, 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, the Executive Chairman of RI Kawalan Sdn Bhd and a Director of Medical Apparatus Supplies Sdn Bhd.

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



MR. WONG CHICK WAI

Malaysian, aged 70, was appointed as Executive Director of BGB on 26 October 1988 and was then appointed as Managing Director on 25 May 2010. 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 holds 2,048,380 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.



MR. ERIC LAI

Malaysian, aged 41, was appointed as Executive Director on 4 May 2010. Mr Eric Lai holds a Bachelor of Commerce degree and Executive Master of Business Administration (MBA) from Queensland, Australia. He is also a member of CPA Australia.

He 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.

PROFILE OF DIRECTORS

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**DATO' EDMOND HOYT YUNG**

British and a permanent resident of Malaysia, aged 69, was appointed to the Board of Directors of BGB on 1 November 1978. He graduated 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.

Dato' Yung holds 3,392,700 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' ABDUL HAMID BIN HJ MD. ZAINUDDIN**

Malaysian, aged 74, 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.

**MR. TAN SU TIAM @ TAN HOOI THEAN**

Malaysian, aged 61, was appointed as an Independent Non-Executive Director of BGB on 15 February 2008. Mr Tan Su Tiam graduated from Otago University of New Zealand and was admitted to the Institute of Chartered Accountants of New Zealand. His experience includes working for the New Zealand Government Audit Office as an auditor. Presently, he has set up his own private accounting practice, and has been practicing since then.

Mr Tan is a Member of Audit Committee of the Company and he does not have any equity interest in the Company nor the subsidiaries.

Save as disclosed, 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 Wong Chick Wai and Mr Eric Lai 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

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 six (6) members comprising the Non-Executive Chairman, the Managing Director, one (1) Executive Director, two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director.

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 page 10 to 11 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 2010, there were five (5) meetings held and the Board members' attendance is outlined as follows:-

Name	Attendance
Md Azar Bin Ismail	5/5
Wong Chick Wai	5/5
Dato' Edmond Hoyt Yung	4/5
Dato' Abdul Hamid Bin Hj Md. Zainuddin	4/5
Tan Su Tiam @ Tan Hooi Thean	4/5
Eric Lai (appointed 04/05/2010)	1/5
Lai Tan Fatt (resigned 04/05/2010)	4/5

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 page 19 to 21 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 Manger 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 2010 are as follows:

	Basic Salary (RM)	Bonus (RM)	Fees (RM)	Meeting Allowances (RM)	Benefits in kind (RM)
Executive Directors	533,099	17,340	10,000	4,500	56,000
Non-Executive Directors	24,000	800	20,000	17,200	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	1	4
RM50,001 - RM100,000	nil	nil
RM100,001 - RM150,000	nil	nil
RM150,001 - RM200,000	nil	nil
RM200,001 - RM250,000	1	nil
RM250,001 - RM300,000	1	nil
RM300,001 - RM350,000	nil	nil
RM350,001 - RM400,000	nil	nil
RM400,001 - RM450,000	nil	nil
RM450,001 - RM500,000	nil	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

All the Directors of the Company have attended the Mandatory Accreditation Program prescribed by Bursa Securities and the Board members will attend further training programmes/seminars from time to time to keep abreast with the relevant changes and latest development in laws and regulations where appropriate and with the changing commercial risks. Amongst the seminars and courses attended by the Directors were Financial Instruments: FRS 139, FRS 132, FRS 7 & IFRS 9 – Practical Approach and Deferred Taxation.

Supply of Information

The Board of Directors has 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 2010 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 19 to 21 of the Annual Report.

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

Corporate Social Responsibility

The Company recognises its obligations to protect and contribute positively to the needs of a range of stakeholders in the community and environment in which it operates. Hence, the Group focuses its main corporate social responsibility in the areas of employees and workplace, shareholders, environment as well as the communities. Employee health and well-being is constantly looked after through the effective and stringent implementation of good Occupational Safety and Health practices in all its business operations. The Group provides regular safety training, ensure appropriate resources and conduct frequent quality audits and safety checks at individual sites.

All employees are insured under the personal accident insurance programmes in addition to mandatory social security contribution. Our employees are encouraged to attend the Groups's sponsored external seminars and workshops to keep them update with latest developments.

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 Liktak Management Sdn Bhd by the Company during the financial year amounted to RM40,000.00.

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.

Recurrent Related Party Transactions

Details of the significant transactions with related parties of a recurrent nature undertaken by the Group during the financial year ended 30 June 2010 are disclosed in Note (25) of the Financial Statements.

STATEMENT ON INTERNAL CONTROL

The Board of Directors of Bina Goodyear Berhad is pleased to provide the following statement which outlines the key elements of the internal control systems within the Group for the year ended 30 June 2010.

Board Responsibility

The Board of Directors acknowledges its responsibility of maintaining a sound system of internal controls and risk management framework not only financial controls but also operational and compliance controls 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 nature of risks means that events may occur which would give rise to unanticipated or unavoidable losses so such systems of internal control are designed to manage and control rather than eliminate the risk of failure to achieve business objectives. Shareholders should be aware that there are inherent limitations in any system of internal control. Thus, it should be noted that internal controls can only provide reasonable and not absolute assurance against the risk of material errors, misstatement, fraud or losses.

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.

STATEMENT ON INTERNAL CONTROL

cont'd

Internal Audit Function

The Group has outsourced its internal audit function to a professional firm which is independent of the day-to-day operations of the Group to assist the Audit Committee with independent and objective feedback and reports to ensure that the internal control systems continue to operate effectively. 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 reviewed the Group's system of Internal controls in a systematic and cyclic basis and on selected functions and areas. 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 as well as regular follow-ups made to ensure the actions are implemented.

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.

Internal Control Issues

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.

Conclusion

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.

AUDIT COMMITTEE

MEMBERSHIP

The present members of the Audit Committee comprise:-

Dato' Abdul Hamid Bin Hj Md Zainuddin	- <i>Chairman, Independent Non-Executive Director</i>
Mr. Tan Su Tiam @ Tan Hooi Thean	- <i>Independent Non-Executive Director</i>
Encik Md Azar Bin Ismail	- <i>(Non-Executive Chairman)</i>

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.

**AUDIT
COMMITTEE**

cont'd

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. Meetings (cont'd)

- 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 2010 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	4/5
Mr. Tan Su Tiam @ Tan Hooi Thean	5/5
Encik Md Azar Bin Ismail	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.



1.	2.
3.	
4.	5.

1. Ministry of Art/Culture & Tourism & Proposed Ministry of Higher Education (5G2), Putrajaya
2. The Plaza Condominium, Taman Tun Dr. Ismail
3. Palace of Justice, Putrajaya
4. Suasana Sentral Condominium, Kuala Lumpur
5. Suria Stonor Condominium, Kuala Lumpur

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DIRECTORS' REPORT

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 2010.

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 7 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 (loss)/profit for the year	(8,891,733)	1,370,932
Attributable to:		
Equity holders of the Company	(9,025,456)	1,370,932
Minority interest	133,723	-
Net (loss)/profit for the year	(8,891,733)	1,370,932

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.

DIVIDEND

No dividend was paid during the year and the directors do not recommend any dividend to be paid for the year under review.

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

There were no changes in the issued and paid up capital of the Company during the year.

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

DIRECTORS

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

MD AZAR BIN ISMAIL

LAI TAN FATT (Resigned on 4/5/2010)

WONG SOO CHAI @ WONG CHICK WAI

DATO' EDMOND HOYT YUNG

DATO' ABDUL HAMID BIN HJ MD ZAINUDDIN

ERIC LAI (Ceased as alternate director to Mr Lai Tan Fatt w.e.f 4/5/2010 and appointed as Director w.e.f 4/5/2010)

TAN SU TIAM @ TAN HOOI THEAN

DIRECTORS' INTEREST

According to the Register of Directors' Shareholdings the interest of Directors who held office at the end of the financial year in the ordinary shares of the Company are as follows:

Shareholdings in which the Director is deemed to have an interest :	As at 01.07.2009	Additional	Disposal	As at 30.06.2010
ERIC LAI	-	18,315,965	-	18,315,965
DATO' EDMOND HOYT YUNG	16,198,965	-	14,356,800	1,842,165
WONG SOO CHAI @ WONG CHICK WAI	21,184,465	2,000	-	21,186,465
Shareholdings in the name of the Director :	As at 01.07.2009	Additional	Disposal	As at 30.06.2010
ERIC LAI	-	1,195,200	-	1,195,200
DATO' EDMOND HOYT YUNG	3,392,700	-	-	3,392,700
WONG SOO CHAI @ WONG CHICK WAI	2,048,380	-	-	2,048,380

DIRECTORS' REPORT

cont'd

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 the Company's Articles of Association, MD AZAR BIN ISMAIL, retire at the forthcoming annual general meeting and, being eligible, offer himself 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 28 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.

CONTINGENT AND OTHER LIABILITIES (CONT'D)

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 AN UNUSUAL NATURE

The results of the operations of the Group and of the Company for the financial year ended 30 June 2010 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 11 October 2010.

ERIC LAI
Director

WONG SOO CHAI @
WONG CHICK WAI
Director

Kuala Lumpur

Dated : 11 October 2010

STATEMENT BY DIRECTORS

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

We, **ERIC LAI** and **WONG SOO CHAI @ 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 31 to 68 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 2010 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 11 October 2010

ERIC LAI
Director

WONG SOO CHAI @
WONG CHICK WAI
Director

Kuala Lumpur.

Dated : 11 October 2010

STATUTORY DECLARATION

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

I, **ERIC LAI**, 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 31 to 68 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 ERIC LAI, at Kuala)
Lumpur in the State of Federal)
Territory on this 11 day of October)
2010)

Before me,

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BINA GOODYEAR BERHAD (Company No: 18645-H)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Bina Goodyear Berhad, which comprise the balance sheets as at 30 June 2010 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 31 to 68.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

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

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

Basis for Qualified Opinion

Included in the amounts due from customers on contracts as stated in Note 12 of the Company is an amount of RM 21,883,790 in relation to a construction contract which has been completed in February 2010 but pending consultants' certification of the related claims. No impairment losses have been made for the balance as the Directors of the Company are of the opinion, after obtaining legal advice, that the Company has a fair chance of recovering the said amount.

In the absence of additional external party documentary evidence, we are uncertain about the extent of recoverability of the abovementioned amount or whether the amount is fairly stated in the balance sheet of the Company as at 30 June 2010.

In the event that the full amount cannot be recovered, the amount due from customer, net profit before tax and retained earnings will be reduced by the said amount.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BINA GOODYEAR BERHAD (Company No: 18645-H)

(Incorporated in Malaysia)

cont'd

Qualified Opinion

In our opinion, except for the effects on the financial statements of the matter described in the Basis for Qualified Opinion paragraph, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 30 June 2010 and of its financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

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

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- c) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

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

S.F.YAP & CO.
NO. AF 0055
CHARTERED ACCOUNTANTS
Kuala Lumpur
Date : 11 October 2010

YAP SHIN SIANG
NO. 2439/01/12(J)
CHARTERED ACCOUNTANT

BALANCE SHEETS

AS AT 30 JUNE 2010

	Note	The Group		The Company	
		2010 RM	2009 RM	2010 RM	2009 RM
NON-CURRENT ASSETS					
Property, plant and equipment	3	6,290,739	10,399,277	1,080,442	1,684,005
Prepaid land lease payment	4	1,339,413	1,347,355	-	-
Goodwill on consolidation	5	2,407,796	2,407,796	-	-
Investment properties	6	1,489,873	4,977,396	1,489,873	4,977,396
Investment in subsidiary companies	7	-	-	10,835,000	10,835,000
Investment in associated company	8	1,000,000	1,000,000	1,000,000	1,000,000
		12,527,821	20,131,824	14,405,315	18,496,401
CURRENT ASSETS					
Inventories	9	4,695,385	6,980,303	1,092,451	3,099,350
Property development costs	10	-	33,859,711	-	-
Trade and other receivables	11	108,900,870	128,938,949	103,942,148	115,500,273
Amounts due from customers on contracts	12	65,479,115	73,195,483	65,479,115	71,054,863
Amounts due from subsidiary companies	13(i)	-	-	1,129,933	19,954,708
Amount due from associated company	13(ii)	593,259	593,260	449,770	449,770
Tax recoverable		2,527,601	2,145,046	644,692	650,292
Deposits, cash and bank balances	14	5,072,996	19,465,548	2,513,953	17,674,249
		187,269,225	265,178,300	175,252,062	228,383,505
Less:					
CURRENT LIABILITIES					
Trade and other payables	15	78,912,657	77,168,604	74,324,597	68,213,745
Amount due to subsidiary companies	13(i)	-	-	6,906,745	5,942,918
Borrowings	16 & 17	12,436,721	66,891,164	10,951,958	58,881,298
Bank overdrafts	17	20,618,471	37,929,030	19,961,338	37,449,045
		111,967,849	181,988,798	112,144,638	170,487,006
NET CURRENT ASSETS		75,301,376	83,189,502	63,107,424	57,896,499
		87,829,197	103,321,326	77,512,739	76,392,900
CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY					
Share capital	18	46,259,800	46,259,800	46,259,800	46,259,800
Share premium		7,296,885	7,296,885	7,296,885	7,296,885
Retained profits		30,428,869	39,454,325	23,575,883	22,204,951
		83,985,554	93,011,010	77,132,568	75,761,636
MINORITY INTEREST		2,725,344	2,591,621	-	-
TOTAL EQUITY		86,710,898	95,602,631	77,132,568	75,761,636
NON-CURRENT LIABILITIES					
Borrowings	16 & 17	1,078,299	7,613,695	380,171	631,264
Deferred taxation	19	40,000	105,000	-	-
		87,829,197	103,321,326	77,512,739	76,392,900

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

INCOME STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

	Note	The Group		The Company	
		2010 RM	2009 RM	2010 RM	2009 RM
REVENUE	20	338,684,500	333,764,272	297,126,797	317,164,875
Cost of sales	21	(340,668,299)	(354,545,742)	(291,841,008)	(335,657,655)
GROSS (LOSS)/ PROFIT		(1,983,799)	(20,781,470)	5,285,789	(18,492,780)
Administration charges and office expenses		(9,035,286)	(9,762,356)	(4,789,041)	(5,594,977)
(LOSS)/ PROFIT FROM OPERATIONS		(11,019,085)	(30,543,826)	496,748	(24,087,757)
Finance cost		(292,941)	(436,676)	(34,861)	(50,908)
Reversal of impairment loss		644,201	-	644,201	-
Investment and other income		1,716,692	1,604,216	270,444	1,260,227
Gain on disposal of investment in an associated company		-	5,347,983	-	-
(LOSS)/ PROFIT BEFORE TAXATION	23	(8,951,133)	(24,028,303)	1,376,532	(22,878,438)
Taxation	22	59,400	(212,739)	(5,600)	55,372
NET (LOSS)/ PROFIT FOR THE YEAR		(8,891,733)	(24,241,042)	1,370,932	(22,823,066)
Attributable to:-					
Shareholders of the Company		(9,025,456)	(24,010,863)	1,370,932	(22,823,066)
Minority interests		133,723	(230,179)	-	-
NET (LOSS)/PROFIT FOR THE YEAR		(8,891,733)	(24,241,042)	1,370,932	(22,823,066)
(LOSS)/ EARNINGS PER SHARE (SEN) - Basic	24	(19.5)	(51.9)		
DIVIDENDS PER SHARE (SEN) - Net	31	-	2.22		

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2010

Group	Note	Issued & Fully Paid Ordinary Shares of RM1.00 Each	Non - distributable	Distributable	Total RM	Minority interests RM	Total Equity RM
		Nominal Value RM	Share Premium RM	Retained Profits RM			
At 1 July 2008		46,259,800	7,296,885	64,492,156	118,048,841	2,821,800	120,870,641
Net loss for the year		-	-	(24,010,863)	(24,010,863)	(230,179)	(24,241,042)
Dividends							
- First and final for the year ended 30 June 2008	31	-	-	(1,026,968)	(1,026,968)	-	(1,026,968)
At 30 June 2009		46,259,800	7,296,885	39,454,325	93,011,010	2,591,621	95,602,631
Net loss for the year		-	-	(9,025,456)	(9,025,456)	133,723	(8,891,733)
At 30 June 2010		46,259,800	7,296,885	30,428,869	83,985,554	2,725,344	86,710,898

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2010

cont'd

Company		Issued & Fully Paid Ordinary Shares of RM1.00 Each	Non - Distributable	Distributable	
	Note	Nominal Value RM	Share Premium RM	Retained Profits RM	Total RM
At 1 July 2008		46,259,800	7,296,885	46,054,985	99,611,670
Net loss for the year		-	-	(22,823,066)	(22,823,066)
Dividends					
- First and final for the year ended 30 June 2008	31	-	-	(1,026,968)	(1,026,968)
At 30 June 2009		46,259,800	7,296,885	22,204,951	75,761,636
Net profit for the year		-	-	1,370,932	1,370,932
At 30 June 2010		46,259,800	7,296,885	23,575,883	77,132,568

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

CASH FLOW STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

CASH FLOWS FROM OPERATING ACTIVITIES	Note	The Group		The Company	
		2010 RM	2009 RM	2010 RM	2009 RM
(Loss)/profit before taxation		(8,951,133)	(24,028,303)	1,376,532	(22,878,438)
Adjustment for :-					
Depreciation		3,599,371	4,482,053	539,100	681,636
(Gain)/loss on disposal of investment properties		246,557	(873,360)	246,557	(873,360)
(Gain)/loss on disposal of property, plant and equipment		(1,386,785)	(11,414)	(17,185)	43,586
Gain on disposal of investment in an associated company		-	(5,347,983)	-	-
Amortisation of prepaid land lease payment		17,162	17,050	-	-
Allowance for doubtful debts		1,241,732	-	1,241,732	-
Deposit written off		224,236	15,015	224,236	-
Bad debt written off		131,700	492,646	131,700	252,546
Property, plant and equipment written off		477	1,000	-	-
Interest income		(23,643)	(90,625)	(22,364)	(42,867)
Interest expense		2,197,270	4,923,224	1,916,181	4,495,957
Reversal of impairment loss		(644,201)	-	(644,201)	-
Impairment loss on investment		-	1,956,080	-	1,956,080
Operating (loss)/profit before working capital changes		(3,347,257)	(18,464,617)	4,992,288	(16,364,860)
Changes in working capital					
Development properties		33,859,711	(2,150,937)	-	-
Receivables		26,800,980	5,876,172	35,005,181	1,686,447
Inventories		2,284,918	8,129,078	2,006,899	7,157,901
Payables		1,864,376	4,517,656	7,125,140	3,785,117
Cash cash from/(used in) by operations		61,462,728	(2,092,648)	49,129,508	(3,735,395)
Interest received		23,643	90,625	22,364	42,867
Interest paid		(2,197,270)	(4,923,224)	(1,916,181)	(4,495,957)
Tax refund		40,500	-	-	-
Tax paid		(455,218)	(1,257,693)	-	(606,664)
Net cash from/(used in) operating activities		58,874,383	(8,182,940)	47,235,691	(8,795,149)
CASH FLOWS FROM INVESTING ACTIVITIES					
Property, plant and equipment					
- additions	27	(383,350)	(1,445,369)	(114,830)	(265,788)
- disposals		2,570,618	145,846	146,018	90,846
Addition of prepaid land lease payment		(9,220)	-	-	-
Proceed from disposal of investment in associated company		-	6,646,726	-	-
Proceed from disposal of investment properties		3,240,966	771,820	3,240,966	771,820
Net cash from/(used in) investing activities		5,419,014	6,119,023	3,272,154	596,878
		64,293,397	(2,063,917)	50,507,845	(8,198,271)

CASH FLOW STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

cont'd

CASH FLOWS FROM OPERATING ACTIVITIES	Note	The Group		The Company	
		2010 RM	2009 RM	2010 RM	2009 RM
Proceeds from term loan and revolving credit		11,500,000	64,736,067	11,500,000	64,736,067
Payment of finance lease liabilities		(2,043,792)	(1,654,941)	(275,585)	(359,096)
Repayment of term loan and revolving credit		(70,831,598)	(64,958,499)	(59,404,848)	(60,425,215)
Dividend paid to shareholders		-	(1,026,968)	-	(1,026,968)
Fixed deposits pledged with licensed banks		576,744	(42,867)	576,744	(42,867)
Net cash from/(used in) financing activities		(60,798,646)	(2,947,208)	(47,603,689)	2,881,921
Net increase/(decrease) in cash and cash equivalents		3,494,751	(5,011,125)	2,904,156	(5,316,350)
Cash and cash equivalents at beginning of the year		(20,084,183)	(15,073,058)	(21,395,497)	(16,079,147)
Cash and cash equivalents at end of the year	14	(16,589,432)	(20,084,183)	(18,491,341)	(21,395,497)

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2010

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

A. Basis of preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated in the accounting policies below and comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards (“FRSs”) in Malaysia.

The preparation of the financial statements in conformity with the applicable approved Financial Reporting Standards (“FRSs”) in Malaysia 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. Changes in accounting policies and effects arising from adoption of new and revised FRSs and IC Interpretations

(i) Adoption of New and Revised FRSs, Amendments/Improvements to FRSs and IC Int

The Group and the Company had adopted the new FRS 8 Operating Segments, that is effective for the current financial year:-

The adoption of the new FRS 8 Operating Segments did not result in any substantial changes in the Group’s and the Company’s accounting policies, and have any material impact on the results and the financial position of the Group and of the Company.

(ii) New and Revised FRSs, Amendments/Improvements to FRSs and IC Int that are issued, not yet effective and have not been adopted early

The Group and the Company have not adopted the following new and revised FRSs, amendments/improvements to FRSs and IC Int that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:-

Effective for financial periods beginning on or after

New FRSs

FRS 4 Insurance Contracts	1 January 2010
FRS 7 Financial Instruments : Disclosures	1 January 2010
FRS 139 Financial Instruments : Recognition and Measurement	1 January 2010

Revised FRSs

FRS 1 First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 Business Combinations	1 July 2010
FRS 101 Presentation of Financial Statements	1 January 2010
FRS 123 Borrowing costs	1 January 2010
FRS 127 Consolidated and Separate Financial Statements	1 July 2010

Amendments/Improvements to FRSs

FRS 1 First-time Adoption of Financial Reporting Standards	1 January 2010 and 1 January 2011
FRS 1 Additional Exemptions for First-time Adopters	1 January 2011
FRS 2 Share-based Payment	1 January 2010 and 1 July 2010

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2010

cont'd

B. Changes in accounting policies and effects arising from adoption of new and revised FRSs and IC Interpretations (cont'd)

(ii) *New and Revised FRSs, Amendments/Improvements to FRSs and IC Int that are issued, not yet effective and have not been adopted early (cont'd)*

	Effective for financial periods beginning on or after
Amendments/Improvements to FRSs	
FRS 2 Group Cash-settled Share-based Payment Transactions	1 January 2011
FRS 5 Non-current Assets Held for Sale and Discontinued Operations	1 January 2010 and 1 July 2010
FRS 7 Financial Instruments: Disclosures	1 January 2010 and 1 January 2011
FRS 8 Operating Segments	1 January 2010
FRS 107 Statement of Cash Flows	1 January 2010
FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2010
FRS 110 Events After the Reporting Period	1 January 2010
FRS 116 Property, Plant and Equipment	1 January 2010
FRS 117 Leases	1 January 2010
FRS 118 Revenue	1 January 2010
FRS 119 Employee Benefits	1 January 2010
FRS 120 Accounting for Government Grants and Disclosure of Government Assistance	1 January 2010
FRS 123 Borrowing Costs	1 January 2010
FRS 127 Consolidated and Separate Financial Statements : Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
FRS 127 Consolidated and Separate Financial Statements	1 January 2010
FRS 128 Investment in Associates	1 January 2010
FRS 129 Financial Reporting in Hyperinflationary Economies	1 January 2010
FRS 131 Interests in Joint Ventures	1 January 2010
FRS 132 Financial Instruments: Presentation	1 January 2010 and 1 March 2010
FRS 134 Interim Financial Reporting	1 January 2010
FRS 136 Impairment of Assets	1 January 2010
FRS 138 Intangible Assets	1 January 2010 and 1 July 2010
FRS 139 Financial Instruments : Recognition and Measurement	1 January 2010
FRS 140 Investment Property	1 January 2010
IC Int 4 Determining whether an Arrangement contains a Lease	1 January 2011
IC Int 9 Reassessment of Embedded Derivatives	1 January 2010 and 1 July 2010
IC Int 10 Interim Financial Reporting and Impairment	1 January 2010
IC Int 11 FRS 2 – Group and Treasury Share Transactions	1 January 2010
IC Int 12 Service Concession Arrangements	1 July 2010
IC Int 13 Customer Loyalty Programmes	1 January 2010
IC Int 14 FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
IC Int 15 Agreements for the Construction of Real Estate	1 July 2010
IC Int 16 Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Int 17 Distributions of Non-cash Assets to Owners	1 July 2010
IC Int 18 Transfers of Assets from Customers	1 January 2011

Other than FRS 139, the directors do not anticipate that the application of the above new FRSs, revised FRSs, Amendments/Improvements to FRSs and IC Int, when they are effective, will have a material impact on the results and the financial position of the Group and of the Company.

The impact of applying FRS 7 and FRS 139 on the financial statements upon first adoption as required by Paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors are not disclosed by virtue of the exemptions given in the respective FRSs.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2010

cont'd

B. Changes in accounting policies and effects arising from adoption of new and revised FRSs and IC Interpretations (cont'd)

Significant accounting judgements and estimates

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's and the Company's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(i) Construction contracts

The Group recognises construction contract revenue and expense in the income statement by using the stage of completion method. The stage of completion is determined by reference to the surveys of work performed or to the proportion of contract costs incurred for work performed to date bear to the estimated total contract costs, where appropriate. Significant judgement is required in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue and costs, as well as the recoverability of amount due from customers. Total contract revenue also includes an estimation of the amount of variation works that are recoverable from customers. In making the judgement, the Group evaluates based on past experience of the management on similar contract work undertaken by the Group and the expertise of specialists.

(ii) Impairment on goodwill

The Group test goodwill for impairment annually in accordance with its accounting policy. More regular reviews are performed if events indicate that this necessary.

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash generating units ("CGU") to which goodwill has been allocated. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value. Further details of the estimates used are disclosed in Note 5.

(iii) Income taxes

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

(iv) Depreciation of property, plant and equipment

The estimates of the residual values, useful lives and related depreciation charges for its property, plant and equipment is based on commercial and production factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Company anticipates that the residual values of its property, plant and equipment to be insignificant. As a result, residual values have not been taken into consideration for the computation of depreciable amount.

The depreciation charge will increase when useful lives are less than those previously estimated.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2010

cont'd

C. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiary companies made up to 30 June 2010.

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. The acquisition method of accounting involves allocating the cost of acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. Any excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition represents negative goodwill which is immediately recognised in the income statement.

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.

D. Goodwill on consolidation

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

E. 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 7 to the financial statements.

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

F. 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.

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2010

cont'd

G. Property, plant and equipment

The gross carrying amounts of property, plant and equipment are initially measured at cost. Land and buildings which have been subsequently revalued, are stated at valuation less accumulated depreciation and impairment losses, if any. All other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Surpluses arising from such valuations are credited to shareholders' equity as a revaluation surplus and any subsequent deficit is charged against such surplus to the extent that the decrease offsets any increase. In all other cases, the deficit will be charged to the income statement.

For a revaluation increase subsequent to a revaluation deficit of the same asset, the surplus should be recognised as income to the extent that it reverses the deficit previously recognised as an expense with the balance of increase credited to shareholders' equity.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is calculated to write off the costs of the assets on a straight line basis over their estimated useful lives. The principal annual depreciation rates are as follows :

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

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates.

At each balance sheet date, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note H on impairment of assets.

An item of property, plant and equipment is recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income statement in the year the asset is derecognised.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2010

cont'd

H. Impairment of assets

The carrying amounts of assets, other than inventories, deferred tax assets, assets arising from construction contracts, assets arising from employee benefits and financial assets (other than investments in subsidiaries, associates and jointly controlled entities) are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, impairment is measured by comparing the carrying value of the assets with their recoverable amounts.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its recoverable amount unless the asset is carried at a revalued amount, in which case the impairment loss is recognised directly against any revaluation surplus for that asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for the same asset. A CGU is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of CGU are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised, unless it reverses an impairment loss on a revalued asset, in which case it is credited directly to revaluation surplus. Where an impairment loss on the same revalued asset was previously recognised in the income statement, a reversal of that impairment loss is also recognised in the income statement.

I. Investment properties

Investment properties are properties which are held either to earn rentals or for capital appreciation or both and are measured initially at cost, including transaction costs. Subsequent to initial recognition, the investment properties are stated at fair value. The fair value, which is determined by the directors, is arrived at by reference to market evidence of transaction prices for similar properties and reflects market conditions at the balance sheet date. Gains or losses arising from changes in the fair value of the investment properties are recognised as income or expense in the income statement in the period in which they arise.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

An investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the financial year in which they arise.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2010

cont'd

J. 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 expenses.

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.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs to costs to completion and applicable variable selling expenses.

K. 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.

The recognition of property development revenue and expenses is similar to that of construction contracts (Note R). 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.

L. Capitalisation of borrowing costs

Borrowing costs incurred on property development costs 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.

M. 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.

N. 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2010

cont'd

O. 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.

P. Share capital

- i) 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.
- ii) Dividend on ordinary shares are recognised in equity in the financial periods in which there are declared

Q. 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 on development projects, if any, are provided in full.
- iii) Revenue from sales of goods is recognised net of sales discounts when transfer of risks & awards has been completed. It is 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 the right to receive payment is established.

R. 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 total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2010

cont'd

S. 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.

T. 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.

U. Lease

i) 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 finance charges, are included in borrowings. The interest element of the finance charge is charged to the income statement over the lease period.

Property, plant and equipment acquired under finance lease contracts is depreciated over the estimated 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 estimated useful life.

ii) Operating lease

Lease payments for assets under operating lease where substantially all the risk and benefits remain with the lessor, are recognised as an expense in the income statements on a straight line basis over the lease term.

Leasehold land held for own use is now classified as operating lease. The up-front payments made are allocated between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and building element of the lease at the inception of the lease. The up-front payment represents prepaid land lease payments and is amortised on a straight line basis over the remaining lease term.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2010

cont'd

V. 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.

W. Employee Benefits

i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense 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.

X. Provision

Provisions for liabilities are recognised when the Group has present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

Y. Foreign currencies transactions

Transactions in foreign currencies during the year were translated into Ringgit Malaysia at the rates of exchange prevailing at the transaction dates. All realised exchange differences arising therefore have been dealt with in the income statement.

	2010 RM	2009 RM
USD 1.00	3.23	3.52

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

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

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

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, Malaysia.

The principal place of business is located at Wisma Goodyear, Tingkat 11, Blok B, Kelana Centre Point, 3, Jalan SS7/19, Kelana Jaya, 47301 Petaling Jaya, Malaysia.

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

2) FINANCIAL RISK MANAGEMENT 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

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d) Foreign currency risk

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

e) Market risk

The Company has in place policies to manage its competitive risks from its competitors in providing better alternatives in terms of better services. The Company regularly takes part in various research to develop better alternatives or attractive packages.

3) PROPERTY, PLANT AND EQUIPMENT

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

The Group	Leasehold Building RM	Freehold Land RM	Motor Vehicles RM	Machinery & Equipment RM	Furniture, Fittings and Office Equipment RM	Renovation & Others RM	Total RM
COST							
At 1 July 2009	1,390,864	1,055,000	6,576,539	25,393,605	2,361,161	63,430	36,840,599
Additions	-	-	89,300	530,214	107,436	41,950	768,902
Disposals	-	(1,055,000)	(693,737)	(58,700)	-	-	(1,807,437)
Written off	-	-	-	(586,164)	(1,590)	-	(587,754)
Overaccrual of cost in previous year	-	-	-	(43,299)	-	-	(43,299)
At 30 June 2010	1,390,864	-	5,972,102	25,235,656	2,467,007	105,380	35,171,011
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES							
At 1 July 2009	506,133	-	4,381,469	19,717,616	1,774,844	61,260	26,441,322
Charge for the year	29,219	-	706,286	2,641,880	215,242	6,744	3,599,371
Disposals	-	-	(514,444)	(58,700)	-	-	(573,144)
Written off	-	-	-	(586,164)	(1,113)	-	(587,277)
At 30 June 2010	535,352	-	4,573,311	21,714,632	1,988,973	68,004	28,880,272
NET CARRYING AMOUNT							
At 30 June 2010	855,512	-	1,398,791	3,521,024	478,034	37,376	6,290,739
At 30 June 2009	884,731	1,055,000	2,195,070	5,675,989	586,317	2,170	10,399,277
DEPRECIATION							
Year ended							
30 June 2009	29,243	-	746,924	3,457,870	234,718	13,298	4,482,053

Depreciation expense of the Group amounting to RM 2,770,093 (2009: RM 3,521,199) has been included in cost of sales.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

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3) PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Company	Motor Vehicles RM	Machinery & Equipment RM	Furniture, Fittings and Office Equipment RM	Renovation & Others RM	Total RM
COST					
At 1 July 2009	3,345,628	1,123,788	1,280,541	37,936	5,787,893
Additions	-	30,847	83,983	-	114,830
Disposals	(457,714)	-	-	-	(457,714)
At 30 June 2010	2,887,914	1,154,635	1,364,524	37,936	5,445,009
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES					
At 1 July 2009	2,090,554	1,038,417	936,981	37,936	4,103,888
Charge for the year	298,605	80,737	159,758	-	539,100
Disposals	(278,421)	-	-	-	(278,421)
At 30 June 2010	2,110,738	1,119,154	1,096,739	37,936	4,364,567
NET CARRYING AMOUNT					
At 30 June 2010	777,176	35,481	267,785	-	1,080,442
At 30 June 2009	1,255,074	85,371	343,560	-	1,684,005
DEPRECIATION					
Year ended 30 June 2009	351,041	154,186	168,821	7,588	681,636

b) Net carrying amount of assets pledged as security for bank borrowings:

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Leasehold building	855,512	884,731	-	-
Freehold land	-	1,055,000	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

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3) PROPERTY, PLANT AND EQUIPMENT (CONT'D)

DEPRECIATION (CONT'D)

c) Details of assets under hire purchase agreements:

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Motor vehicles				
- additions during the year	89,300	-	-	-
- net carrying amount at year end	1,203,264	1,952,156	722,097	1,030,780
i) Motor vehicle with net book value of RM 131,200 is held in trust by third party.				
Machinery and equipment				
- additions during the year	385,550	516,936	-	-
- net carrying amount at year end	2,487,375	3,193,912	-	-

4) PREPAID LAND LEASE PAYMENTS

Long leasehold land	The Group	
	2010 RM	2009 RM
Cost		
At the beginning of the year	1,499,349	1,499,349
Additions during the year	9,220	-
At the end of the year	1,508,569	1,499,349
Accumulated amortisation		
At the beginning of the year	151,994	134,944
Amortisation for the year	17,162	17,050
At the end of the year	169,156	151,994
Net carrying amount	1,339,413	1,347,355

The leasehold land has been pledged as security for banking facilities granted to a subsidiary company.

5) GOODWILL ON CONSOLIDATION

	The Group	
	2010 RM	2009 RM
Goodwill on consolidation	2,407,796	2,407,796

Goodwill is stated at cost and reviewed for impairment annually.

The carrying amounts of goodwill allocated to the Group's Cash-Generating Unit ("CGU") are as follows:

	2010 RM	2009 RM
Manufacturing - CGU	2,407,796	2,407,796

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010
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5) GOODWILL ON CONSOLIDATION (CONT'D)

Impairment test on CGU

The recoverable amounts of CGU were determined based on value-in-use calculations using cash flow projections. Based on the calculations, impairment losses was provided on CGU as the recoverable amount of CGU was lower than its carrying amount as at the balance sheet date.

Value-in-use of CGU was determined by discounting the future cash flows generated from the continuing use of CGU based on the following assumptions:

- i) Pre-tax cash flow projections based on the most recent financial budgets approved by the Directors covering a 5-years period.
- ii) Pre-tax discount rate of 5.00%-10.00% for CGU were applied determining the recoverable amounts of CGU. These discount rates were estimated based on the respective CGU's weighted average cost of capital.

With regard to the assessment of value-in-use of CGU, management believe that no reasonably possible change in any of the above key assumptions would cause the carrying values of the units to materially exceed their recoverable amounts.

6) INVESTMENT PROPERTIES

The Group & The Company	2010	2009
Freehold land and buildings	RM	RM
At the beginning of the year	4,977,396	9,874,396
Disposed during the year	(3,487,523)	(4,897,000)
At the end of the year	1,489,873	4,977,396

Investment properties with values amounting to RM 1,253,022 (2009: RM 4,248,022) have been pledged as security for bank borrowings.

The Group has developed certain criteria based on FRS 140 in making judgement whether a property qualified as an investment property. Investment property is a property held to earn rentals or for capital appreciation of both. The Group has adopted the fair value model in measuring the above investment properties with effect from 1 July 2006. The fair value of the investment properties at the end of the financial year was determined by the directors on an annual basis based on internal valuation which reasonably reflect market conditions of similar properties at the balance sheet date.

7) INVESTMENT IN SUBSIDIARY COMPANIES

The Company	2010	2009
Unquoted shares, at cost	RM	RM
Unquoted shares, at cost	10,835,000	10,835,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

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7) INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

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

Name	Effective interest		Principal activities
	2010	2009	
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%	75.50%	Manufacturers and dealers in electrical and electronic goods
v) Greater Heights Development Sdn. Bhd. (Subsidiary company of BG Realty Sdn. Bhd.)	100%	100%	Property development

* The audit reports of these subsidiaries have included emphasis of matter on the ability of the subsidiaries to continue as going concerns.

8) INVESTMENT IN ASSOCIATED COMPANY

The Group	2010 RM	2009 RM
Unquoted shares at cost	5,195,100	5,195,100
At the beginning of the year	1,000,000	4,254,823
Disposal of associated company	-	(1,298,743)
Impairment loss	-	(1,956,080)
At the end of the year	1,000,000	1,000,000
The Company	2010 RM	2009 RM
Unquoted shares, at cost	3,695,100	3,695,100
At the beginning of the year	1,000,000	2,956,080
Impairment loss	-	(1,956,080)
At the end of the year	1,000,000	1,000,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

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8) INVESTMENT IN ASSOCIATED COMPANY (CONT'D)

Name	Effective interest		Principal activities
	2010	2009	
i) Bina Goodyear Middle East Limited* (Incorporated in United Arab Emirates)	50%	50%	Construction and general trading

* Not audited by S.F.Yap & Co.

The Group has not equity accounted for the result of the associated company, Bina Goodyear Middle East Limited. In previous year, the Directors made an allowance for impairment loss of the investment in associated company in the financial statement amounting to RM 2,695,100. Based on the directors' opinion the allowance is adequately made in the financial statement as the carrying amount of the investment approximated the net asset value of the associated company as at year end.

9) INVENTORIES

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
At cost				
Raw material	2,504,456	2,772,113	-	-
Work in progress	249,054	227,372	-	-
Finished goods	779,908	811,952	-	-
Building materials	1,092,451	3,099,350	1,092,451	3,099,350
Completed properties	69,516	69,516	-	-
	4,695,385	6,980,303	1,092,451	3,099,350

10) PROPERTY DEVELOPMENT COSTS

	The Group	
	2010 RM	2009 RM
Freehold land, at cost	27,981,693	27,981,693
Add: Development cost incurred		
At beginning of the year	5,878,018	3,727,081
Addition during the year	301,409	2,150,937
At end of the year	6,179,427	5,878,018
	34,161,120	33,859,711
Less : sales of property development cost	(34,161,120)	-
	-	33,859,711

In previous year the freehold land is pledged as security for bank borrowings for a subsidiary company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

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11) TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Progress billings receivables	60,880,048	63,423,290	59,749,101	61,793,349
Retention sums	40,738,558	46,953,558	40,394,534	46,609,534
Trade receivables	2,057,660	2,185,035	-	-
	103,676,266	112,561,883	100,143,635	108,402,883
Other receivables, deposits and prepayment	5,224,604	16,377,066	3,798,513	7,097,390
	108,900,870	128,938,949	103,942,148	115,500,273

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 and sales and purchase agreements.

The normal credit term for trade receivables range from 30 to 90 days. Other credit terms are assessed and approved on case by case basis.

Trade and other receivables of the Group denominated in USD as at 30 June 2010 amounts to RM 545,378 (2009: RM 1,408,706).

12) AMOUNTS DUE FROM CUSTOMERS ON CONTRACTS

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Costs incurred on contracts to date	870,818,500	1,371,487,236	860,258,230	1,168,806,165
Attributable profit recognized to date	16,952,480	12,387,006	17,286,650	9,809,483
	887,770,980	1,383,874,242	877,544,880	1,178,615,648
Less: Progress billings to date	(822,291,865)	(1,310,678,759)	(812,065,765)	(1,107,560,785)
Amounts due from customers on contracts	65,479,115	73,195,483	65,479,115	71,054,863

Included in the amounts due from customers on contracts is an amount of RM 21,883,790 in relation to a construction contract which has been completed in February 2010 but pending consultants' certification of the related claims. No impairment losses have been made for the balance as the Directors are of the opinion, after obtaining legal advice, that the Company has a fair chance of recovering the said amount.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010
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13) i) AMOUNTS DUE FROM/ (TO) SUBSIDIARY COMPANIES

	2010 RM	2009 RM
The Company		
Amount owing by:		
Non-trade	1,129,933	19,954,708
Amount owing to:		
Trade	6,743,745	5,502,918
Non-trade	163,000	440,000
	6,906,745	5,942,918

The non-trade accounts are unsecured, interest free and do not have fixed terms of repayment, except for amount due by Greater Heights Development Sdn. Bhd., is charged with interest ranging from 6.55% to 8.50% per annum.

ii) AMOUNT DUE FROM ASSOCIATED COMPANIES

The amount due from associated companies relate to advances which are unsecured, interest free and repayable on demand.

14) CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Fixed deposits with licensed banks	1,043,956	1,620,701	1,043,956	1,620,701
Cash held under Housing Development Accounts	17,353	16,947	-	-
Cash and bank balances	4,011,686	17,827,900	1,469,997	16,053,548
Deposits, cash and bank balances	5,072,995	19,465,548	2,513,953	17,674,249
Less: Bank overdrafts - secured	(20,618,471)	(37,929,030)	(19,961,338)	(37,449,045)
	(15,545,476)	(18,463,482)	(17,447,385)	(19,774,796)
Less: Fixed deposits pledged to licensed banks	(1,043,956)	(1,620,701)	(1,043,956)	(1,620,701)
	(16,589,432)	(20,084,183)	(18,491,341)	(21,395,497)

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, is maintained for the payment of property development expenditure incurred.

Interest rates on bank overdrafts during the year ranged from 6.55% to 7.55% per annum (2009: 6.55% - 8.50%).

Fixed deposits amounting to RM 1,043,956 (2009: RM 1,620,701) 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 1.50% to 3.05% per annum (2009: 1.75% to 3.50%).

Cash and cash equivalents of the Group denominated in USD as at 30 June 2010 amounts to RM 85,881 (2009: RM 147,582).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

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15) TRADE AND OTHER PAYABLES

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Trade payables	15,863,204	24,239,855	14,815,066	21,837,075
Sub-contractors	36,981,020	27,856,920	34,926,974	25,695,208
Retention sums	23,972,241	19,676,865	23,648,397	18,547,995
	76,816,465	71,773,640	73,390,437	66,080,278
Accruals	254,953	514,170	252,112	375,653
Other payables	643,691	1,781,588	19,369	929,878
Deposits received	1,059,008	3,029,936	662,679	827,936
Sinking fund	138,540	69,270	-	-
	78,912,657	77,168,604	74,324,597	68,213,745

The normal credit terms extended by sub-contractors range from 15 to 90 days and trade payables range from 30 to 120 days. Any extension of credit terms are negotiated with the respective creditors on a case-by-case basis.

Trade and other payables of the Group denominated in USD as at 30 June 2010 amounts to RM 108,489 (2009: RM 238,855).

16) BORROWINGS

Current Secured	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Revolving credit	1,149,630	4,959,200	1,149,630	4,959,200
Term loan	9,600,000	59,953,478	9,600,000	53,695,278
Finance lease liabilities	1,687,091	1,978,486	202,328	226,820
	12,436,721	66,891,164	10,951,958	58,881,298
Non-current Secured				
Term loan	-	5,168,550	-	-
Finance lease liabilities	1,078,299	2,445,145	380,171	631,264
	1,078,299	7,613,695	380,171	631,264
Total	13,515,020	74,504,859	11,332,129	59,512,562

Interest rates on the above are as follows :-

Revolving credit	4.80% - 5.26%	4.44% - 5.77%	4.80% - 5.26%	4.44% - 5.77%
Term loan	5.05% - 7.30%	4.95% - 8.25%	5.05% - 7.30%	4.95% - 6.25%
Finance lease liabilities	2.19% - 9.73%	2.19% - 9.76%	2.19% - 3.94%	2.19% - 4.07%

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FOR THE YEAR ENDED 30 JUNE 2010
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16) BORROWINGS (CONT'D)

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Repayment terms				
Term loan				
- not later than 1 year	9,600,000	59,953,478	9,600,000	53,695,278
- between 1 to 2 years	-	4,774,217	-	-
- between 2 to 5 years	-	394,333	-	-
	9,600,000	65,122,028	9,600,000	53,695,278
Finance lease liabilities				
Minimum lease payment				
- not later than 1 year	1,795,496	2,185,574	224,868	262,200
- between 1 to 2 years	710,969	1,697,188	241,238	256,248
- between 2 to 5 years	427,706	812,591	162,390	382,612
- more than 5 years	-	66,418	-	40,567
	2,934,172	4,761,771	628,496	941,627
Future finance charges on finance lease	(168,782)	(338,140)	(45,997)	(83,543)
Present value of finance lease liabilities	2,765,390	4,423,631	582,499	858,084
Present value of finance lease liabilities				
- not later than 1 year	1,687,091	1,978,486	202,328	226,820
- between 1 to 2 years	671,749	1,607,363	226,781	232,077
- between 2 to 5 years	406,549	772,436	153,390	359,092
- more than 5 years	-	65,346	-	40,095
	2,765,390	4,423,631	582,499	858,084

17) BANKING FACILITIES

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

- ownership of equipment or vehicles approved by the hire-purchase payables (Note 3)
- legal assignment over the certain investment properties (Note 6)
- legal assignment over the progressive payments of contracts from construction contracts
- first party fixed deposits held under lien supported by charges on fixed deposits (Note 14).

18) SHARE CAPITAL

The Group & The Company	2010 RM	2009 RM
Authorised :		
100,000,000 Ordinary shares of RM1.00 each	100,000,000	100,000,000
Issued & fully paid :		
46,259,800 Ordinary shares of RM1.00 each	46,259,800	46,259,800

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

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19) DEFERRED TAXATION

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Property, plant and equipment				
At beginning of the year	105,000	72,000	-	-
Transfer (to)/from income statement (Note 22)	(65,000)	33,000	-	-
At end of the year	40,000	105,000	-	-
The deferred tax liabilities comprise:				
Taxable temporary differences between net carrying amount and tax written down value of property, plant and equipment	40,000	105,000	-	-

The Group has not accounted for tax effects of the temporary differences and potential tax savings in which would result in a debit to the deferred tax balance at the year end amounting to RM 7,400,000 (2009: RM 8,100,000).

20) REVENUE

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Construction contracts	297,268,136	320,854,591	297,126,797	317,164,875
Revenue from property development	27,000,000	-	-	-
Sale of goods	14,415,864	12,909,681	-	-
Rental income on construction machinery and equipment	500	-	-	-
	338,684,500	333,764,272	297,126,797	317,164,875

21) COST OF SALES

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Construction costs	286,522,678	330,574,255	291,841,008	335,657,655
Development expenditure	34,161,121	-	-	-
Cost of goods sold	12,104,139	12,027,044	-	-
Construction machinery and equipment rental cost	7,880,361	11,944,443	-	-
	340,668,299	354,545,742	291,841,008	335,657,655

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

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22) TAXATION

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Malaysian taxation based on profit for the year	5,600	220,000	5,600	-
Deferred taxation (Note 19)	(65,000)	33,000	-	-
	(59,400)	253,000	5,600	-
Over provision in previous year	-	(40,261)	-	(55,372)
	(59,400)	212,739	5,600	(55,372)

The Company has approximately RM 28,467,179 (2009: RM 28,809,502) tax credit under S108 of the Income Tax Act, 1967, and tax exempt account amounting to RM 357,157 (2009: RM 357,157) to frank the payment of dividends out of its retained profits without incurring any additional tax liabilities.

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

	The Group		The Company	
	2010 %	2009 %	2010 %	2009 %
Applicable tax rate	25.00	25.00	25.00	25.00
Tax effects in respect of :				
Expenses not deductible for tax purposes	22.98	(7.57)	13.22	(4.11)
Utilisation of previously unrecognised tax losses	(6.07)	-	(37.75)	-
(Over)/under provision of tax in prior year	-	(0.04)	-	(0.24)
Deferred taxation	(13.52)	0.03	-	-
Deferred tax assets not recognised	(29.04)	(16.53)	-	(20.89)
Average effective tax rate	(0.65)	0.89	0.47	(0.24)

NOTES TO THE FINANCIAL STATEMENTS

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23) (LOSS)/PROFIT BEFORE TAXATION

a) Profit before taxation is arrived at after charging:	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Auditors' remuneration	68,000	53,000	45,000	30,000
Depreciation	3,599,371	4,482,053	539,100	681,636
Directors' remuneration - salaries	653,349	694,698	557,099	597,998
- fees	30,000	30,000	30,000	30,000
- bonus	30,140	27,493	18,140	19,493
- others	21,700	25,000	21,700	25,000
Interest				
- hire purchase interest	210,293	348,483	34,861	50,835
- overdraft interest	835,613	371,767	764,648	272,780
- term loan interest	1,129,030	4,397,424	1,106,752	4,328,800
- other interest	9,884	1,234	(2,530)	73
- other interest overprovided (net)	12,450	(195,684)	12,450	(156,531)
Hire of machinery	1,307,265	3,180,612	8,348,449	14,112,519
Impairment loss on investment	-	1,956,080	-	1,956,080
Loss on disposal of property, plant & equipment	29,938	43,586	29,938	43,586
Loss on disposal of investment properties	246,557	-	246,557	-
Realised loss on foreign exchange transactions	7,636	-	-	-
Deposit written off	224,236	15,015	224,236	-
Bad debt written off	131,700	492,646	131,700	252,546
Allowance for doubtful debts	1,241,732	-	1,241,732	-
Property, plant and equipment written off	477	1,000	-	-
Rental	841,727	1,415,705	481,936	965,838
Amortisation of prepaid land lease payment	17,162	17,050	-	-
And crediting:				
Interest				
- fixed deposit interest	22,364	42,867	22,364	42,867
- bank interest	872	10,373	-	-
- interest received	407	7,770	-	-
- other interest received	-	29,615	-	-
Gain on disposal of investment in an associated company	-	5,347,983	-	-
Gain on disposal of investment properties	-	873,360	-	873,360
Gain on disposal of property, plant & equipment	1,416,723	55,000	47,123	-
Realised gain on foreign exchange	-	141,231	-	-
Reversal of impairment loss	644,201	-	644,201	-
Rental income	200,957	344,000	200,957	344,000
Included in the above expenses are the following expenses charged to cost of sales :				
Depreciation	2,770,093	3,521,199	-	-
Hire of machinery	1,307,265	3,180,612	8,348,449	14,112,519
Other interest	11,972	-	-	-
Other interest overprovided (net)	12,450	(195,684)	12,450	(156,531)
Overdraft interest	775,685	353,432	764,648	272,780
Rental	368,591	906,062	281,156	749,422
Term loan interest	1,106,752	4,328,800	1,106,752	4,328,800

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

cont'd

23) (LOSS)/PROFIT BEFORE TAXATION (CONT'D)

b) EMPLOYEE INFORMATION

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Staff costs	17,893,612	19,249,956	13,945,257	15,017,758

Directors' emoluments have been included in staff costs.

Staff costs included contribution to Employee Provident Fund and Socso for Group is RM 1,247,405 (2009:RM 1,351,296) and for Company is RM 981,681 (2009: RM 1,087,153).

24) (LOSS)/ EARNINGS PER SHARE

a) Basic loss per share

The basic loss per ordinary share is calculated by dividing the Group's net loss attributable to shareholders amounting to RM 9,025,456 (Net loss for financial year 2009: RM24,010,863) by the weighted average number of ordinary shares of the Company in issue during the financial year of 46,259,800 (2009: 46,259,800).

25) SIGNIFICANT INTERCOMPANY AND RELATED PARTIES TRANSACTIONS

a) Identity of related parties

For the purpose of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities. Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel includes all the Directors of the Group, and certain members of senior management of the Group.

Significant related party transactions are as follows:

i) Transactions between the Company and its subsidiary companies

	2010 RM	2009 RM
Machinery rental paid/payable to subsidiary - Seranta Machinery & Equipment Sdn. Bhd.	7,906,838	13,245,778

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

cont'd

25) SIGNIFICANT INTERCOMPANY AND RELATED PARTIES TRANSACTIONS (CONT'D)

a) Identity of related parties (cont'd)

- ii) Significant related party transaction other than those disclosed elsewhere in the financial statements are as follows:

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Quit rent paid/payable	208	4,638	208	4,638
Security charge payables	77,810	118,679	9,150	4,000
Maintenance fee paid	18,031	58,664	18,031	58,664
Rental paid/payable	-	490,442	-	197,215
Staff admin cost	25,507	26,726	-	-
Janitorial usage charges paid/payable	41,514	33,668	-	2,328
Insurance paid/payable	386,656	151,475	338,575	47,466
Parking fee payable	-	80,220	-	80,220

- iii) As at 30 June, amounts owing by/(to) related parties are as follows:

The Group	Gross balance outstanding at 30 June RM	Allowance for doubtful debts at 30 June RM	Net balance outstanding at 30 June RM	Doubtful receivables recognised for the year end 30 June RM
2010				
Included in:				
Trade and other receivables				
Related parties	88,415	-	88,415	-
Trade and other payables				
Related parties	49,803	-	49,803	-
2009				
Included in:				
Trade and other receivables				
Related parties	195,469	-	195,469	-
Trade and other payables				
Related parties	258,838	-	258,868	-

These transactions have been entered into in the normal course of business and have been established at arms length transactions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

cont'd

25) SIGNIFICANT INTERCOMPANY AND RELATED PARTIES TRANSACTIONS (CONT'D)

Compensation of key management personnel

iv) The remuneration of key management personnel is as follows:-

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Short term employee benefits	3,144,497	2,050,032	3,081,497	2,029,952
Defined contribution plan	393,945	291,336	385,766	273,969
	3,538,442	2,341,368	3,467,263	2,303,921

26) DIRECTORS' REMUNERATION

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Executive Directors:				
Salaries	533,100	527,400	533,100	527,400
Bonus	17,340	16,800	17,340	16,800
Fees	10,000	10,000	10,000	10,000
Meeting allowances	4,500	5,000	4,500	5,000
Benefits-in-kind	47,900	56,000	47,900	56,000
	612,840	615,200	612,840	615,200
Non-executive Directors:				
Salaries	24,000	70,598	24,000	70,598
Bonus	800	2,693	800	2,693
Fees	20,000	20,000	20,000	20,000
Meeting allowances	17,200	20,000	17,200	20,000
	62,000	113,291	62,000	113,291
Other Director of the Group:				
Salary	96,250	96,700	-	-
Bonus	12,000	8,000	-	-
	108,250	104,700	-	-
Total directors' remuneration	783,090	833,191	674,840	728,491
Total directors' remuneration excluding benefits-in-kind	735,190	777,191	626,940	672,491

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

cont'd

26) DIRECTORS' REMUNERATION (CONT'D)

The number of directors of the Company whose total remuneration during the year fall within the following band is as follows:

	Number of Directors 2010	Number of Directors 2009
Executive Directors:		
Below 200,000	1	-
RM200,001 - RM250,000	1	1
RM250,001 - RM300,000	1	-
RM300,001 - RM350,000	-	1
Non executive Directors:		
Below RM50,000	4	5

27) PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

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

	The Group		The Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Purchase of property, plant and equipment (Note 3)	768,902	2,087,612	114,830	265,788
Financed by hire purchase and lease arrangements	(385,552)	(642,243)	-	-
Cash payment on purchase of property, plant and equipment	383,350	1,445,369	114,830	265,788

28) CONTINGENT LIABILITIES (UNSECURED)

	The Company	
	2010	2009
	RM	RM
Corporate guarantees given to financial institutions for banking facilities granted to subsidiaries	23,002,785	53,002,785
Corporate guarantees given to a wholly owned subsidiary's client for its contract performance	5,433,021	5,433,021
Corporate guarantees in favour of suppliers of goods for credit terms and for its contract performance granted to the Group	7,000,000	7,000,000
Corporate guarantees in favour of suppliers of goods for credit terms granted to subsidiaries	1,315,000	1,315,000
	36,750,806	66,750,806

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

cont'd

29) 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) Manufacturers and dealers in electrical and electronic goods

	Construction RM	Property Development RM	Machinery & Equipment Rental RM	Manufacturers and dealers in electrical and electronic goods RM	Elimination RM	Consolidation RM
2010						
REVENUE						
External sales	297,268,136	27,000,000	500	14,415,864	-	338,684,500
Inter-segment sales	-	-	7,906,838	-	(7,906,838)	-
Total revenue	297,268,136	27,000,000	7,907,338	14,415,864	(7,906,838)	338,684,500
RESULTS						
Segment operating (loss)/ profit	(2,306,012)	(8,535,180)	(634,829)	456,936	-	(11,019,085)
Share loss of associate						-
Finance costs						(292,941)
Impairment overprovided						644,201
Investment and other income						1,716,692
(Loss)/ profit before taxation						(8,951,133)
Taxation						59,400
Minority interest						(133,723)
Net loss for the year						(9,025,456)
OTHER INFORMATION						
Segment assets	191,690,616	652,690	11,089,292	11,002,771	(17,165,924)	197,269,445
Tax assets						2,527,601
Consolidated total assets						199,797,046
Segment liabilities	116,489,915	1,266,474	3,315,358	713,121	(8,738,720)	113,046,148
Tax liabilities						40,000
Consolidated total liabilities						113,086,148
Capital expenditure	114,832	1,099	477,853	175,118	-	768,902
Depreciation	568,317	188,497	2,737,394	105,163	-	3,599,371

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010

cont'd

29) SEGMENT ANALYSIS (CONT'D)

	Construction RM	Property Development RM	Machinery & Equipment Rental RM	Manufacturers and dealers in electrical and electronic goods RM	Elimination RM	Consolidation RM
2009						
REVENUE						
External sales	320,854,591	-	-	12,909,681	-	333,764,272
Inter-segment sales	-	-	13,274,125	-	(13,274,125)	-
Total revenue	320,854,591	-	13,274,125	12,909,681	(13,274,125)	333,764,272
RESULTS						
Segment operating (loss)/ profit	(28,966,446)	(1,206,465)	683,591	(1,054,506)	-	(30,543,826)
Share loss of associate						-
Finance costs						(436,676)
Investment and other income						6,952,199
(Loss)/ profit before taxation						(24,028,303)
Taxation						(212,739)
Minority interest						230,179
Net loss for the year						(24,010,863)
OTHER INFORMATION						
Segment assets	251,903,928	41,894,609	13,348,719	11,053,913	(35,036,091)	283,165,078
Tax assets						2,145,046
Consolidated total assets						285,310,124
Segment liabilities	175,296,683	34,040,227	5,843,803	1,030,666	(26,608,886)	189,602,493
Tax liabilities						105,000
Consolidated total liabilities						189,707,493
Capital expenditure	268,716	2,778	1,757,418	58,700	-	2,087,612
Depreciation	720,627	188,547	3,481,538	91,341	-	4,482,053

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2010
cont'd

30) 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:-

The Group					Effective interest rate during the year
	Note	Less than 1 year RM	More than 1 year RM	Total RM	%
2010					
Financial Asset					
Fixed deposit with licensed bank	14	1,043,956	-	1,043,956	1.95 - 2.45
Financial Liabilities					
Borrowings	16	12,436,721	1,078,299	13,515,020	2.19 - 9.73
Bank overdraft	14	20,618,471	-	20,618,471	5.26 - 7.55
2009					
Financial Asset					
Fixed deposit with licensed bank	14	1,620,701	-	1,620,701	1.76 - 3.56
Financial Liabilities					
Borrowings	16	66,891,164	7,613,695	74,504,859	2.19 - 9.76
Bank overdraft	14	37,929,030	-	37,929,030	6.55 - 8.50
The Company					
	Note	Less than 1 year RM	More than 1 year RM	Total RM	Effective interest rate during the year %
2010					
Financial Asset					
Fixed deposit with licensed bank	14	1,043,956	-	1,043,956	1.95 - 2.45
Financial Liabilities					
Borrowings	16	10,951,958	380,171	11,332,129	2.19 - 5.46
Bank overdraft	14	19,961,338	-	19,961,338	5.26 - 7.55
2009					
Financial Asset					
Fixed deposit with licensed bank	14	1,620,701	-	1,620,701	1.76 - 3.56
Financial Liabilities					
Borrowings	16	58,881,298	631,264	59,512,562	2.19 - 6.25
Bank overdraft	14	37,449,045	-	37,449,045	6.55 - 8.50

**NOTES TO THE
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2010

cont'd

30) FINANCIAL INSTRUMENTS (CONT'D)**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 28.

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.

31) NET DIVIDEND PER SHARE

In previous year a first and final dividend of 2.96%, less 25% tax in respect year ended 2008, amounting to approximately RM1,026,968 was paid on 19 January 2009.

32) AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Board of Directors on 11 October 2010.

PROPERTIES HELD BY THE GROUP

AS AT 30 JUNE 2010

Title/Location	Description/ Existing Use	Tenure	Land Area/ Built Up Area (sq. feet)	Ownership	Approximate Age of Building (years)	Net Book Value as at 30/06/10 RM'000	Date of Acquisition/ Valuation
Subang Perdana Phase 5 Subang Jaya State of Selangor (1 unit)	Shop Lots Rented	Freehold	N.A./ 1,278	Bina Goodyear Bhd	14	237	2-Jun-95 15-Feb-06
Subang Perdana Phase 6 Subang Jaya State of Selangor (2 units)	Shop Lots/ Apartments	Freehold	N.A./ 1,446	- do -	13	106	26-Jul-95 15-Feb-06
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
Lot 4 Jalan Sultan Muhamed 2, Kawawan Perusahaan Bandar Sultan Suleiman (Selat Klang Utara) 42000 Port Klang, Selangor	Factory	Leasehold 99 years (6-10-2087)	87,120/ 25,900	TC Electronics S/B	23	2,106	6-Oct-88 23-Mar-07
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	Apartment 99 years (11-07-2095)	N.A. 1,532	TC Electronics S/B	13	88	12-Jul-96
Properties Disposed During The year							
Subang Perdana Phase 6 Subang Jaya State of Selangor (9 units)	Shop Lots/ Apartments	Freehold	N.A./ 6,510	Bina Goodyear Bhd			
Subang Perdana Phase 5 Subang Jaya State of Selangor (2 unit)	Shop Lots Rented	Freehold	N.A./ 2,556	Bina Goodyear Bhd			
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	Bina Goodyear Bhd			
Mukim of Ulu Langat State of Selangor - Lot 2041 (Grant 9629)	Workshop	Freehold	505,112/ N.A.	Seranta Machinery & Equipment S/B			
Geran 89403, Lot 62523 Bandar Sri Damansara Daerah Petaling	Land Under Development	Freehold	376,995/ N.A.	Greater Heights Development S/B			

SHAREHOLDERS' INFORMATION

AS AT 18 OCTOBER 2010

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

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 100 shares	6	0.45	225	0.00
100 to 1,000 shares	135	10.24	94,600	0.20
1,001 to 10,000 shares	984	74.60	2,935,695	6.35
10,001 to 100,000 shares	161	12.21	4,965,400	10.73
100,001 to less than 5% of issued shares	30	2.27	20,514,380	44.35
5% and above of issued shares	3	0.23	17,749,500	38.37
TOTAL	1,319	100	46,259,800	100

30 Largest Shareholders

	Name of Shareholders	No. of Shares	%
1	Goodyear Investors (Malaysia) Sdn Bhd	9,300,000	20.10
2	EB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Goodyear Investors (M) Sdn Bhd	5,056,800	10.93
3	Dato' Edmond Hoyt Yung	3,392,700	7.33
4	Lee Yu Yong @ Lee Yuen Ying	2,145,900	4.64
5	Wong Soo Chai @ Wong Chick Wai	2,048,380	4.43
6	Wong Cheang San	1,259,200	2.72
7	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Wong Yee Kiat	1,249,600	2.70
8	NTC Audio Sdn Bhd	1,242,335	2.69
9	Allasia Industries Sdn Bhd	1,242,165	2.69
10	Eric Lai	1,195,200	2.58
11	Kan See Man @ Kan See Mun	1,096,900	2.37
12	Alunan Harapan Sdn Bhd	1,054,800	2.28
13	Phan Sin Chong	1,043,900	2.26
14	Wong Se-Ching	984,800	2.13
15	Lim Tzeh Foong	762,200	1.65

**SHAREHOLDERS'
INFORMATION**
AS AT 18 OCTOBER 2010
cont'd

30 Largest Shareholders (cont'd)

	Name of Shareholders	No. of Shares	%
16	Diamond Form Sdn Bhd	725,400	1.57
17	Goodyear Management (Malaysia) Sdn Bhd	600,000	1.30
18	Lee Yoon Chan	475,000	1.03
19	Anita Lau Soo Leng	438,400	0.95
20	Wong Dong Jiann	400,000	0.86
21	Wong Se-Wei	400,000	0.86
22	Fountainhead Sdn Bhd	333,100	0.72
23	Kee Cheng Teik	268,600	0.58
24	Lee Chong Lim	247,200	0.53
25	Citigroup Nominees (Asing) Sdn Bhd Beneficiary: Citigroup GM Inc For SC Fundamental LLC Employee Savings And Profit Savings Plan	210,900	0.46
26	Oh Teik Chye	193,700	0.42
27	Cheah Yoke Mong	139,900	0.30
28	Ong Bao Jen	137,000	0.30
29	RHB Nominees (Tempatan) Sdn Bhd Beneficiary: Mohd Yusof Bin Daud	135,000	0.29
30	Mayban Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ling Kwong Lai	131,000	0.28
		37,910,080	81.95

Substantial Shareholders

	Name of Shareholders	No. of Shares	%
1.	Goodyear Investors (Malaysia) Sdn Bhd	9,300,000	20.10
2.	EB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Goodyear Investors (M) Sdn Bhd	5,056,800	10.93
3.	Dato' Edmond Hoyt Yung	3,392,700	7.33
		17,749,500	38.36

SHAREHOLDERS' INFORMATION

AS AT 18 OCTOBER 2010

cont'd

Directors' Shareholdings

Directors	Direct Interest		Deemed Interest	
	No. of shares	%	No. of shares	%
Md Azar Bin Ismail	Nil	-	Nil	-
Wong Chick Wai	2,048,380	4.43	21,186,465 #	45.79
Eric Lai	1,195,200	2.58	17,257,465 *	37.31
Dato' Edmond Hoyt Yung	3,392,700	7.33	1,842,165 ^	3.98
Dato' Abdul Hamid Bin Hj Md. Zainuddin	Nil	-	Nil	-
Mr Tan Su Tiam @ Tan Hooi Thean	Nil	-	Nil	-

Notes:

- # Deemed interested by virtue of his interest in Goodyear Investors (Malaysia) Sdn Bhd, Goodyear Management (Malaysia) Sdn Bhd, and indirect interest in Allasia Industries Sdn Bhd and shareholdings held by his spouse's and children's Company namely Alunan Harapan Sdn Bhd and shareholdings held by his spouse and children.
- * Deemed interested by virtue of his interest in Goodyear Investors (Malaysia) Sdn Bhd, Goodyear Management (Malaysia) Sdn Bhd, and indirect interest in Allasia Industries Sdn Bhd and shareholdings held by him in Diamond Form Sdn Bhd and Fountainhead Sdn Bhd.
- ^ Deemed interested by virtue of his interest in Goodyear Management (Malaysia) Sdn Bhd and indirect interest in Allasia Industries Sdn Bhd.

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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-sixth Annual General Meeting of the Company to be held at Palm Room, The Saujana, Kuala Lumpur, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor on Thursday, 16 December 2010 at 10.00a.m. and at any adjournment thereof *for/against the resolution(s) to be proposed thereat.

No.	Resolution	For	Against
1.	To receive the Audited Financial Statements for the financial year ended 30 June 2010 together with the Reports of the Directors and Auditors thereon.		
2.	Payment of Directors' Fees for the financial year ended 30 June 2010.		
3.	Re-election of Encik Md Azar Bin Ismail as Director of the Company.		
4.	Re-appointment of Dato' Abdul Hamid Bin Hj Md Zainuddin as Director of the Company.		
5.	Re-appointment of Mr Wong Chick Wai as Director of the Company.		
6.	Re-appointment Messrs S.F. Yap & Co. as Auditors of the Company and to authorise the Directors to fix their remuneration.		
7.	Authority to Directors to allot & issue shares pursuant to Section 132D of the Companies Act, 1965.		
8.	To approve the Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.		
9.	Proposed Amendment to the Articles of Association of the Company.		

[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 2010

.....
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.

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Affix
Stamp
Here

To:

**The Company Secretary
BINA GOODYEAR BERHAD**

Wisma Goodyear
Tingkat 11, Blok B
Kelana Centre Point
3 Jalan SS 7/19, Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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International ISO Certification

BINA GOODYEAR BERHAD (18645-H)

Wisma Goodyear
Tingkat 11, Block B, Kelana Centre Point
3 Jalan SS 7/19, Kelana Jaya, 47301 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Tel: 603-7880 0388

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