



BINA GOODYEAR BERHAD

(18645-H)
Incorporated in Malaysia



2002 Annual Report



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CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of Bina Goodyear Berhad (BGB), it is my pleasure to present the Annual Report and Financial Statements of the Company and the Group for the financial year ended 30 June 2002.

Overview

As at 30 October 2002, BGB has secured over RM2.2 billion in construction contracts of which RM1.52 billion has been completed, whilst RM685 million in value of contracts are still under construction.

The types of constructions works undertaken to date comprise Residential - 40%, Commercial - 24%, Special Purpose and Institutional - 34% and Industrial 2%.

During the financial year, the Group secured contracts valued in the region of RM190 million despite the relatively soft market.

In property development, BGB's Taman Pusat Kepong project which includes, apartments, office and shop lots totaling 462 units was launched in June 2002 and is expected to contribute to the Group's income from the Company's forthcoming first financial quarter onwards.

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

Financial Review and Future Outlook

For the financial year ended 30 June 2002, the Group registered a Turnover of RM196 million an increase of 41% over the previous financial year's turnover of RM139 million, registering a corresponding increase in the Profits Before Tax and Exceptional Items of RM2.138 million or 47% when compared to the previous year's performance.

Gross construction margins increased marginally attributable to new contract starts with better margins. Performance for the year did not include revenue from property development.

With over RM680 million in our Order Books and the Group's ability to secure new contracts, revenues from construction contracts are expected to maintain the present rate of business growth for the coming financial year.

In property development, the coming on-stream of our Taman Pusat Kepong Project is expected to contribute significantly to the Group's profits for the coming financial year.

Proposed Exercise

It was announced that the Company has proposed to undertake a Bonus Issue and Employees Share Option Scheme ("ESOS") Exercise.

The Proposed Bonus Issue is intended to increase the issued and paid-up share capital of BGB to comply with the Securities Commission's requirement, to enhance the marketability and liquidity of BGB Shares in the market and to reward the shareholders for their continued support to the Company.



En. Md Azar bin Ismail / Chairman

CHAIRMAN'S STATEMENT

The Proposed ESOS is to recognise and reward the past contribution of the eligible employees and executive directors of the BGB Group whose services are valued and considered vital to the operations and continued growth of the BGB Group also aim at minimising loss of key personnel and to allow them to participate in the profitability and growth of the Company and upon becoming shareholders, to participate in the Group's future profits.

The Proposed ESOS is also intended to increase the level of dedication, loyalty, motivation and productivity of the eligible employees and directors of the BGB Group.

Proposed Dividend

The Board of Directors is pleased to recommend the payment of a first and final tax-exempt dividend of five percent (5%) per share for the financial year ended 30 June 2002 for approval by shareholders at the forthcoming Annual General Meeting.

Change in Directorate

YAM Tunku Kamariah Aminah Maimunah Iskandariah Bte Sultan Iskandar Alhaj resigned as Director of the Company on 30 May 2002. On behalf of the shareholders and the Board of Directors, we would like to record our thanks to YAM Tunku Kamariah for her contribution to the Board and Company. I would also like to take this opportunity to welcome YAM Tengku Sulaiman Shah Ibni Sultan Salahuddin Abdul Aziz Shah who was appointed as Company Director on 30 May 2002. I am confident that his invaluable experience and expertise in the construction industry will help strengthen the Company and its Group.

Acknowledgement

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

MD AZAR BIN ISMAIL

Chairman

CORPORATE INFORMATION

BOARD OF DIRECTORS

En. Md Azar Bin Ismail (*Chairman*)
Mr. Lai Tan Fatt (*Managing Director*)
Mr. Wong Chick Wai (*Executive Director*)
En. Ismail Bin Aris (*Executive Director*)
Mr. Edmond Hoyt Yung
(*Non-Executive Director*)
YAM Tengku Sulaiman Shah Ibni Sultan
Salahuddin Abdul Aziz Shah
(*Non-Executive Director*)
En. Mohd Yusof Bin Daud
(*Independent Non-Executive Director*)
Puan Sri Khoo Sian Keow
(*Independent Non-Executive Director*)
Dato' Abdul Hamid Bin Hj Md. Zainuddin
(*Independent Non-Executive Director*)

AUDIT COMMITTEE

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

COMPANY SECRETARIES

Liew Min Tet
Annie Yap Yin Hoon

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

RHB Bank Berhad
Standard Chartered Bank Malaysia Berhad
Bumiputra-Commerce Bank Berhad
Alliance Bank Malaysia Berhad

ADVOCATES & SOLICITORS

Sim Hazlina & Co.
Y M Chin & Lee

SHARE REGISTRAR

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

PRINCIPAL PLACE OF BUSINESS

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

STOCK EXCHANGE LISTING

Second Board of the Kuala Lumpur Stock
Exchange (KLSE)

BOARD OF DIRECTORS



Front (seated from left to right)

Mr.Lai Tan Fatt
(*Managing Director*)

En. Md Azar Bin Ismail
(*Chairman*)

Puan Sri Khoo Sian Keow
(*Independent Non-Executive Director*)

Back (standing from left to right)

Mr. Wong Chick Wai
(*Executive Director*)

En. Mohd Yusof Bin Daud
(*Independent Non-Executive Director*)

Mr. Edmond Hoyt Yung
(*Non-Executive Director*)

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

En. Ismail Bin Aris
(*Executive Director*)

**YAM Tengku Sulaiman Shah Ibni Sultan
Salahuddin Abdul Aziz Shah**
(*Non-Executive Director*)
(*absent from picture)

PROFILE OF DIRECTORS

ENCIK MD AZAR BIN ISMAIL

Malaysian, aged 52, 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 private and public listed companies. He is also the Chairman of STS Tecnic Berhad, a company listed on the Second Board of the KLSE and a Director of Integrated Logistic Berhad a company listed on the Main Board of the KLSE. He is a keen horseman and is the President of the Equestrian Association of Malaysia.

Encik Md Azar holds 4,790,000 ordinary shares of RM1.00 each in the Company and by virtue of his substantial shareholdings in the Company, he is deemed to have interest in the ordinary shares held by the Company in its subsidiaries.

MR. LAI TAN FATT

Malaysian, aged 56, was appointed to the Board of Directors of BGB on 1 November 1978. He is the Managing Director of BGB and holds a Bachelor of Commerce and Administration degree from Victoria University (New Zealand). His professional qualifications include Associate Chartered Accountant from the Institute of Chartered Accountants of New Zealand and Certified Public Accountants from the Malaysian Association of Certified Public Accountants. His experience in the field of accountancy includes working as an accountant in Touche Ross (New Zealand) and Peat Marwick Mitchell (Malaysia) and as an Internal Auditor with Tractors Malaysia Berhad, a company listed on the Main Board of the KLSE, in 1974. Mr Lai is also a Director of Mutiara Goodyear Development Berhad, a company listed on the Main Board of the KLSE.

Mr Lai holds 1,970,000 ordinary shares of RM1.00 each in the Company and by virtue of his substantial shareholdings (direct and indirect) in the Company, he is deemed to have interest in the ordinary shares held by the Company in its subsidiaries.

He is a Member of the Audit Committee of the Company.

MR. WONG CHICK WAI

Malaysian, aged 62, was appointed as Executive Director of BGB on 26 October 1988. He obtained his Bachelor of Engineering degree from the University of Melbourne, Australia in 1967 and a Master of Business Administration degree from the University of New South Wales, Australia in 1971. His Professional qualifications include being a member of the Institute of Engineers, Malaysia and a Professional Engineer of the Board of Engineers, Malaysia. His experience in the engineering field includes design and construction of a power station and related installations, high rise buildings and hotels. Mr Wong is also a Director of Mutiara Goodyear Development Berhad, a company listed on the Main Board of the KLSE.

Mr Wong holds 1,964,400 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. EDMOND HOYT YUNG

British and a permanent resident of Malaysia, aged 61, was appointed to the Board of Directors of BGB on 1 November 1978. He graduated with a degree from University of Hong Kong and holds a Masters Degree from University of London and a Diploma of Imperial College (London). He is also a Chartered Engineer, a fellow of the Geological Society of London and an Authorised Person of the Hong Kong Public Works Department. His wide experience in engineering, includes eleven (11) years in London in water supply engineering, soil mechanics, foundation engineering, earth moving and motorway construction. Mr Yung was appointed Director and Chief Executive Officer of United Estates Plantation Sdn Bhd ("UEP") in 1975 and was responsible for the entire Subang Jaya development until 1980. Presently, he is also the Managing Director of Mutiara Goodyear Development Berhad, a company listed on the Main Board of the KLSE.

Mr Yung holds 900,000 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

YAM TENGKU SULAIMAN SHAH IBNI SULTAN SALAHUDDIN ABDUL AZIZ SHAH

Malaysian, aged 52, was appointed as an Non-Executive Director on 30 May 2002. He is an Independent Non-Executive Director of Talam Corporation Berhad, and serves as a Deputy Chairman. He is also a director of Cosway Corporation Berhad.

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

YAM Tengku Sulaiman holds 193,000 ordinary shares of RM1.00 each in the Company but does not have any direct equity interest in the Company's subsidiaries.

ENCIK MOHD YUSOF BIN DAUD

Malaysian aged 51, was appointed Director of BGB on 10 January 1995. He holds a Diploma in Mechanical Engineering from the University of Technology (Malaysia) and a Bachelor of Science degree in Mechanical Engineering from the University of Strathclyde (United Kingdom). He is a member of the Institute of Engineers (Malaysia) and has 18 years of experience in the oil and gas industry while he was with Petronas Group. His work experience includes being manager in the quality assurance department of Malaysia Liquified Natural Gas Dua Sdn Bhd, senior manager in the commercial division of Oil, Gas and Petrochemical Technical Services Sdn Bhd.

Encik Mohd Yusof holds 150,000 ordinary shares of RM1.00 each in the Company but does not have any direct equity interest in the Company's subsidiaries.

PUAN SRI KHOO SIAN KEOW

Malaysian, aged 59, was appointed as an Independent Non-Executive Director on 6 August 1997. She completed her secondary education in 1960 and since then has assisted her father in managing Hock Lee Sdn Bhd until mid 1970's. When she retired in 1974 from active business involvement, she dedicated herself to domestic and social work after her husband was appointed as a Cabinet Minister. She has remained active in social service all these years.

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

DATO' ABDUL HAMID BIN HJ MD. ZAINUDDIN

Malaysian, aged 66, was appointed as an Independent Non-Executive Director of BGB on 6 August 1997. He is the Chairman of Amtel Holdings Berhad since 1997. Dato' is an active Bumiputra investor and entrepreneur. He also sits on the Board of several private companies.

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

ENCIK ISMAIL BIN ARIS

Malaysian, aged 46, was appointed as an Executive Director of BGB on 30 April 2001. He holds an Advance Diploma in Banking. He is a member of the Institute of Bankers London and has 22 years of experience in the banking industry while he was with Standard Chartered Bank. His work experience includes being personal assistant to the Managing Director in Labuan Maritime Services Sdn Bhd, business development manager/project manager in Cash Berhad (seconded to subsidiary company Far East Marble Sdn Bhd-involved with KLCC project) and executive director in Mega Pacific Zaricon Sdn Bhd (KLCC & Putrajaya infrastructure works) as well as dealing with marbles and granites (Hock Heng Granite Sdn Bhd).

Encik Ismail does not have any equity interest in the Company nor the subsidiaries.

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

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

CORPORATE STRUCTURE



BINA GOODYEAR BERHAD

(18645-H)

Construction & Building Contractors

BG REALTY SDN BHD

(269516-A)

Property Management & Property Development

100% owned

BG BUILDERS SDN BHD

(542980-X)

Construction Works & Housing Development

100% owned

SERANTA MACHINERY AND EQUIPMENT SDN BHD

(78214-M)

(Formerly known as Seranta Manufacturing Sdn Bhd)

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

100% owned

Corporate Governance

The Board of Directors is committed to ensuring compliance to the Kuala Lumpur Stock Exchange's Listing Requirement and Code of Corporate Governance. The Board recognises the importance of good corporate governance to protect and enhance the interests of the Company's stakeholders including those of the minority shareholders.

THE BOARD OF DIRECTORS

Composition

The Board currently has nine (9) members comprising three (3) Executive Directors, three (3) Non-Independent, Non-Executive Directors and three (3) Independent Non-Executive Directors.

The Board has a balanced composition of Executive and Non-Executive Directors, with one third (1/3) Independent Non-Executive Directors.

A brief profile of each Director is presented on page 5 to 6 of this annual report.

The Board has an effective working partnership with Management in establishing the strategic direction and there is clear division of responsibility between the Chairman and the Managing Director to ensure that there is a balance of power and authority.

The responsibilities and contribution of Independent and Non-Executive Directors also provide an element of objectivity and balance on the Board. The Non-Executive Directors contribute significantly in areas such as policy, performance monitoring as well as governance and control.

Meetings

During the financial year ended 30 June 2002, the Board held five (5) meetings where it deliberated upon and considered matters such as the Group's financial results, transactions involving related parties (if any), business plans and strategic decisions and the directors' attendance of which are as follows:-

| <i>Name</i> | <i>Attendance</i> |
|------------------------------------------------|-------------------|
| Md Azar Bin Ismail | 5/5 |
| Lai Tan Fatt | 5/5 |
| Wong Chick Wai | 5/5 |
| Edmond Hoyt Yung | 4/5 |
| YAM Tunku Kamariah Aminah Maimunah Iskandariah | |
| Bte Sultan Iskandar Alhaj | 0/4 |
| Mohd Yusof Bin Daud | 5/5 |
| Ismail Bin Aris | 3/5 |
| Puan Sri Khoo Sian Keow | 4/5 |
| Dato' Abdul Hamid Bin Hj Md. Zainuddin | 5/5 |

Notes:

- *YAM Tunku Kamariah Aminah Maimunah Iskandariah Bte Sultan Iskandar Alhaj resigned on 30/05/2002, i.e when the last Board Meeting was held.*
- *YAM Tengku Sulaiman Shah Ibni Sultan Salahuddin Abdul Aziz Shah was only appointed on 30/05/2002, i.e when the last Board Meeting was held.*

87 units of Double Storey Terrace, Phase 3C/2, Putera Heights



224 units of Double Storey Terrace House, Plot J & K, Taman Bukit Subang



CORPORATE GOVERNANCE

Board Committee

The Audit Committee was established to act as a Committee of the Board of Directors, with terms and reference (as set out in page 13 to 15 of the annual report) approved by the Board.

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.

For the financial year under review, the Committee held one (1) meeting for the proposal of an appointment of a new director, YAM Tengku Sulaiman Shah Ibni Sultan Salahuddin Abdul Aziz Shah.

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.

All Directors are paid a meeting allowance for each meeting they attend. For the year under review, the Committee held a meeting to deliberate on the salary of the Executive Directors.

The aggregate Directors' remuneration paid or payable or otherwise made available to all Directors of the Company during the financial year ended 30 June 2002 are as follows :

| | Basic Salary (RM) | Bonus (RM) | Fees (RM) | Meeting Allowances (RM) | Benefits in kind (RM) |
|-------------------------|----------------------|---------------|--------------|-------------------------------|-----------------------------|
| Executive Directors | 456,000 | 23,000 | 15,000 | 2,000 | nil |
| Non-Executive Directors | 60,000 | 5,000 | 30,000 | 4,500 | nil |

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

| Range of Remuneration | Number of Directors | |
|-----------------------|---------------------|---------------|
| | Executive | Non-Executive |
| Below RM50,000 | nil | nil |
| RM50,001 - RM100,000 | nil | 1 |
| RM100,001 - RM150,000 | 1 | nil |
| RM150,001 - RM200,000 | 2 | 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' Training

For the current year, all the Directors have attended the Mandatory Accreditation Programme (MAP) organised by the Research Institute of Investment Analysts Malaysia in accordance with the KLSE's Listing Requirements.

Directors will attend further training from time to time if deemed necessary, to keep abreast with the new laws and regulations.

Supply of Information

The Board of Directors have access to the advice and services of the Company Secretary and all information in relation to the Group whether as a full Board or in their individual capacity to assist them in furtherance of their duties. The Board believes that the current Company Secretary is capable of carrying out her duties to ensure the effective functioning of the Board.

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 enable Directors to be properly 'briefed' before the meeting.

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

SHAREHOLDERS

The Board believes in clear communication with the Company's shareholders. The annual reports and the quarterly announcements 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 2002 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.

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 13 to 15 of the Annual Report.

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

CORPORATE GOVERNANCE

OTHER INFORMATION

Utilisation of Proceeds

During the financial year, there was no utilisation of proceeds by the Company.

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 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

There was none during the year.

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 financial year ended 30 June 2002, there were no shortfalls for the profit guaranteed.

Material Contracts

During the year, there were no material contracts on the Company and its subsidiaries involving Directors' and major shareholders' interest.

Contracts Relating to Loans

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

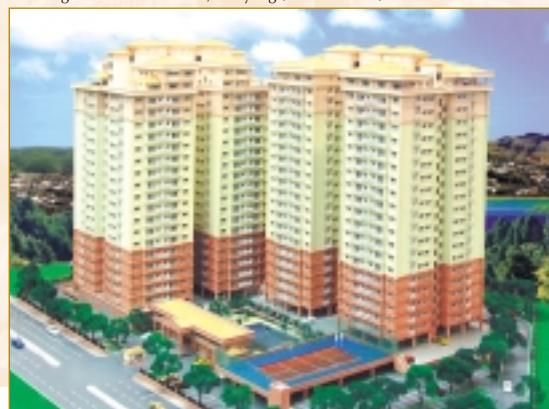
Revaluation of Landed Properties

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

Taman Lagenda Mas - 4 Storey Townhouse



Villa Lagenda Condominium, Selayang (Model House)



Villa Lagenda Condominium, Selayang (Under Construction)



STATEMENT ON INTERNAL CONTROL

In accordance with Paragraph 15.27(b) of the Listing Requirements of the Kuala Lumpur Stock Exchange ("KLSE"), the Board of Directors of public listed companies are required to include in its annual report a "statement about the state of internal control of the listed issuer as a group."

The Board acknowledges its responsibilities for maintaining a sound system of internal control to safeguard shareholders' investment and the Group's assets; and for reviewing its adequacy and integrity.

The system of internal control covers not only financial controls but operational and compliance controls and risk management. The internal control system is aimed to provide reasonable but not absolute assurance against material misstatement nor to eliminate risk of failure to achieve business objectives or material losses.

The Company has outsourced the internal audit function to a professional firm to assist the Audit Committee in discharging its duties and responsibilities. Its role is to provide independent and objective reports on the organisation's management, records, accounting policies and controls to the Board. Periodic audits are conducted on the internal control system and risk management process of the Group. It is also involved in the recommendation of control activities to manage such identified risk. The activities of the internal audit function carried out during the year are as follows:

- Reviewed the adequacy and effectiveness of internal control system of companies in the Group;
- Discussed the results of the internal control review and recommendation with the management of individual operations;
- Financial reporting in compliance with the approved accounting standards; and
- Reported and discussed the result of internal control review, and response from the management with the Audit Committee

The internal audit function reports directly to the Audit Committee and its findings and recommendations are communicated to the Board.

The Board is continuing its ongoing process of identifying, assessing and managing key business, operational and financial risks faced by its business units.

Palace Of Justice, Putrajaya



Putrajaya Marriott Hotel, IOI Resort



Taman Pusat Kepong, Kepong, Shops/Offices/Apartments



AUDIT COMMITTEE

Membership

The present members of the Audit Committee comprise:-

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

TERMS OF REFERENCE

1. Objectives

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

2. Composition

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

3. Authority

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

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

4. Functions

The functions of the Audit Committee shall be:

- 4.1 to review the following and report the same to the Board:-
 - (a) with the external auditor, the audit plan;
 - (b) with the external auditor, his evaluation of the system of internal controls;
 - (c) with the external auditor, his audit report;
 - (d) the assistance given by the employees of the Company to the external auditor;
 - (e) the adequacy of the scope, functions and resources of the internal audit functions and that it has the necessary authority to carry out its work;

- (f) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
- (g) the quarterly results and year end financial statements, prior to the approval by the Board, focusing particularly on:-
 - (i) changes in or implementation of major accounting policy changes;
 - (ii) significant and unusual events; and
 - (iii) compliance with accounting standards and other legal requirements;
- (h) any related party transaction and conflict of interest situation that may arise within the Company or Group;
- (i) any letter of resignation from the external auditors of the Company; and
- (j) any other functions as may be agreed by the Committee and the Board or as may be required or empowered by statutory legislation or guidelines prepared by relevant governing authorities.

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

5. Meetings

- 5.1 The quorum for Audit Committee's meetings shall be at least two thirds (2/3) of the members with Independent Directors forming the majority.
- 5.2 The Audit Committee shall meet at least four (4) times a year and such additional meetings as the Chairman shall decide in order to fulfil its duties.
- 5.3 Notwithstanding paragraph 5.2 above, upon the request of any member of the Committee, the Management, or the External Auditors, the Chairman shall convene a meeting of the Committee to consider the matters brought to its attention.
- 5.4 The Committee may invite any person to any particular audit Committee meeting only at its invitation, specific to the relevant meeting.
- 5.5 The Company Secretary shall act as secretary of the Committee and shall be responsible for drawing up and circulating the agenda and the notice of meetings.
- 5.6 In addition to the availability of detailed minutes of the Committee's meetings, a summary of significant matters and resolutions will be reported by the Committee at each Board of Directors' Meeting.

AUDIT COMMITTEE

MEETINGS AND ATTENDANCE

The Committee held five (5) meetings during the financial year ended 30 June 2002 with all members of the Committee together with the Secretary in attendance. The dates of the meetings held are as follows:

27 August 2001
23 November 2001
27 February 2002
22 May 2002
30 May 2002

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.

NOTICE OF ANNUAL GENERAL MEETING

Bina Goodyear Berhad

(18645-H)

(Incorporated in Malaysia)

NOTICE IS HEREBY GIVEN THAT the Twenty-eighth Annual General Meeting of Bina Goodyear Berhad will be held at Room Mutiara I & II, Hyatt Regency Saujana, 2 Km Off Sultan Abdul Aziz Shah Airport Highway Saujana, 47200 Subang, Selangor on Thursday, 19 December 2002 at 9.30 a.m. for the following purposes :-

AGENDA

1. To receive and adopt the Audited Accounts for the financial year ended 30 June 2002 together with the Reports of the Directors and Auditors thereon. **Resolution 1**
2. To declare a First and Final Tax-Exempt Dividend of 5% for the financial year ended 30 June 2002. **Resolution 2**
3. To approve the payment of Directors' Fees for the financial year ended 30 June 2002. **Resolution 3**
4. (a) To re-elect the following Directors retiring pursuant to Article 115 of the Company's Articles of Association and being eligible, offer themselves for re-election:
 - (i) Mr Wong Chick Wai **Resolution 4**
 - (ii) Puan Sri Khoo Sian Keow **Resolution 5**
(b) To re-elect the following Directors retiring pursuant to Article 121 of the Company's Articles of Association and being eligible, offer himself for re-election:
 - (i) YAM Tengku Sulaiman Shah Ibni Sultan Salahuddin Abdul Aziz Shah **Resolution 6**
5. To re-appoint Messrs S.F. Yap & Co. as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **Resolution 7**

As Special Business:

To consider and, if thought fit, pass with or without any modification, the following resolution as Ordinary Resolution:-

6. ORDINARY RESOLUTION

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 the Kuala Lumpur Stock Exchange and other Governmental or regulatory bodies, full authority be and is hereby given to the Board of Directors pursuant to Section 132D of the Companies Act, 1965 to allot and issue shares in the capital of the Company at any time upon such terms and conditions and for such purposes as the Board of Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten percentum (10%) of the issued share capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

Resolution 8

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS ALSO HEREBY GIVEN THAT the first and final tax-exempt dividend of five percent (5%) for the financial year ended 30 June 2002, if approved by the shareholders at the Twenty-eighth Annual General Meeting, will be paid on 23 January 2003 to Depositors registered in the Record of Depositors at the close of business on 15 January 2003.

A Depositor shall qualify for entitlement only in respect of :

- a) Shares transferred into the Depositor's Securities account before 12.30 p.m. on 15 January 2003 in respect of ordinary transfers;
- b) Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the rules of the Kuala Lumpur Stock Exchange.

BY ORDER OF THE BOARD

LIEW MIN TET
ANNIE YAP YIN HOON
Company Secretaries

Petaling Jaya
26 November 2002

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

Ordinary Resolution Pursuant to Section 132D of the Companies Act, 1965

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

NOTICE OF ANNUAL GENERAL MEETING

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. Directors standing for re-election at the Twenty-eighth Annual General Meeting of Bina Goodyear Berhad

(a) In accordance with Article 115 of the Company's Articles of Association

Wong Chick Wai

Puan Sri Khoo Sian Keow

(b) In accordance with Article 121 of the Company's Articles of Association

YAM Tengku Sulaiman Shah Ibni Sultan Salahuddin Abdul Aziz Shah

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

The particulars of the Directors seeking re-election are set out in the Directors' Profile appearing on page 5 to 6 of the Annual Report.

The shareholdings of the aforesaid Directors are as stipulated on page 52 to 53 of the Annual Report.

FINANCIAL STATEMENTS

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DIRECTORS' REPORT

Bina Goodyear Berhad

(18645-H)
(Incorporated in Malaysia)

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2002.

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 5 in the notes to the financial statements. There have been no significant changes in the nature of these activities during the year.

Results

| | Group RM | Company RM |
|----------------------------------------|------------------|------------------|
| Net profit for the year after taxation | <u>4,848,700</u> | <u>2,910,830</u> |

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

Dividends

Since the end of the previous financial year, the Company paid:

A first and final dividend of 5 sen per share on 35,000,000 ordinary shares, tax exempt, amounting to RM1,750,000 in respect of the financial year ended 30 June 2001 on 8 March 2002.

The Directors now recommend the payment of a first and final dividend in respect of financial year ended 30 June 2002, of 5 sen per share on 35,000,000 ordinary shares, tax exempt, amounting to RM1,750,000 which have not been accounted for in the financial statements of the Group and of the Company for financial year ended 30 June 2002, in accordance with Malaysian Accounting Standards Board ("MASB") Standard 19 on Events After the Balance Sheet Date, whereby dividends declared or proposed after the balance sheet date, are not recognised as a liability at the balance sheet date.

Movements On Reserves And Provisions

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

Directors

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

LAI TAN FATT

EDMOND HOYT YUNG

WONG CHICK WAI

YAM TUNKU KAMARIAH AMINAH

MAIMUNAH ISKANDARIAH BTE SULTAN ISKANDAR ALHAJ (F)

(Resigned w.e.f. 30.5.2002)

MD AZAR BIN ISMAIL

MOHD YUSOF BIN DAUD

PUAN SRI KHOO SIAN KEOW (F)

DATO' ABDUL HAMID BIN HJ MD ZAINUDDIN

ISMAIL BIN ARIS

YAM TENGKU SULAIMAN SHAH IBNI SULTAN SALAHUDDIN ABDUL AZIZ SHAH

(Appointed w.e.f. 30.5.2002)

Directors' Interests

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

Number of ordinary shares of RM1 each in the Company

| Shareholdings in the name of the Director : | At 01.07.2001 | Bought | Sold | At 30.6.2002 |
|-------------------------------------------------------------------------------------------------------|---------------|--------|------|--------------|
| LAI TAN FATT | 1,970,000 | - | - | 1,970,000 |
| EDMOND HOYT YUNG | 900,000 | - | - | 900,000 |
| WONG CHICK WAI | 1,964,400 | - | - | 1,964,400 |
| MD AZAR BIN ISMAIL | 4,790,000 | - | - | 4,790,000 |
| MOHD YUSOF BIN DAUD | 150,000 | - | - | 150,000 |
| YAM TENGKU SULAIMAN SHAH IBNI SULTAN SALAHUDDIN ABDUL AZIZ SHAH (Appointed w.e.f. 30.5.2002) | 193,000 | - | - | 193,000 |

Shareholdings in which the Director

Is deemed to have an interest :

| | | | | |
|------------------|------------|---|---|------------|
| LAI TAN FATT | 11,964,000 | - | - | 11,964,000 |
| EDMOND HOYT YUNG | 11,964,000 | - | - | 11,964,000 |
| WONG CHICK WAI | 11,964,000 | - | - | 11,964,000 |

None of the directors in office at the end of the financial year held any shares in any related corporation, during the financial year ended 30 June 2002.

DIRECTORS' REPORT

Directors' Benefits

During and at the end of the financial year, no arrangements subsisted to which the Company or its subsidiaries 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.

No Director has since the end of the previous financial year, 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 a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except for any benefits which may be deemed to have arisen by virtue of the significant related party transactions as disclosed in Note 26 to the financial statements.

Directors' Rotation

In accordance with Article 115 of the Company's Articles of Association, WONG CHICK WAI and PUAN SRI KHOO SIAN KEOW retire by rotation and being eligible, offer themselves for re-election.

In accordance with Article 121 of the Company's Articles of Association, YAM TENGKU SULAIMAN SHAH IBNI SULTAN SALAHUDDIN ABDUL AZIZ SHAH retires and being eligible, offers himself for re-election.

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 has not issued any debentures during the financial year.

Bad And Doubtful Debts

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

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

Current Assets

Before the income statement and the balance sheet 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

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

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

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

Change Of Circumstances

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

Items Of An Unusual Nature

The results of the operations of the Group and of the Company for the financial year ended 30 June 2002 were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature.

Events 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.

Options

No option has been granted during the year ended covered by the income statement to take up unissued shares of the Group and of the Company.

Auditors

The retiring auditors, MESSRS S.F.YAP & CO., have indicated their willingness to be re-appointed in accordance with Section 172(2) of the Companies Act, 1965.

On behalf of the Board,

LAI TAN FATT
Kuala Lumpur
Dated : 18 OCT 2002

WONG CHICK WAI

STATUTORY DECLARATION

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

I, LAI TAN FATT, the Director primarily responsible for the accounting records and financial management of **BINA GOODYEAR BERHAD**, do solemnly and sincerely declare that the financial statements as set out on pages 26 to 50 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur in)
the State of Federal Territory on this)
18 day of October)
2002)

STATEMENT OF DIRECTORS

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

We, the undersigned, 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 26 to 50 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 2002 and of the results of the Group and of the Company and cash flows of the Group and of the Company for the year ended on that date.

On behalf of the Board,

LAI TAN FATT
Kuala Lumpur
Dated : 18 OCT 2002

WONG CHICK WAI

REPORT OF THE AUDITORS

TO THE MEMBERS OF BINA GOODYEAR BERHAD

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

We have audited the financial statements as set out on pages 26 to 50 of BINA GOODYEAR BERHAD.

The preparation of the financial statements is the responsibility of the Company's Directors. Our responsibility is to express an opinion on the financial statements based on our audit.

We have conducted our audit in accordance with approved Standards on Auditing issued by the Malaysian Institute of Accountants. These standards require that we plan and perform the audit to obtain all the information and explanations, which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free of material misstatement. Our audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. Our audit also includes an assessment of the accounting principles used and significant estimates made by the directors as well as evaluating the overall adequacy of the presentation of information in the financial statements.

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

In our opinion,

- a) the financial statements which have been prepared under the historical cost convention, as modified by the revaluation of certain assets, are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of :
 - i) the state of affairs of the Group and of the Company as at 30 June 2002 and of the results and cash flows of the Group and of the Company for the year ended on that date; and
 - ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and
- b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and by the subsidiaries have been properly kept in accordance with the provisions of the Act.

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

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

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

Kuala Lumpur
Date : 18 OCT 2002

YAP SEONG FATT
NO. 398/4/04 (J)
CHARTERED ACCOUNTANT

BALANCE SHEETS

AS AT 30 JUNE 2002

Bina Goodyear Berhad

(18645-H)
(Incorporated in Malaysia)

| | Note | Group | | Company | |
|-------------------------------------------|--------|-------------|-------------|-------------|-------------|
| | | 2002 RM | 2001 RM | 2002 RM | 2001 RM |
| PROPERTY, PLANT AND EQUIPMENT | 2 | 6,778,811 | 3,877,692 | 928,786 | 922,485 |
| INVESTMENT PROPERTIES | 3 | 12,210,926 | 12,210,926 | 12,210,926 | 12,210,926 |
| LAND HELD FOR DEVELOPMENT | 4 | - | 10,299,752 | - | - |
| INVESTMENT IN SUBSIDIARIES | 5 | - | - | 2,100,000 | 1,200,000 |
| CURRENT ASSETS | | | | | |
| Inventories | 6 | 1,969,439 | 4,040,835 | 1,479,209 | 3,761,077 |
| Development property | 7 | 11,751,460 | - | - | - |
| Trade and other receivables | 8 | 42,243,367 | 52,419,444 | 32,150,967 | 51,576,719 |
| Amount due from customers on contract | 9 | 40,502,920 | 26,690,595 | 38,534,710 | 26,511,641 |
| Amount due from subsidiary companies | 10 | - | - | 9,124,241 | 5,803,332 |
| Amount due from related party | 11 | 3,500 | 3,500 | 3,500 | 3,500 |
| Joint venture | 12 | 13,147,419 | 14,307,082 | 13,147,419 | 14,307,082 |
| Deposits, cash and bank balances | 13 | 22,791,312 | 15,442,689 | 19,700,073 | 15,147,460 |
| | | 132,409,417 | 112,904,145 | 114,140,119 | 117,110,811 |
| CURRENT LIABILITIES | | | | | |
| Trade and other payables | 14 | 30,204,047 | 32,384,093 | 22,614,501 | 25,766,182 |
| Amount due to subsidiary companies | 10 | - | - | - | 6,704,034 |
| Amount due to related parties | 11 | 258,465 | 271,800 | 258,465 | 271,800 |
| Provision for taxation | | 1,644,807 | 4,191,434 | 1,754,032 | 4,271,049 |
| Borrowings | 16 &17 | 27,546,427 | 5,305,520 | 20,230,391 | 4,901,967 |
| Bank overdrafts | 13 &17 | 2,624,494 | 12,715,340 | 782,856 | 6,713,894 |
| | | 62,278,240 | 54,868,187 | 45,640,245 | 48,628,926 |
| NET CURRENT ASSETS | | 70,131,177 | 58,035,958 | 68,499,874 | 68,481,885 |
| | | 89,120,914 | 84,424,328 | 83,739,586 | 82,815,296 |
| FINANCED BY : | | | | | |
| Share capital | 18 | 35,000,000 | 35,000,000 | 35,000,000 | 35,000,000 |
| Reserves | | 51,652,921 | 48,574,221 | 48,421,496 | 47,280,666 |
| SHAREHOLDERS' FUNDS | | 86,652,921 | 83,574,221 | 83,421,496 | 82,280,666 |
| LONG TERM AND DEFERRED LIABILITIES | | | | | |
| Borrowings | 16 &17 | 2,423,993 | 782,407 | 274,090 | 466,930 |
| Deferred taxation | 19 | 44,000 | 67,700 | 44,000 | 67,700 |
| | | 2,467,993 | 850,107 | 318,090 | 534,630 |
| | | 89,120,914 | 84,424,328 | 83,739,586 | 82,815,296 |

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

INCOME STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

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

| | Note | Group | | Company | |
|----------------------------------------------|------|---------------|---------------|---------------|---------------|
| | | 2002 RM | 2001 RM | 2002 RM | 2001 RM |
| REVENUE | 20 | 196,027,137 | 139,436,727 | 164,710,457 | 138,967,434 |
| Cost of sales | | (186,799,938) | (132,525,680) | (158,612,774) | (132,292,625) |
| GROSS PROFIT | | 9,227,199 | 6,911,047 | 6,097,683 | 6,674,809 |
| Administration charges and office expenses | | (3,551,118) | (3,670,097) | (3,097,527) | (3,605,527) |
| PROFIT FROM OPERATIONS | | 5,676,081 | 3,240,950 | 3,000,156 | 3,069,282 |
| Finance cost | | (259,085) | (65,002) | (19,530) | (32,239) |
| Investment and other income | | 1,232,772 | 1,335,525 | 1,232,772 | 1,335,525 |
| PROFIT BEFORE EXCEPTIONAL ITEMS AND TAXATION | | 6,649,768 | 4,511,473 | 4,213,398 | 4,372,568 |
| Exceptional items | 29 | - | 1,794,149 | - | 1,968,439 |
| PROFIT BEFORE TAXATION | 23 | 6,649,768 | 6,305,622 | 4,213,398 | 6,341,007 |
| Taxation | 24 | (1,801,068) | (1,695,107) | (1,302,568) | (1,670,191) |
| PROFIT AFTER TAXATION | | 4,848,700 | 4,610,515 | 2,910,830 | 4,670,816 |
| Minority interest | | - | 2,507 | - | - |
| PROFIT ATTRIBUTABLE TO SHAREHOLDERS | | 4,848,700 | 4,613,022 | 2,910,830 | 4,670,816 |
| EARNINGS PER SHARE (SEN) | 25 | 14 | 13 | 8 | 13 |
| GROSS DIVIDENDS PER SHARE (SEN) | 15 | 5 | 5 | 5 | 5 |

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2002

Bina Goodyear Berhad

(18645-H)
(Incorporated in Malaysia)

GROUP

| | Issued & Fully Paid Ordinary Shares of RM1.00 Each | Non-distributable | | | Distributable | | Total RM |
|---------------------------------------------------------------------------------------|-------------------------------------------------------------|------------------------|------------------------|-----------------------------------|------------------------------|---------------------------|-------------|
| | | Nominal Value RM | Share Premium RM | Reserve on Consolidation RM | Revaluation Reserve RM | Retained Profits RM | |
| Note | | | | | | | |
| As at 1 July 2000 | | | | | | | |
| As previously reported | | 35,000,000 | 1,999,905 | 475,623 | 3,339,037 | 39,722,915 | 80,537,480 |
| Prior year adjustment | 31 | - | - | - | - | 1,260,000 | 1,260,000 |
| Restated balance | | 35,000,000 | 1,999,905 | 475,623 | 3,339,037 | 40,982,915 | 81,797,480 |
| <u>Net gain/losses not recognised in the income statement</u> | | | | | | | |
| Realisation on disposal of a subsidiary | | - | - | (82,467) | - | - | (82,467) |
| Goodwill derived from acquisition of a subsidiary | | - | - | (10,852) | - | - | (10,852) |
| Surplus on revaluation of investment properties | | - | - | - | 1,846,804 | - | 1,846,804 |
| Revaluation of investment properties disposed | | - | - | - | (3,329,766) | - | (3,329,766) |
| Total net losses not recognised in the income statement | | - | - | (93,319) | (1,482,962) | - | (1,576,281) |
| Profit for the year | | - | - | - | - | 4,613,022 | 4,613,022 |
| Dividends | | | | | | | |
| First and final for the year ended 30 June 2000 | 15 | - | - | - | - | (1,260,000) | (1,260,000) |
| As at 30 June 2001 | | 35,000,000 | 1,999,905 | 382,304 | 1,856,075 | 44,335,937 | 83,574,221 |
| As at 1 July 2001 | | | | | | | |
| As previously reported | | 35,000,000 | 1,999,905 | 382,304 | 1,856,075 | 42,585,937 | 81,824,221 |
| Prior year adjustment | 31 | - | - | - | - | 1,750,000 | 1,750,000 |
| Restated balance | | 35,000,000 | 1,999,905 | 382,304 | 1,856,075 | 44,335,937 | 83,574,221 |
| Profit for the year | | - | - | - | - | 4,848,700 | 4,848,700 |
| Dividends | | | | | | | |
| First and final for the year ended 30 June 2001 | 15 | - | - | - | - | (1,750,000) | (1,750,000) |
| <u>Net loss not recognised in income statement</u> | | | | | | | |
| Provision for deferred tax liability in respect of property previously revalued | | - | - | - | (20,000) | - | (20,000) |
| | | - | - | - | (20,000) | - | (20,000) |
| As at 30 June 2002 | | 35,000,000 | 1,999,905 | 382,304 | 1,836,075 | 47,434,637 | 86,652,921 |

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

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

COMPANY

| | Note | Issued & Fully Paid Ordinary Shares of RM1.00 Each | | Non-distributable | | Distributable | Total RM |
|---------------------------------------------------------------------------------------|------|-------------------------------------------------------------|------------------------|------------------------------|---------------------------|---------------|-------------|
| | | Nominal Value RM | Share Premium RM | Revaluation Reserve RM | Retained Profits RM | | |
| As at 1 July 2000 | | | | | | | |
| As previously reported | | 35,000,000 | 1,999,905 | 3,339,037 | 38,753,870 | 79,092,812 | |
| Prior year adjustment | 31 | - | - | - | 1,260,000 | 1,260,000 | |
| Restated balance | | 35,000,000 | 1,999,905 | 3,339,037 | 40,013,870 | 80,352,812 | |
| <u>Net gain/losses not recognised in the income statement</u> | | | | | | | |
| Surplus on revaluation of investment properties | | - | - | 1,846,804 | - | 1,846,804 | |
| Revaluation of investment properties disposed | | - | - | (3,329,766) | - | (3,329,766) | |
| Total net losses not recognised in the income statement | | - | - | (1,482,962) | - | (1,482,962) | |
| Profit for the year | | - | - | - | 4,670,816 | 4,670,816 | |
| Dividends | | | | | | | |
| First and final for the year ended 30 June 2000 | 15 | - | - | - | (1,260,000) | (1,260,000) | |
| As at 30 June 2001 | | 35,000,000 | 1,999,905 | 1,856,075 | 43,424,686 | 82,280,666 | |
| As at 1 July 2001 | | | | | | | |
| As previously reported | | 35,000,000 | 1,999,905 | 1,856,075 | 41,674,686 | 80,530,666 | |
| Prior year adjustment | 31 | - | - | - | 1,750,000 | 1,750,000 | |
| Restated balance | | 35,000,000 | 1,999,905 | 1,856,075 | 43,424,686 | 82,280,666 | |
| Profit for the year | | - | - | - | 2,910,830 | 2,910,830 | |
| Dividends | | | | | | | |
| First and final for the year ended 30 June 2001 | 15 | - | - | - | (1,750,000) | (1,750,000) | |
| <u>Net loss not recognised in income statement</u> | | | | | | | |
| Provision for deferred tax liability in respect of property previously revalued | | - | - | (20,000) | - | (20,000) | |
| | | - | - | (20,000) | - | (20,000) | |
| As at 30 June 2002 | | 35,000,000 | 1,999,905 | 1,836,075 | 44,585,516 | 83,421,496 | |

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

CASH FLOW STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

Bina Goodyear Berhad

(18645-H)

(Incorporated in Malaysia)

| | Note | Group | | Company | |
|---------------------------------------------------|------|-------------|--------------|-------------|--------------|
| | | 2002 RM | 2001 RM | 2002 RM | 2001 RM |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Net profit before taxation | | 6,649,768 | 6,305,622 | 4,213,398 | 6,341,007 |
| Adjustment for :- | | | | | |
| Bad debts written off | | - | 500 | - | 500 |
| Depreciation | | 1,828,013 | 1,538,767 | 442,973 | 749,379 |
| Gain on disposal of investment properties | | - | (1,792,839) | - | (1,792,839) |
| Gain on disposal of property, plant and equipment | | - | (172,962) | - | (172,962) |
| Gain on disposal of subsidiary company | | - | (1,310) | - | (175,600) |
| Interest income | | (386,312) | (348,592) | (386,312) | (348,592) |
| Interest expenses | | 1,558,323 | 995,190 | 1,112,372 | 962,427 |
| Deposits written off | | 66,853 | - | 66,853 | - |
| Property, plant and equipment written off | | 11,187 | 8,215 | - | - |
| Provision for doubtful debts | | - | 13,887 | - | - |
| Loss on disposal of property, plant and equipment | | 8,128 | - | - | - |
| Operating profit before working capital changes | | 9,735,960 | 6,546,478 | 5,449,284 | 5,563,320 |
| Changes in working capital | | | | | |
| Development property | | (1,451,709) | - | - | - |
| Receivables | | (2,539,940) | (19,593,572) | (628,748) | (16,824,232) |
| Inventories | | 2,071,397 | 25,184 | 2,281,868 | 81,048 |
| Payables | | (2,329,644) | 4,364,706 | (4,198,481) | (2,029,230) |
| Cash generated from /(absorbed by) operations | | 5,486,064 | (8,657,204) | 2,903,923 | (13,209,094) |
| Interest received | | 386,312 | 348,592 | 386,312 | 348,592 |
| Interest paid | | (1,425,560) | (863,596) | (979,609) | (830,833) |
| Income tax paid | | (4,391,394) | (2,359,912) | (3,863,284) | (2,331,496) |
| Net cash from /(used in) operating activities | | 55,422 | (11,532,120) | (1,552,658) | (16,022,831) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Property, plant and equipment | | | | | |
| - additions | | (2,046,748) | (1,004,414) | (364,274) | (314,442) |
| - disposal | | 160,000 | 172,962 | - | 172,962 |
| Disposal of investment properties | | - | 11,190,007 | - | 11,190,007 |
| Purchase of land held for development | | - | (10,299,752) | - | - |
| Acquisition of subsidiary company | 21 | - | (148,134) | - | (1,000,000) |
| Disposal of subsidiary company | 22 | - | 786,056 | - | 757,000 |
| Purchase of investment | | - | - | (900,000) | - |
| Net cash from/(used in) investing activities | | (1,886,748) | 696,725 | (1,264,274) | 10,805,527 |
| | | (1,831,325) | (10,835,395) | (2,816,933) | (5,217,304) |

| | Note | Group | | Company | |
|-----------------------------------------------------|------|------------------|--------------------|------------------|--------------------|
| | | 2002 RM | 2001 RM | 2002 RM | 2001 RM |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| Proceeds from term loan and revolving credit | | 26,949,500 | 800,000 | 20,000,000 | 800,000 |
| Payment of finance lease liabilities | | (1,085,458) | (328,320) | (206,170) | (152,940) |
| Repayment of term loan and revolving credit | | (4,843,248) | (446,074) | (4,743,246) | (446,074) |
| Dividend paid | | (1,750,000) | (1,260,000) | (1,750,000) | (1,260,000) |
| Fixed deposits pledged with licensed banks | | (505,720) | (6,018,947) | 174,280 | (6,018,948) |
| Net cash from/(used in) financing activities | | 18,765,074 | (7,253,341) | 13,474,864 | (7,077,962) |
| Net increase/(decrease)in cash and cash equivalents | | 16,933,749 | (18,088,736) | 10,657,931 | (12,295,266) |
| Cash and cash equivalents at beginning of the year | | (7,427,898) | 10,660,838 | (1,721,681) | 10,573,585 |
| Cash and cash equivalents at end of the year 13 | | <u>9,505,851</u> | <u>(7,427,898)</u> | <u>8,936,250</u> | <u>(1,721,681)</u> |

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2002

Bina Goodyear Berhad

(18645-H)

(Incorporated in Malaysia)

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

- (i) The financial statements as set out on pages 26 to 50 have been prepared in accordance with applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965. The preparation of the financial statements in conformity with the applicable approved accounting standards and the provisions of the Companies Act, 1965 require the Directors to make estimates and assumptions that may affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported financial year. Actual results could differ from those estimates.
- (ii) The financial statements of the Group and of the Company have been prepared under the historical cost convention (as modified for the revaluation of investment properties), unless otherwise indicated in this summary of significant accounting policies.

B. Basis of consolidation

The Group financial statements consolidate the audited financial statements of the Company and all of its subsidiary companies which have been prepared in accordance with the Group's accounting policies.

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

Goodwill or reserve on consolidation represents the difference between the acquisition cost of shares in the subsidiary companies and the fair value of attributable net assets acquired at the date of acquisition. Reserve on consolidation (net of goodwill arising on consolidation) is retained in the consolidated financial statements.

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 are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

C. Subsidiary companies

A subsidiary company is a company in which the Group has long term equity interest of more than 50% or has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Investment in subsidiary companies are stated at cost except where the Directors are of the opinion that there is a permanent diminution in the value of the investments, in which case provision is made for the diminution in value. Permanent diminution in value of an investment is recognised as an expense in the financial year in which the diminution is identified.

Dividend income from subsidiary companies are included in the income statement of the Company when declared.

D. Property, plant and equipment

Freehold land held as property, plant and equipment is not depreciated.

All property, plant and equipment are stated at historical cost less accumulated depreciation and less any impairment losses.

Depreciation is provided on the straight line basis in order to write off the cost of each asset over its estimated useful life. The annual depreciation rates used are as follows :-

| | |
|------------------------------------------|----------|
| Motor vehicles | 25% |
| Machinery & equipment | 20 - 40% |
| Furniture, fittings and office equipment | 10 - 25% |
| Factory set up | 25% |
| Workers' quarters | 20% |

E. Investment properties

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

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

F. Inventories

Inventories comprising raw materials and finished goods are valued at the lower of cost and net realisable value after making due allowance for any obsolete or slow-moving items.

Cost is determined on a first-in-first-out basis. Cost of raw materials comprise purchase price plus cost incurred in bringing the inventories to present location. Cost of finished goods comprise cost of raw materials, direct labour and an appropriate proportion of production and other overheads.

G. Foreign currencies

Transactions in foreign currencies are recorded in Malaysian Ringgit at rates of exchange ruling at transaction dates. Outstanding balances as at the financial year end are reported at rates then ruling, unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. Exchange differences arising therefrom are charged or credited to the income statement.

H. Taxation

The tax expense in the income statement represents taxation at current tax rates based on profit earned during the financial year.

Deferred taxation is provided in the financial statements on the liability method for taxation, deferred by capital allowance and other timing differences, in respect of timing differences between profit as computed for taxation and profit as stated in the financial statements, except where tax effect on these timing differences are expected to be deferred indefinitely. Deferred tax benefits are only recognised where there is a reasonable expectation of realisation in the near future.

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. No provision nor disclosure is made of this tax effect where the Group intends to hold such investment properties for the foreseeable future.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2002

I. 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 are recognised upon delivery of products and customer acceptance.
- (iv) Revenue from rental of investment properties and construction plant and machinery are recognised over the period of rental.

J. Finance lease

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

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

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

K. Amount due from customers

The aggregate of the costs incurred and the profit/loss recognised on each contract is compared against the progress billings up to the financial year end. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is shown as 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.

L. Joint ventures

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

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

M. Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, bank balances, fixed 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 change in value.

N. Construction contracts

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.

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.

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

O. Trade receivables

Trade 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 year end.

P. Dividends

In previous years, dividends on ordinary shares are accounted for in shareholders' equity as an appropriation of retained profits in the year in which they are declared and proposed.

During the year, in compliance with MASB Standard 19 on Events After the Balance Sheet Date in respect of dividends proposed or declared after the balance sheet date and accordingly; dividends proposed after the balance sheet date were not recognised at the balance sheet date.

Q. Land held for development

Land held for development consists of land cost and related expenses which are stated at cost and are being held for future development potential.

It will be reclassified as development property upon commencement of development work on the said land.

R. Development property

Development property consists of land on which development has commenced and is expected to be completed within the normal operating cycle and these land are classified as current assets.

Where the outcome of a development can be reasonably estimated, revenue is recognised on the percentage of completion method. The stage of completion is determined by the proportion that costs incurred to date bear to estimated total costs. In applying this method of determining stage of completion, only those costs that reflect actual development work performed are included as costs incurred.

Where the outcome of a development cannot be reasonably estimated, no development profit is recognised.

When it is probable that total costs will exceed total revenue, the foreseeable loss is immediately recognised in the income statement irrespective of whether development work has commenced or not, or of the stage of completion of development activity, or of the amounts of profits expected to arise on other unrelated development projects.

On the balance sheet, land under development are stated at cost plus attributable development profits recognised under the percentage of completion method less recognised foreseeable losses and progress billings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

Bina Goodyear Berhad

(18645-H)
(Incorporated in Malaysia)

1) General Information

The Company is principally engaged as construction and building contractors.

The Group is principally engaged in construction and building contractors, manufacturing and trading of building materials, rental of construction equipment and machinery, property and housing development.

The total number of employees of the Group and the Company (excluding directors) at financial year end were 193 (2001: 184) and 137 (2001 : 141) persons respectively.

The Company is a public limited company limited by the shares and is incorporated and domiciled in Malaysia, and listed on the Second Board of the Kuala Lumpur Stock Exchange.

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.

2) Property, Plant And Equipment

The Group

| | Motor Vehicles RM | Machinery & Equipment RM | Furniture, Fittings and Office Equipment RM | Factory Set Up RM | Freehold Land RM | Workers' Quarters RM | Total RM |
|---------------------------------|----------------------|-----------------------------|------------------------------------------------|----------------------|---------------------|-------------------------|-------------|
| COST | | | | | | | |
| As at 1 July 2001 | 2,135,255 | 3,960,744 | 2,221,819 | 59,895 | - | 1,826,279 | 10,203,992 |
| Additions | 458,051 | 3,184,722 | 210,674 | - | 1,055,000 | - | 4,908,447 |
| Disposals | - | (220,687) | - | - | - | - | (220,687) |
| Written off | - | - | (47,748) | (59,895) | - | (1,826,279) | (1,933,922) |
| As at 30 June 2002 | 2,593,306 | 6,924,779 | 2,384,745 | - | 1,055,000 | - | 12,957,830 |
| ACCUMULATED DEPRECIATION | | | | | | | |
| As at 1 July 2001 | 1,893,587 | 1,016,724 | 1,529,816 | 59,894 | - | 1,826,279 | 6,326,300 |
| Charge | 200,744 | 1,359,995 | 267,273 | 1 | - | - | 1,828,013 |
| Disposals | - | (52,559) | - | - | - | - | (52,559) |
| Written off | - | - | (36,561) | (59,895) | - | (1,826,279) | (1,922,735) |
| As at 30 June 2002 | 2,094,331 | 2,324,160 | 1,760,528 | - | - | - | 6,179,019 |
| NET BOOK VALUE | | | | | | | |
| As at 30 June 2002 | 498,975 | 4,600,619 | 624,217 | - | 1,055,000 | - | 6,778,811 |
| As at 30 June 2001 | 241,668 | 2,944,020 | 692,003 | 1 | - | - | 3,877,692 |
| DEPRECIATION | | | | | | | |
| Year ended 30 June 2001 | 203,118 | 1,050,554 | 270,122 | 14,973 | - | - | 1,538,767 |

The Company

| | Motor Vehicles RM | Machinery & Equipment RM | Furniture, Fittings and Office Equipment RM | Workers' Quarters RM | Total RM |
|---------------------------------|----------------------|-----------------------------|------------------------------------------------|-------------------------|-------------|
| COST | | | | | |
| As at 1 July 2001 | 2,135,255 | - | 2,174,071 | 1,826,279 | 6,135,605 |
| Additions | 109,615 | 143,592 | 196,067 | - | 449,274 |
| Disposals | - | - | - | (1,826,279) | (1,826,279) |
| As at 30 June 2002 | 2,244,870 | 143,592 | 2,370,138 | - | 4,758,600 |
| ACCUMULATED DEPRECIATION | | | | | |
| As at 1 July 2001 | 1,893,586 | - | 1,493,255 | 1,826,279 | 5,213,120 |
| Charge | 121,025 | 57,437 | 264,511 | - | 442,973 |
| Disposals | - | - | - | (1,826,279) | (1,826,279) |
| As at 30 June 2002 | 2,014,611 | 57,437 | 1,757,766 | - | 3,829,813 |
| NET BOOK VALUE | | | | | |
| As at 30 June 2002 | 230,259 | 86,155 | 612,372 | - | 928,786 |
| As at 30 June 2001 | 241,669 | - | 680,816 | - | 922,485 |
| DEPRECIATION | | | | | |
| Year ended 30 June 2001 | 203,118 | 284,340 | 261,922 | - | 749,379 |

2) *Property, Plant And Equipment* (continued)

Depreciation expense of the Group and of the company amounting to RM53,396 (2001:RM347,014) and RM42,768 (2001: RM347,014) respectively has been included in cost of contracts.

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

| | Group | | Company | |
|---------------------------------------------------|------------|------------|------------|------------|
| | 2002 RM | 2001 RM | 2002 RM | 2001 RM |
| Freehold land | 1,055,000 | - | - | - |
| Details of assets under hire purchase agreements: | | | | |
| | Group | | Company | |
| | 2002 RM | 2001 RM | 2002 RM | 2001 RM |
| Motor vehicles | | | | |
| - additions during the year | 454,017 | 148,767 | 106,647 | 148,767 |
| - net book value at year end | 444,439 | 162,042 | 176,521 | 162,042 |
| Machinery and equipment | | | | |
| - additions during the year | 2,965,558 | 1,074,091 | - | - |
| - net book value at year end | 2,988,865 | 1,068,961 | - | 209,688 |
| Computer | | | | |
| - additions during the year | - | 48,172 | - | 48,172 |
| - net book value at year end | 27,287 | 38,538 | 27,287 | 38,538 |

3) *Investment Properties*

| The Group & the Company | 2002 RM | 2001 RM |
|---------------------------------------|------------|------------|
| Freehold land and buildings | | |
| - at valuation | 8,357,000 | 8,357,000 |
| - at cost | 3,690,290 | 3,690,290 |
| Long term leasehold land and building | | |
| - at valuation | 163,636 | 163,636 |
| | 12,210,926 | 12,210,926 |

The land & buildings at valuation were last revalued by directors on 28 February 2001 at open market value by independent valuers. It is the Group's policy to revalue investment properties once in every five years, or at such shorter period as may be considered appropriate.

Freehold land and buildings which were purchased within the five year period are accounted for at cost.

Investment properties with values amounting to RM9,422,290 (2001: RM9,422,290) have been pledged as security for bank borrowings.

4) *Land Held For Development*

| The Group | 2002 RM | 2001 RM |
|-------------------------------------------|--------------|------------|
| Leasehold land, at cost | 9,868,888 | 9,868,888 |
| Development expenditure | 1,882,572 | 430,864 |
| Transfer to development property (Note 7) | (11,751,460) | - |
| | - | 10,299,752 |

The development expenditure comprise mainly of construction and development expenditure necessary to prepare the land for property development. During the year, it is transferred to development property as development work has commenced at the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

5) Investment In Subsidiaries

| The Company | 2002 RM | 2001 RM |
|--------------------------|------------|------------|
| Unquoted shares, at cost | 2,100,000 | 1,200,000 |

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

| | <u>Name</u> | <u>Effective interest</u> | | <u>Principal activities</u> |
|------------------------------------|-------------|---------------------------|------|--------------------------------------------------------------------------------------------------------|
| | | 2002 | 2001 | |
| i) Seranta Manufacturing Sdn. Bhd. | 100% | 100% | | Manufacturing of and trading in building materials and 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. |

6) Inventories

| | <u>At cost</u> | <u>Group</u> | | <u>Company</u> | |
|----------------|------------------|------------------|------------|------------------|------------------|
| | | 2002 RM | 2001 RM | 2002 RM | 2001 RM |
| Raw materials | 1,939,675 | 3,945,520 | | 1,479,209 | 3,761,077 |
| Finished goods | 29,764 | 95,315 | | - | - |
| | <u>1,969,439</u> | <u>4,040,835</u> | | <u>1,479,209</u> | <u>3,761,077</u> |

7) Development Property

| The Group | 2002 RM | 2001 RM |
|-----------------------------------------|-------------------|------------|
| Transfer from land held for development | | |
| - Leasehold land, at cost | 9,868,888 | - |
| - Development expenditure | 1,882,572 | - |
| | <u>11,751,460</u> | <u>-</u> |

The Group considers development property as current assets as development work has commenced at the end of the financial year and is expected to be completed within the normal operating cycle.

The leasehold land has been pledged as security for bank borrowings.

Term loan interest of RM491,992 has been included in development expenditure during the year.

8) Trade And Other Receivables

| | <u>Group</u> | | <u>Company</u> | |
|------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2002 RM | 2001 RM | 2002 RM | 2001 RM |
| Trade receivables | 25,267,736 | 32,423,365 | 17,824,874 | 31,753,316 |
| Provision for doubtful debts | - | (13,887) | - | - |
| Retention sum | <u>15,420,661</u> | <u>16,677,805</u> | <u>13,247,555</u> | <u>16,677,805</u> |
| | <u>40,688,397</u> | <u>49,087,283</u> | <u>31,072,429</u> | <u>48,431,121</u> |
| Other receivables | 283,531 | 1,469,950 | 61,000 | 1,400,381 |
| Deposits | 572,771 | 718,642 | 539,231 | 697,852 |
| Prepayments | <u>698,668</u> | <u>1,143,569</u> | <u>478,307</u> | <u>1,047,365</u> |
| | <u>42,243,367</u> | <u>52,419,444</u> | <u>32,150,967</u> | <u>51,576,719</u> |

9) Amount Due From Customers On Contract

| | Group | | Company | |
|-----------------------------------------|--------------------|--------------------|--------------------|--------------------|
| | 2002 RM | 2001 RM | 2002 RM | 2001 RM |
| Costs incurred on contract to date | 486,387,603 | 280,450,953 | 454,853,214 | 280,272,000 |
| Attributable profit recognised to date | 17,554,868 | 7,840,680 | 16,060,683 | 7,840,680 |
| | <u>503,942,471</u> | <u>288,291,633</u> | <u>470,913,897</u> | <u>288,112,680</u> |
| less: Progress billings | (463,439,551) | (261,601,038) | (432,379,187) | (261,601,039) |
| Amounts due from customers on contracts | <u>40,502,920</u> | <u>26,690,595</u> | <u>38,534,710</u> | <u>26,511,641</u> |

As at 30 June 2002, there were no amounts due to customers on contracts.

10) Subsidiary Companies

The Company

| The identities of amount due from subsidiary companies are as follows:- | 2002 RM | 2001 RM |
|-------------------------------------------------------------------------|------------------|------------------|
| Seranta Manufacturing Sdn. Bhd. | 1,016,385 | 1,599,926 |
| BG Realty Sdn. Bhd. | 5,381,921 | 4,203,406 |
| BG Builders Sdn. Bhd. | 2,725,935 | - |
| | <u>9,124,241</u> | <u>5,803,332</u> |

| The identities of amount due to subsidiary companies are as follows:- | 2002 RM | 2001 RM |
|-----------------------------------------------------------------------|------------|------------------|
| BG Builders Sdn. Bhd. | - | <u>6,704,034</u> |

The amount due from and to subsidiary companies are unsecured, interest free and do not have fixed terms of repayment.

11) Related Parties

The Group & the Company

| The identities of amount due from related parties are as follows:- | 2002 RM | 2001 RM |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|
| Kemcos Sdn. Bhd. (an indirect subsidiary company of Sri Majuni Sdn. Bhd., a company in which Edmond Hoyt Yung and Lai Tan Fatt are substantial shareholders) | <u>3,500</u> | <u>3,500</u> |

| The identities of amount due to related parties are as follows:- | 2002 RM | 2001 RM |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|
| Subang Perdana Services Sdn. Bhd. (a company in which Lai Tan Fatt and Wong Chick Wai are substantial shareholders, Wong Chick Wai is director) | 10,332 | 10,332 |

| | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------|
| Goodyear Management (M) Sdn. Bhd. (a company in which Edmond Hoyt Yung, Lai Tan Fatt, and Wong Chick Wai are directors and substantial shareholders) | 169,535 | 163,496 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------|

| | | |
|---------------------------------------------------------------------------------------------------------------------------------|---|--------|
| Regal Essence Sdn. Bhd. (a company in which Edmond Hoyt Yung and Lai Tan Fatt are directors and substantial shareholders) | - | 19,374 |
|---------------------------------------------------------------------------------------------------------------------------------|---|--------|

| | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| Dayani Sdn. Bhd. (an associated company of GYL Konsult Sdn. Bhd., a company in which Edmond Hoyt Yung, Lai Tan Fatt and Wong Chick Wai have indirect substantial shareholdings) | 78,598 | 78,598 |
| | <u>258,465</u> | <u>271,800</u> |

The amount due from and due to related parties have arisen from the normal course of business based on negotiated and mutually agreed terms.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

12) Joint Venture

The Group & the Company

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

| | 2002 RM | 2001 RM |
|------------------------------------------|-------------------|-------------------|
| Amount due from joint venture operation | 13,694,822 | 14,901,816 |
| Share of loss of joint venture operation | (547,403) | (594,734) |
| | <u>13,147,419</u> | <u>14,307,082</u> |

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

| | 2002 RM | 2001 RM |
|-------------------------------|-------------------|-------------------|
| Property, plant and equipment | 203,758 | 292,675 |
| Current assets | 19,558,463 | 21,996,038 |
| Current liabilities | (6,614,802) | (7,981,631) |
| | <u>13,147,419</u> | <u>14,307,082</u> |

| | Joint Venture's Income Statement | | Company's share (49%) | |
|---------------------------------------------------|-------------------------------------|-------------|--------------------------|------------|
| | 2002 | 2001 | 2002 | 2001 |
| | RM | RM | RM | RM |
| Revenue | 20,983,685 | 40,378,309 | 10,282,006 | 19,785,371 |
| Profit/(loss) from ordinary activities before tax | 96,596 | (439,203) | 47,332 | (215,209) |
| Tax | - | - | - | - |
| Profit/(loss) after taxation | 96,596 | (439,203) | 47,332 | (215,209) |
| Accumulated loss brought forward | (1,213,743) | (774,540) | (594,735) | (379,525) |
| Accumulated loss carried forward | (1,117,147) | (1,213,743) | (547,403) | (594,734) |

13) Cash And Cash Equivalents

| | Group | | Company | |
|------------------------------------------------|--------------|--------------|-------------|--------------|
| | 2002 RM | 2001 RM | 2002 RM | 2001 RM |
| Deposits with licensed banks | 17,168,676 | 13,475,327 | 16,488,676 | 13,475,327 |
| Cash held under Housing Development Accounts | 1,080,447 | - | - | - |
| Cash and bank balances | 4,542,189 | 1,967,362 | 3,211,397 | 1,672,133 |
| Deposits, cash and bank balances | 22,791,312 | 15,442,689 | 19,700,073 | 15,147,460 |
| less: Bank overdrafts - secured | (2,624,494) | (10,168,341) | (782,856) | (4,166,895) |
| - unsecured | - | (2,546,999) | - | (2,546,999) |
| | (2,624,494) | (12,715,340) | (782,856) | (6,713,894) |
| less: Fixed deposits pledged to licensed banks | 20,166,818 | 2,727,349 | 18,917,217 | 8,433,566 |
| | (10,660,967) | (10,155,247) | (9,980,967) | (10,155,247) |
| | 9,505,851 | (7,427,898) | 8,936,250 | (1,721,681) |

Interest rates on bank overdrafts during the year is 8.40% per annum (2001: 4.44% to 8.80%).

Cash held under Housing Development Accounts represents receipts from purchasers of development properties less payments or withdrawals provided under the Housing Developers (Control and Licensing) Act, 1966.

Fixed deposits amounting to RM10,660,967 (2001: RM10,155,247) for the Group and RM9,980,967 (2001: RM10,155,247) for the Company have been pledged to licensed banks as security for credit facilities granted to the Group.

14) Trade And Other Payables

| | Group | | Company | |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2002 RM | 2001 RM | 2002 RM | 2001 RM |
| Trade payables | 25,897,562 | 25,660,971 | 21,041,819 | 25,087,842 |
| Accruals | 1,597,331 | 336,642 | 1,309,426 | 292,682 |
| Other payables | 583,684 | 6,148,115 | 36,826 | 147,293 |
| Deposits received | <u>2,125,470</u> | <u>238,365</u> | <u>226,430</u> | <u>238,365</u> |
| | <u>30,204,047</u> | <u>32,384,093</u> | <u>22,614,501</u> | <u>25,766,182</u> |

15) Dividends

The Group & the Company

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

| | 2002 RM | 2001 RM |
|------------------------------------------------------------------------|------------------|------------------|
| First and final dividend paid - 5% tax exempt (2001 : 5% less 28% tax) | <u>1,750,000</u> | <u>1,260,000</u> |
| Sen per share (Gross) | <u>5</u> | <u>5</u> |

The first and final 5% tax exempt dividend per share in respect of financial year ended 30 June 2001 which have been accounted for in the financial statements of the Group and the Company as at 30 June 2001 was paid on 8 March 2002.

Dividends proposed in respect of the financial year are as follows :-

| | 2002 RM | 2001 RM |
|--------------------------------------------------------------------------|------------------|------------------|
| Proposed first and final dividend - 5% tax exempt (2001 : 5% tax exempt) | <u>1,750,000</u> | <u>1,750,000</u> |
| Sen per share (Gross) | <u>5</u> | <u>5</u> |

The proposed first and final 5% tax exempt dividend per share have not been accounted for in the financial statements of the Group and the Company as at 30 June 2002 in accordance with MASB Standard 19. The dividend proposed is subject to members' approval at the forthcoming Annual General Meeting.

16) Borrowings

| <u>Current</u> <u>Secured</u> | Group | | Company | |
|---------------------------------------|-------------------|------------------|-------------------|------------------|
| | 2002 RM | 2001 RM | 2002 RM | 2001 RM |
| Revolving credit | 20,000,000 | 800,000 | 20,000,000 | 800,000 |
| Term loan | 6,340,404 | 140,400 | 140,400 | 140,400 |
| Finance lease liabilities | 1,206,023 | 562,274 | 89,991 | 158,721 |
| Short term advance | - | 3,802,846 | - | 3,802,846 |
| | <u>27,546,427</u> | <u>5,305,520</u> | <u>20,230,391</u> | <u>4,901,967</u> |
| <u>Non- current</u> <u>Secured</u> | | | | |
| Term loan | 811,294 | 302,200 | 161,800 | 302,200 |
| Finance lease liabilities | 1,612,699 | 480,207 | 112,290 | 164,730 |
| | <u>2,423,993</u> | <u>782,407</u> | <u>274,090</u> | <u>466,930</u> |
| Total | <u>29,970,420</u> | <u>6,087,927</u> | <u>20,504,481</u> | <u>5,368,897</u> |

Interest rates on the above are as follows :-

| | | | | |
|---------------------------|----------------|----------------|----------------|----------------|
| Revolving credit | 4.43% - 5.30% | 8.3% | 4.43% - 5.30% | 8.3% |
| Term loan | 5.25% - 9.05% | 8.8% | 8.40% | 8.8% |
| Finance lease liabilities | 7.86% - 12.34% | 9.31% - 12.34% | 7.86% - 12.34% | 9.34% - 12.34% |
| Short term advance | 8.15% | 8.55% | 8.15% | 8.55% |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

16) Borrowings (continued)

| Repayment terms | Group | | Company | |
|--------------------------------------------|------------------|------------------|-----------------|-----------------|
| | 2002 RM | 2001 RM | 2002 RM | 2001 RM |
| Term loan | | | | |
| - not later than 1 year | 6,340,404 | 140,400 | 140,400 | 140,400 |
| - between 1 to 2 years | 361,804 | 140,400 | 161,800 | 140,400 |
| - between 2 to 5 years | 449,490 | 161,800 | - | 161,800 |
| | <u>7,151,698</u> | <u>442,600</u> | <u>302,200</u> | <u>442,600</u> |
| Finance lease liabilities | | | | |
| Minimum lease payment | | | | |
| - not later than 1 year | 1,417,316 | 672,335 | 105,878 | 236,975 |
| - between 1 to 2 years | 1,202,467 | 331,088 | 56,239 | 85,262 |
| - between 2 to 5 years | 541,362 | 130,748 | 77,638 | 50,123 |
| | <u>3,161,145</u> | <u>1,134,171</u> | <u>239,755</u> | <u>372,360</u> |
| Future finance charges on finance lease | | | | |
| Present value of finance lease liabilities | | | | |
| | <u>(342,423)</u> | <u>(91,690)</u> | <u>(37,474)</u> | <u>(48,909)</u> |
| Present value of finance lease liabilities | | | | |
| - not later than 1 year | 1,206,023 | 562,274 | 89,991 | 158,721 |
| - between 1 to 2 years | 1,090,956 | 360,729 | 45,614 | 123,897 |
| - between 2 to 5 years | 521,743 | 119,478 | 66,676 | 40,833 |
| | <u>2,818,722</u> | <u>1,042,481</u> | <u>202,281</u> | <u>323,451</u> |

There is no finance lease liabilities later than five years.

17) Banking Facilities

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

- legal assignment over the freehold land (Note 2)
- ownership of equipment or vehicles approved by the hire-purchase creditors (Note 2)
- legal assignment over the certain investment properties (Note 3)
- legal assignment over leasehold land under development property (Note 7)
- legal assignment over sale proceeds and end finance proceeds in respect of proposed property development
- legal assignment over the progressive payments of contracts from construction contracts
- joint & several guarantee by certain directors of the Company
- first party fixed deposits held under lien supported by charges on fixed deposits (Note 12).

18) Share Capital

| The Group & the Company | 2002 RM | 2001 RM |
|--------------------------------|-------------------|-------------------|
| Authorised : | | |
| Ordinary shares of RM1.00 each | <u>50,000,000</u> | <u>50,000,000</u> |
| Issued & fully paid : | | |
| Ordinary shares of RM1.00 each | <u>35,000,000</u> | <u>35,000,000</u> |

19) Deferred Taxation

| | Group | | Company | |
|-----------------------------------------------|---------------|---------------|---------------|---------------|
| | 2002 RM | 2001 RM | 2002 RM | 2001 RM |
| As at the beginning of the year | 67,700 | 17,500 | 67,700 | - |
| Disposal of subsidiary company | - | (14,000) | - | - |
| Provision for deferred tax liability | 20,000 | - | 20,000 | - |
| Transfer from/(to) income statement (Note 24) | (43,700) | 64,200 | (43,700) | 67,700 |
| As at the end of the year | <u>44,000</u> | <u>67,700</u> | <u>44,000</u> | <u>67,700</u> |

The Group has not accounted for tax effects of the timing differences and potential tax savings in one of the subsidiary company which would result in a debit to the deferred tax balance at the year end amounting to RM158,000 (2001: RM212,000). The above timing differences were not accounted for due to the availability of unabsorbed capital allowances.

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

20) Revenue

| | Group | | Company | |
|-------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
| | 2002 | 2001 | 2002 | 2001 |
| | RM | RM | RM | RM |
| Construction contracts | 195,770,821 | 138,967,434 | 164,710,457 | 138,967,434 |
| Manufacturing of cement bricks | 139,478 | 209,305 | - | - |
| Rental income on construction machinery and equipment | 116,838 | 259,988 | - | - |
| | <u>196,027,137</u> | <u>139,436,727</u> | <u>164,710,457</u> | <u>138,967,434</u> |

21) Acquisition Of Subsidiary Company

During the financial year ended 30 June 2001, the Company paid RM1,000,000 in cash to purchase for 100% equity interest in BG Builders Sdn. Bhd. There were no acquisitions in the current year. The effect of this acquisition on the financial results of the Group during the financial year ended 30 June 2001 is shown below:

| | 2001 |
|------------------------------|-----------------|
| | RM |
| Revenue | - |
| Operating costs | (10,852) |
| Loss from operations | <u>(10,852)</u> |
| Decrease in Group net profit | <u>(10,852)</u> |

The effect of this acquisition on the financial position at the financial year ended 30 June 2001 is as follows :

| | 2001 |
|---------------------------------|----------------|
| | RM |
| Inventories | 182,886 |
| Receivables | 10,000 |
| Gross amount due from customers | 178,954 |
| Amount due from holding company | 6,704,035 |
| Cash and bank balances | 149,277 |
| Trade and other payables | (226,681) |
| Amount due to related company | (7,876) |
| Bank overdraft | (6,001,447) |
| Increase in Group's net assets | <u>989,148</u> |

Details of net assets acquired, goodwill and cash flow arising from the acquisition are as follows :

| | 2001 |
|--------------------------------------------------------|--------------------|
| | RM |
| Inventories | 182,886 |
| Receivables | 10,000 |
| Gross amount due from customers | 178,954 |
| Amount due from holding company | 6,704,035 |
| Cash and bank balances | 149,277 |
| Trade and other payables | (226,681) |
| Amount due to related company | (7,876) |
| Bank overdraft | (6,001,447) |
| Net assets acquired | <u>989,148</u> |
| Goodwill on consolidation | <u>10,852</u> |
| Total purchase consideration | <u>1,000,000</u> |
| Less : Amount due from holding company | <u>(6,704,035)</u> |
| Add : Cash and cash equivalents in subsidiary acquired | <u>5,852,169</u> |
| Cash outflows on acquisition | <u>148,134</u> |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

22) Disposal Of Subsidiary Company

Goodveyor Engineering Sdn. Bhd., a subsidiary company was disposed of on 30 September 2000 for cash consideration of RM757,000. There were no disposals in the current year.

a) The effect of the disposal on the Company financial statements

The disposal of Goodveyor Engineering Sdn. Bhd. gave rise to a gain of RM175,600 (Note 29) in the Company's financial statement.

b) The effect of the disposal on the consolidated financial statements

The effect of the disposal on the results of the Group for 30 June 2000 to date of disposal, 30 September 2000 was as follows:

| | 3 months ended 30.9.2000 RM | Year ended 30.6.2000 RM |
|--------------------------------------------|-----------------------------------|-------------------------------|
| Revenue | - | - |
| Cost of sales | - | - |
| Gross profit | - | - |
| Administrative expenses | (5,115) | (35,243) |
| Loss from operations | (5,115) | (35,243) |
| Finance cost | - | - |
| Loss before tax | (5,115) | (35,243) |
| Tax | - | 53,438 |
| Profit/(loss) after taxation | (5,115) | 18,195 |
| Minority interest | 2,507 | (8,915) |
| Profit/(loss) attributable to shareholders | <u>(2,608)</u> | <u>9,280</u> |

Details of net assets disposed of, reserve written off and cash flow arising from disposal are as follows :

| | At date of disposal RM | Year ended 30.6.2000 RM |
|--------------------------------------------------|------------------------------|-------------------------------|
| Property, plant & equipment | 57,397 | 62,437 |
| Inventories | 158,649 | 158,649 |
| Trade and other receivables | 2,005,102 | 2,005,102 |
| Cash and bank balances | 34,566 | 45,438 |
| Trade and other payables | (516,150) | (526,947) |
| Amount due to director | (18,496) | (18,496) |
| Amount due to holding company | (63,622) | - |
| Deferred taxation | (14,000) | (14,000) |
| Minority interest | <u>(805,289)</u> | <u>(807,795)</u> |
| Net assets | <u>838,157</u> | <u>904,388</u> |
| Reserve written off | (82,467) | |
| Gain on disposal (Note 29) | 1,310 | |
| Proceeds from disposal | 757,000 | |
| Amount due to holding company | 63,622 | |
| Cash and cash equivalents in subsidiary disposed | (34,566) | |
| Net cash inflow on disposal | <u>786,056</u> | |

23) *Net Profit Before Taxation*

(a) Net profit before taxation is arrived at after charging:

| | Group | Company | | |
|--------------------------------------------------------------|-------------|-------------|-------------|-------------|
| | 2002 RM | 2001 RM | 2002 RM | 2001 RM |
| Contract cost | 182,722,891 | 129,963,328 | 158,612,774 | 132,292,625 |
| Auditors' remuneration - The Group | 32,800 | 27,800 | - | - |
| - The Company | - | - | 23,000 | 23,000 |
| - Joint venture | 2,450 | 2,450 | 2,450 | 2,450 |
| Depreciation | 1,828,013 | 1,538,767 | - | - |
| - The Group | - | - | 442,973 | 749,379 |
| - The Company | - | - | 42,768 | 62,674 |
| - Joint venture | 42,768 | 62,674 | 42,768 | 62,674 |
| Directors' emoluments | 516,000 | 336,000 | 516,000 | 336,000 |
| - salary | 516,000 | 336,000 | 516,000 | 336,000 |
| - fees | 45,000 | 40,000 | 45,000 | 40,000 |
| - bonus | 28,000 | - | 28,000 | - |
| - others | 6,500 | - | 6,500 | - |
| Property, plant & equipment written off | 11,187 | 8,215 | - | - |
| Hire of machinery | 2,526,206 | 2,995,381 | 6,454,140 | 5,207,628 |
| Hire purchase interest | 225,091 | 37,714 | 17,534 | 16,275 |
| Term loan interest | 846,307 | 209,995 | 832,393 | 209,995 |
| Other interest | 76,432 | 236,693 | 56,364 | 225,369 |
| Overdraft interest | 410,493 | 510,788 | 206,081 | 510,788 |
| Rental | 466,754 | 466,589 | 407,554 | 436,589 |
| Bad debts written off | - | 500 | - | 500 |
| Provision for doubtful debts | - | 13,887 | - | - |
| Deposits written off | 66,853 | - | 66,853 | - |
| Loss on disposal of property, plant and equipment | | | | |
| - The Group | 8,128 | - | - | - |
| - Joint venture | 794 | - | 794 | - |
| And Crediting :- | | | | |
| Fixed deposit interest | 386,312 | 348,592 | 386,312 | 348,592 |
| Gain on disposal of property, plant & equipment | - | 172,962 | - | 172,962 |
| Rental income | 789,626 | 728,663 | 789,626 | 728,663 |
| The following expenses have been included in contract cost:- | | | | |
| Term loan interest | 832,393 | 209,995 | 832,393 | 209,995 |
| Overdraft interest | 410,493 | 510,788 | 206,081 | 510,788 |
| Other interest | 56,352 | 209,405 | 54,368 | 209,405 |
| Depreciation | 53,396 | 347,014 | 42,768 | 347,014 |
| Hire of machinery | 2,450,686 | 2,966,181 | 6,454,140 | 5,207,628 |
| Rental | 74,416 | 70,111 | 72,816 | 70,111 |

(b) Employee Information

| | Group | Company | |
|-------------|------------|------------|------------|
| | 2002 RM | 2001 RM | 2002 RM |
| Staff costs | 13,092,433 | 10,405,763 | 10,622,699 |
| | | | 9,640,646 |

Directors' emoluments were included in staff costs.

The total number of employees of the Group and of the Company (excluding directors) at financial year end were 193 (2001: 184) and 137 (2001 : 141) persons respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

24) *Taxation*

| | Group | | Company | |
|-------------------------------------------------|------------------|------------------|------------------|------------------|
| | 2002 RM | 2001 RM | 2002 RM | 2001 RM |
| Malaysian taxation based on profit for the year | 1,868,500 | 1,639,000 | 1,370,000 | 1,639,000 |
| Overprovision in previous year | (30,212) | (9,501) | (30,212) | (37,917) |
| Underprovision of RPGT in previous year | 6,480 | 1,408 | 6,480 | 1,408 |
| Deferred taxation (Note 19) | (43,700) | 64,200 | (43,700) | 67,700 |
| | <u>1,801,068</u> | <u>1,695,107</u> | <u>1,302,568</u> | <u>1,670,191</u> |

The provision for current year taxation is determined by applying the Malaysian tax rates on the chargeable income.

The Company has approximately RM21,126,493 (2001: RM19,831,256) tax credit under S108 of the Income Tax Act 1967, and tax exempt account amounting to RM4,784,887 (2001: RM6,534,887) available for distribution as dividends.

However the above amounts are subject to agreement by the Inland Revenue Board.

The effective tax rate of the Company for the year was higher than the statutory tax rate prevailing in Malaysia because certain expenses were not deductible for tax purposes. The effective tax rate of the Group for the year was lower mainly due to the utilisation of capital allowances in one of the subsidiary company.

25) *Earnings Per Share*

Earnings per share is calculated by dividing the Group's profit attributable to shareholders amounting to RM4,848,700 (2001: RM 4,613,022) by the number of shares in issue of 35,000,000 (2001: RM35,000,000) ordinary shares of RM1.00 each.

26) *Significant Intercompany And Related Parties Transactions*

Identity of related parties

The Group have a related parties relationships with its subsidiaries and its related companies.

Significant related party transactions are as follows:

| Transactions between the Company and its subsidiary companies | 2002 RM | 2001 RM |
|----------------------------------------------------------------------------------|------------------|------------------|
| Materials purchased from subsidiary - Seranta Manufacturing Sdn. Bhd. | 18,920 | 87,850 |
| Machinery rental paid/payable to subsidiary - Seranta Manufacturing Sdn. Bhd. | <u>4,378,059</u> | <u>2,241,447</u> |

Transactions with companies in which certain directors have substantial financial interest

| | Group | | Company | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|------------|------------|
| | 2002 RM | 2001 RM | 2002 RM | 2001 RM |
| Potensi Naga Sdn. Bhd. (an indirect subsidiary company of Mutira Goodyear Development Berhad, a company in which Lai Tan Fatt, Edmond Hoyt Yung and Wong Chick Wai are directors and substantial shareholders) | | | | |
| - Rental paid/payable | 299,998 | 326,398 | 299,998 | 326,398 |
| - Janitorial usage charges paid/payable | 4,137 | 3,196 | 4,137 | 3,196 |
| - Parking fee paid/payable | 68,760 | 54,600 | 68,760 | 54,600 |
| - Maintenance fee paid/payable | 96,156 | 96,156 | 96,156 | 96,156 |
| Subang Perdana Services Sdn. Bhd (a company in which Lai Tan Fatt and Wong Chick Wai are substantial shareholders, Wong Chick Wai is director) | | | | |
| - Maintenance fee paid/payable | 56,979 | 50,571 | 56,979 | 50,571 |
| - Quit rent paid/payable | 9,263 | - | 9,263 | - |

26) *Significant Intercompany And Related Parties Transactions (continued)*

| | Group 2002 RM | 2001 RM | Company 2002 RM | Company 2001 RM |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|------------|-----------------------|-----------------------|
| Goodyear Management (M) Sdn. Bhd (a company in which Edmond Hoyt Yung, Lai Tan Fatt, and Wong Chick Wai are directors and substantial shareholders) - Quit rent paid/payable | - | 12,614 | - | 12,614 |
| Pembangunan Bandar Mutiara Sdn. Bhd. (an indirect subsidiary company of Mutiara Goodyear Development Berhad, a company in which Lai Tan Fatt, Edmond Hoyt Yung and Wong Chick Wai are directors and substantial shareholders) - Contract fee received/receivable from | 1,269,885 | 13,615,292 | 324,093 | 13,615,292 |
| Puncak Kencana Sdn. Bhd. (an indirect subsidiary company of Mutiara Goodyear Development Berhad, a company in which Lai Tan Fatt, Edmond Hoyt Yung and Wong Chick Wai are directors and substantial shareholders) - Contract fee received/receivable from | 2,200,497 | 4,490,670 | 2,200,497 | 4,490,670 |
| Regal Form Sdn. Bhd. (an indirect subsidiary company of Mutiara Goodyear Development Berhad, a company in which Lai Tan Fatt, Edmond Hoyt Yung and Wong Chick Wai have substantial shareholdings, Edmond Hoyt Yung and Wong Chick Wai are also directors) - Contract fee received/receivable from | 32,051,162 | 543,645 | 1,936,590 | 543,645 |
| Regal Essence Sdn. Bhd. (a subsidiary company of Goodyear Management(M) Sdn. Bhd., a company in which Edmond Hoyt Yung, Lai Tan Fatt, and Wong Chick Wai are directors and substantial shareholders) - Contract fee received/receivable from | - | 687,570 | - | 687,570 |
| Directors' fee paid to:- Lai Tan Fatt, Edmond Hyot Yung, Wong Chick Wai, Ismail Bin Aris, YAM Tunku Kamariah Aminah Maimunah Iskandariah Bte Sultan Iskandar Alhaj, Md Azar Bin Ismail, Mohd Yusof Bin Daud, Puan Sri Khoo Sian Keow, YAM Tengku Sulaiman Shah Ibni Sultan Salahuddin Abdul Aziz Shah, and Dato' Abdul Hamid Bin Hj Md Zainuddin | 45,000 | 40,000 | 45,000 | 40,000 |
| Directors' salaries paid to:- Lai Tan Fatt, Edmond Hyot Yung, Wong Chick Wai and Ismail Bin Aris | 516,000 | 336,000 | 516,000 | 336,000 |
| Directors' bonus paid to:- Lai Tan Fatt, Edmond Hyot Yung and Wong Chick Wai | 28,000 | - | 28,000 | - |
| Others directors' emoluments paid to:- Lai Tan Fatt, Edmond Hyot Yung, Wong Chick Wai, Md Azar Bin Ismail, Mohd Yusof Bin Daud, Puan Sri Khoo Sian Keow, and Dato' Abdul Hamid Bin Hj Md Zainuddin | 6,500 | - | 6,500 | - |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

26) Significant Intercompany And Related Parties Transactions (continued)

YAM Tengku Sulaiman Shah Ibni Sultan Salahuddin Abdul Aziz Shah did not receive director's fee from the Group and from the Company for the financial year ended 30 June 2001 due to his appointment on 30 May 2002.

Ismail Bin Aris did not receive salaries from the Group and from the Company for the financial year ended 30 June 2001.

The Directors of the Company are of the opinion that the above transactions have been entered into in the normal course of business and the terms are no less favourable than those arranged with third parties.

27) Non Cash Transactions

The principal non cash transactions during the financial year are the acquisition of property, plant and equipment by means of hire purchases (Note 2).

28) Contingent Liabilities (Unsecured)

| | Company | |
|-----------------------------------------------------------------------------------------------------|-------------------|-------------------|
| | 2002 | 2001 |
| | RM | RM |
| Corporate guarantees given to financial institutions for banking facilities granted to subsidiaries | 22,183,980 | 18,000,000 |
| Corporate guarantees given to a wholly owned subsidiary's client for its contract performance | 2,028,527 | - |
| Corporate guarantees in favour of suppliers of goods for credit terms granted to subsidiaries | 2,100,000 | 1,000,000 |
| | <u>26,312,507</u> | <u>19,000,000</u> |

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

29) Exceptional Items

| | Group | | Company | |
|-------------------------|----------|------------------|----------|------------------|
| | 2002 | 2001 | 2002 | 2001 |
| | RM | RM | RM | RM |
| Gain on disposal of :- | | | | |
| - Subsidiary company | - | 1,310 | - | 175,600 |
| - Investment properties | - | 1,792,839 | - | 1,792,839 |
| | <u>-</u> | <u>1,794,149</u> | <u>-</u> | <u>1,968,439</u> |

The exceptional items in the previous year represent the gain on disposal of equity interest in a subsidiary company and disposal of investment properties.

30) Segment Reporting

| | Total Revenue RM | Inter segment revenue RM | Derived from external customers RM | Profit/(loss) before tax RM | Gross assets RM |
|------------------------------------------------------------------------------------------|--------------------|--------------------------|------------------------------------|-----------------------------|--------------------|
| Year ended 30 June 2002 | | | | | |
| - Construction | 195,770,821 | - | 195,770,821 | 5,621,873 | 130,508,126 |
| - Property management & development | - | - | - | (82,111) | 14,500,716 |
| - Manufacturing of cement bricks & rental income on construction machinery and equipment | 5,712,379 | 5,456,062 | 256,317 | 1,110,006 | 6,390,312 |
| | <u>201,483,200</u> | <u>5,456,062</u> | <u>196,027,138</u> | <u>6,649,768</u> | <u>151,399,154</u> |
| Year ended 30 June 2001 | | | | | |
| - Construction | 138,967,434 | - | 138,967,434 | 6,341,007 | 124,438,253 |
| - Property management & development | - | - | - | (8,097) | 10,332,786 |
| - Manufacturing of cement bricks & rental income on construction machinery and equipment | 2,798,590 | 2,329,297 | 469,293 | 152,118 | 4,000,438 |
| - Others | - | - | - | (179,406) | 521,038 |
| | <u>141,766,024</u> | <u>2,329,297</u> | <u>139,436,727</u> | <u>6,305,622</u> | <u>139,292,515</u> |

Inter-segment pricing is determined based on arms length basis.

Segmental information is not provided by geographical location as the Group operations are carried out in Malaysia.

31) Prior Year Adjustment

During the year, the Group and the Company changed its accounting policies in compliance with MASB Standard 19 on Events After the Balance Sheet Date, whereby dividends proposed after the balance sheet date, are not recognised as a liability at the balance sheet date.

| | As previously stated RM | Compliance with MASB Standards 19 RM | As restated RM |
|-----------------------------------------------------------------------|-------------------------|--------------------------------------|-------------------|
| (a) The retained profits of the Group have been restated as follows : | | | |
| Statement of changes in equity | | | |
| Retained profit at 1 July 2000 | 39,722,915 | 1,260,000 | 40,982,915 |
| Net profit for the year ended 30 June 2001 | 4,613,022 | - | 4,613,022 |
| Dividends for the year ended 30 June 2001 | (1,750,000) | 490,000 | (1,260,000) |
| Retained profits at 30 June 2001 | <u>42,585,937</u> | <u>1,750,000</u> | <u>44,335,937</u> |

(b) The retained profits of the Company have been restated as follows :

| | | | |
|--------------------------------------------|-------------------|------------------|-------------------|
| Statement of changes in equity | | | |
| Retained profit at 1 July 2000 | 38,753,870 | 1,260,000 | 40,013,870 |
| Net profit for the year ended 30 June 2001 | 4,670,816 | - | 4,670,816 |
| Dividends for the year ended 30 June 2001 | (1,750,000) | 490,000 | (1,260,000) |
| Retained profits at 30 June 2001 | <u>41,674,686</u> | <u>1,750,000</u> | <u>43,424,686</u> |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2002

32) Comparative Figures

Following the adoption of Malaysian Accounting Standards Board (MASB) standards in the preparation of the financial statements, the presentation and classification of certain items in the financial statements have been amended. Accordingly, comparative amounts for those items have been reclassified and/or expanded to ensure comparability with the current financial year. Certain comparative figures have been reclassified in order to give a fairer presentation of the results and state of affairs of the Group and of the Company.

The following balance sheet comparative figures have been reclassified to conform with current year's presentation:-

| | Group | | Company | |
|--------------------------------------|----------------------|------------------------------------|----------------------|------------------------------------|
| | As restated RM | As previously restated RM | As restated RM | As previously restated RM |
| Trade and other receivables | 52,419,444 | 52,499,059 | - | - |
| Amount due from subsidiary companies | - | - | 5,803,332 | - |
| Amount due from related party | 3,500 | - | 3,500 | - |
| Amount due to subsidiary companies | - | - | 6,704,034 | 900,702 |
| Amount due to related parties | 271,800 | 268,300 | 271,800 | 268,300 |
| Provision for taxation | 4,191,434 | 4,271,049 | - | - |
| Proposed dividend | - | 1,750,000 | - | 1,750,000 |
| Net current assets | 58,035,958 | 56,285,959 | 68,481,885 | 66,731,885 |
| Reserves | 48,574,221 | 46,824,221 | 47,280,666 | 45,530,666 |
| Shareholders' funds | 83,574,221 | 81,824,221 | 82,280,666 | 80,530,666 |

The following income statement comparative figures have been reclassified to conform with current year's presentation:-

| | Group | | Company | |
|--------------------------------------------|----------------------|------------------------------------|----------------------|------------------------------------|
| | As restated RM | As previously restated RM | As restated RM | As previously restated RM |
| Cost of sales | (132,525,680) | (131,910,114) | - | - |
| Gross profit | 6,911,047 | 7,526,613 | - | - |
| Administration charges and office expenses | (3,670,097) | (4,296,903) | - | - |
| Profit from operations | 3,240,950 | 3,229,710 | - | - |
| Finance costs | (65,002) | (53,762) | - | - |

33) Subsequent Events

On 9 October 2002, the Company made announcements on the following proposals:

- (i) proposed bonus issue of 7,000,000 new ordinary shares of RM1.00 each in the Company on the basis of one (1) new ordinary share for every five (5) existing ordinary shares held by the existing shareholders of the Company;
- (ii) proposed employees share option scheme (ESOS) for eligible employees and executive directors of the Company and its subsidiary companies; and
- (iii) proposed increase in authorised share capital of the Company from RM50,000,000 comprising 50,000,000 ordinary shares of RM1.00 each to RM100,000,000 comprising 100,000,000 ordinary shares of RM1.00 each.

The proposal is subject to the following approvals being obtained:

- (i) the Securities Commission, for the Proposed ESOS;
- (ii) shareholders of the Company at an Extraordinary General Meeting to be convened
- (iii) the KLSE, for the listing and quotation of the Bonus Shares and the new ordinary shares arising from the exercise of the ESOS option; and
- (iv) other relevant authorities.

The proposed issue, the proposed ESOS and the proposed increase in authorised share capital are not interconditional.

On 24 September 2002, the Company announced that Seranta Manufacturing Sdn Bhd, a wholly owned subsidiary of the Company has changed its name to Seranta Machinery and Equipment Sdn Bhd with effect from 16 September 2002.

PROPERTIES HELD BY THE GROUP

AS AT 30 JUNE 2002

Bina Goodyear Berhad

(18645-H)
(Incorporated in Malaysia)

| Title / Location | Description / Exiting Use | Tenure | Land Area / Built Up Area (sq. feet) | Ownership | Approximate Age of Building (Years) | Net Book Value as at 30/06/02 RM'000 | Date of Aqcuisition |
|----------------------------------------------------------------------------------------------------|----------------------------------------------|---------------------------------------|--------------------------------------------|----------------------------------|--------------------------------------------|--------------------------------------------|---------------------|
| Mukim of Ulu Kinta, District of Kinta, State of Perak | | | | | | | |
| - Lot 105977 (P.T. 29300) | Land for Semi-Detach / Vacant | Leasehold 90 years (12.01.2081) | 3,014 / N.A | Bina Goodyear Bhd | N.A | 112 | 12 May 1990 |
| - Lot 105979 (P.T. 29302) | Irregular Lot for Semi-Detach / Vacant | Leasehold 90 years (12.01.2081) | 1,561 / N.A | - do - | N.A | 51 | 12 May 1990 |
| Subang Perdana Phase 5 Subang Jaya State of Selangor | Shop Lots for Apartments / Rented | Freehold | N.A / 21,006 | - do - | 6 | 2,625 | 2 June 1995 |
| Subang Perdana Phase 6 Subang Jaya State of Selangor | Shop Lots for Apartments / Rented | Freehold | N.A / 52,542 | - do - | 5 | 5,732 | 26 July 1995 |
| Bukit Lancang -Lot 419 Mukim of Damansara District of Klang State of Selangor | Plant and Machineries Workshop | Freehold | 142,006 / N.A | - do - | N.A | 1,260 | 18 September 1996 |
| Simpang Kuala Lot 66 & 67 Mukim of Pengkalan Kundor District of Kota Setar State of Kedah | Shop Lots for Apartments / Rented | Freehold | 3,407/ 16,504 | - do - | 5 | 2,430 | 8 March 1999 |
| Mukim of Batu, District of Kuala Lumpur, State of Wilayah Persekutuan | | | | | | | |
| - Lot No. PT8311-8322 and Lot No.PT8349-8360 | Development Property | Leasehold 99 years (14.01.2085) | 47,882 / N.A | BG Realty Sdn Bhd | N.A | 3,580 | 20 October 2000 |
| - Lot No. PT8284-8299 and Lot No.PT8323-8348 | Development Property | Leasehold 99 years (14.01.2085) | 85,768 / N.A | BG Realty Sdn Bhd | N.A | 6,289 | 20 October 2000 |
| Mukim of Ulu Langat State of Selangor | | | | | | | |
| - Lot 2041 (Grant 9629) | Workshop | Freehold | 505,112/ N.A | Seranta Manufacturing Sdn Bhd | N.A | 1,055 | 4 October 2001 |

SHAREHOLDERS' INFORMATION

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

| | |
|--------------------------|-------------------------------------|
| Authorised Share Capital | RM50,000,000 |
| Issued & Paid-up Capital | RM35,000,000 |
| Class of Shares | Ordinary Shares of RM1.00 each |
| Voting Rights | One voting right per ordinary share |

Distribution Of Shareholdings

| <u>Size of Holdings</u> | <u>No. of Holders</u> | <u>Total Holdings</u> | <u>%</u> |
|------------------------------------------|-----------------------|-----------------------|---------------|
| less than 1,000 | Nil | Nil | Nil |
| 1,000 to 10,000 | 1,409 | 3,050,000 | 8.71 |
| 10,001 to 100,000 | 77 | 2,922,400 | 8.36 |
| 100,001 to less than 5% of issued shares | 20 | 8,859,600 | 25.31 |
| 5% and above of issued shares | 7 | 20,168,000 | 57.62 |
| TOTAL | 1,513 | 35,000,000 | 100.00 |

30 Largest Shareholders (As at 6 November 2002)

| | Name of Shareholders | No. of shares held | % |
|-----|-----------------------------------------------------------------------------------------------------------|--------------------|-------|
| 1. | UMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Goodyear Investors (M) Sdn Bhd | 7,500,000 | 21.43 |
| 2. | EB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Goodyear Investors (M) Sdn Bhd | 4,214,000 | 12.04 |
| 3. | HSBC Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Md Azar Bin Ismail | 3,721,500 | 10.63 |
| 4. | HSBC Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Rozana Bte Talib @ Shiribi | 1,400,000 | 4.00 |
| 5. | HSBC Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Wong Chick Wai | 1,200,000 | 3.43 |
| 6. | HSBC Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Md Azar Bin Ismail | 1,068,500 | 3.05 |
| 7. | Lee Yuen Pheng | 1,064,000 | 3.04 |
| 8. | HSBC Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lai Tan Fatt | 990,000 | 2.83 |
| 9. | UMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lai Tan Fatt | 974,000 | 2.78 |
| 10. | HSBC Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Edmond Hoyt Yung | 900,000 | 2.57 |
| 11. | Alunan Harapan Sdn Bhd | 759,000 | 2.17 |
| 12. | UMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Wong Soo Chai @ Wong Chick Wai | 747,000 | 2.13 |
| 13. | Kan See Man @ Kan See Mun | 733,000 | 2.09 |
| 14. | Anita Lau Soo Leng | 655,000 | 1.87 |
| 15. | Yap Chee Chew | 560,000 | 1.60 |
| 16. | RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Goodyear Management (M) Sdn Bhd | 500,000 | 1.43 |

| Name of Shareholders | No. of shares held | % |
|--------------------------------------------------------------------------------|--------------------------|---------------------|
| 17. Lee Yoon Chan | 437,000 | 1.25 |
| 18. Phan Sin Chong | 279,000 | 0.80 |
| 19. Goodyear Investors (Malaysia) Sdn Bhd | 250,000 | 0.71 |
| 20. Tengku Sulaiman Shah Ibni Sultan Salahuddin Abdul Aziz Shah | 193,000 | 0.55 |
| 21. Mohd Yusof Bin Daud | 150,000 | 0.43 |
| 22. Lee Yuen Pheng | 149,600 | 0.43 |
| 23. Tasec Nominees (Asing) Sdn Bhd | 130,000 | 0.37 |
| 24. Alunan Harapan Sdn Bhd | 120,000 | 0.34 |
| 25. Cheah Yoke Mong | 120,000 | 0.34 |
| 26. TA Nominees (Tempatan) Sdn Bhd | 110,000 | 0.31 |
| 27. Lim Teng Hwee | 103,000 | 0.29 |
| 28. Cheong Wai Meng | 100,000 | 0.29 |
| 29. Hong Leong Finance Berhad Pledged Securities Account For Yow Yuen Loong | 100,000 | 0.29 |
| 30. Hong Leong Finance Berhad Pledged Securities Account For Lau Poh Lee | 100,000 | 0.29 |
| | <u>29,327,600</u> | <u>83.79</u> |

Substantial Shareholders (As at 6 November 2002)

| Name of Shareholders | No. of shares held | % |
|-----------------------------------------------------------------------------------------------------|--------------------------|---------------------|
| 1. UMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Goodyear Investors (M) Sdn Bhd | 7,500,000 | 21.43 |
| 2. EB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Goodyear Investors (M) Sdn Bhd | 4,214,000 | 12.04 |
| 3. HSBC Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Md Azar Bin Ismail | 3,721,500 | 10.63 |
| | <u>15,435,500</u> | <u>44.10</u> |

Directors' Shareholdings (As at 6 November 2002)

| Directors | No. of shares | |
|--------------------------------------------------------------------|---------------|-------------|
| | Direct | Indirect |
| Md Azar Bin Ismail | 4,790,000 | Nil |
| Lai Tan Fatt | 1,970,000 | 11,964,000* |
| Wong Chick Wai | 1,964,400 | 11,964,000* |
| Edmond Hoyt Yung | 900,000 | 11,964,000* |
| Mohd Yusof Bin Daud | 150,000 | Nil |
| Dato' Abdul Hamid Bin Hj Md. Zainuddin | Nil | Nil |
| Puan Sri Khoo Sian Keow | Nil | Nil |
| YAM Tengku Sulaiman Shah Ibni Sultan Salahuddin Abdul Aziz Shah | 193,000 | Nil |
| Ismail Bin Aris | Nil | Nil |

* Deemed interested through Goodyear Investors (Malaysia) Sdn Bhd

Bina Goodyear Berhad(18645-H)
(Incorporated in Malaysia)**PROXY FORM**

| |
|--------------------|
| No. of shares held |
| |

I/We,
of.....
being a *member/members of BINA GOODYEAR BERHAD, hereby appoint
.....
of.....
or failing him,.....
of.....
as *my/our proxy to vote for *me/us on *my/our behalf at the Twenty-eighth Annual General Meeting of the Company to be held at Room Mutiara I & II, Hyatt Regency Saujana, 2 Km Off Sultan Abdul Aziz Shah Airport Highway Saujana, 47200 Subang, Selangor on Thursday, 19 December 2002 at 9.30 a.m. and at any adjournment thereof *for/against the resolution(s) to be proposed thereat.

| No. | Resolution | For | Against |
|-----|-------------------------------------------------------------------------------------------------------------------------------|-----|---------|
| 1. | Adoption of Audited Accounts for the financial year ended 30 June 2002 and the Reports of the Directors and Auditors thereon. | | |
| 2. | Declaration of a First and Final Tax-Exempt Dividend of 5% for the financial year ended 30 June 2002. | | |
| 3. | Payment of Directors' Fees for the financial year ended 30 June 2002. | | |
| 4. | Re-election of Mr Wong Chick Wai as Director | | |
| 5. | Re-election of Puan Sri Khoo Sian Keow as Director | | |
| 6. | Re-election of YAM Tengku Sulaiman Shah Ibni Sultan Salahuddin Abdul Aziz Shah as Director | | |
| 7. | Re-appointment of S.F. Yap & Co. as Auditors and to authorise the Directors to fix their remuneration | | |
| 8. | Authority to Directors to allot & issue shares pursuant to Section 132D of the Companies Act, 1965. | | |

[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 2002

.....
Signature of Member

Notes:-

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

To:

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

Stamp