



# BINA GOODYEAR BERHAD

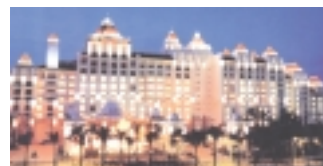
(18645-H)

Incorporated in Malaysia

ANNUAL REPORT 2003

## CONTENTS

1	CHAIRMAN'S STATEMENT
2	CORPORATE INFORMATION
3	BOARD OF DIRECTORS
4	PROFILE OF DIRECTORS
6	CORPORATE STRUCTURE
7	CORPORATE GOVERNANCE
11	STATEMENT ON INTERNAL CONTROL
12	AUDIT COMMITTEE
15	NOTICE OF ANNUAL GENERAL MEETING
19	FINANCIAL STATEMENTS
48	PROPERTIES HELD BY THE GROUP
49	SHAREHOLDERS' INFORMATION



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 2003.

### *Review of Operations*

For the year under review, the Group recorded an increase in Turnover of 33% to RM260 million compared to the previous year. Property development activities contributed 9% or RM22 million of the turnover.

On the Group's property development activities, 75% of the budgeted RM49 million sales have been achieved while Progress Billings on sold units have reached an average of 60%. Construction works are progressing satisfactorily as planned.

Overall, the Group recorded an increase in Profit After Taxation of 10% to 5.36 million.

### *Future Outlook*

Presently, the Group has over RM340 million in construction works to be completed and is confident of securing construct works of another RM100 million for the forthcoming year.

The Group's property development project in Kepong, Kuala Lumpur is nearing completion. The Group has in July 2003 announced the purchase of another 22 acres of land for future development.

The Group will continue with its effort in promoting both, its construction and property development activities. The Group plans to increase its property development activities and to widen its sources of income through further diversification.

With the Government's positive efforts in improving the general economy, we look forward to a better year ahead.



**En. Md Azar bin Ismail**  
Chairman

### *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 2003 for approval by shareholders at the forthcoming Annual General Meeting.

### *Subsequent Events*

BGB has during its financial year, increased its issued and paid-up share capital from RM35 million to RM42 million ordinary share of RM1.00 each with the issuance of bonus shares on the basis of one (1) new ordinary share for every five (5) existing ordinary shares held. The Bonus Issue of 7,000,000 new ordinary shares of RM1.00 each to the existing shareholders of Bina Goodyear Berhad was effected on 10 April 2003.

In recognition of the employees' contributions, support and loyalty, BGB has proposed to undertake an Employees Share Option Scheme ("ESOS") Exercise which was launched on 6 June 2003.

### *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

### 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 Secretary

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 and 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)



*standing from left to right*

1. **Mr. Wong Chick Wai**  
*Executive Director*
2. **En. Mohd Yusof Bin Daud**  
*Independent Non-Executive Director*
3. **Mr. Edmond Hoyt Yung**  
*Non-Executive Director*
4. **Dato' Abdul Hamid Bin Hj Md. Zainuddin**  
*Independent Non-Executive Director*
5. **En. Ismail Bin Aris**  
*Executive Director*



*seated from left to right*

1. **Mr. Lai Tan Fatt**  
*Managing Director*
2. **En. Md Azar Bin Ismail**  
*Chairman*
3. **Puan Sri Khoo Sian Keow**  
*Independent Non-Executive Director*

*absent from picture*

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

## ENCIK MD AZAR BIN ISMAIL

Malaysian, aged 53, 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 3,748,000 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 57, 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 2,364,000 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 Audit Committee of the Company.

## MR. WONG CHICK WAI

Malaysian, aged 63, 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 2,357,280 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 62, was appointed to the Board of Directors of BGB on 1 November 1978. He graduated with a degree from University of Hong Kong and holds a Masters Degree from University of London and a Diploma of Imperial College (London). He is also a Chartered Engineer, a fellow at the Geological Society of London 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 1,080,000 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.

## YAM TENGKU SULAIMAN SHAH IBNI SULTAN SALAHUDDIN ABDUL AZIZ SHAH

Malaysian, aged 53, 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 Y.A.M. Tengku Sulaiman Shah was then appointed as the Chief of Ceremony for the State of Selangor which carries the title "Tengku Panglima DiRaja Selangor" until today. Tengku is also a member of the Council of Royal Court of Selangor (Dewan DiRaja Selangor).

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

## ENCIK MOHD YUSOF BIN DAUD

Malaysian aged 52, was appointed Director of BGB on 10 January 1995. He holds a Diploma in Mechanical Engineering from the University of Technology (Malaysia) and a Bachelor of Science degree in Mechanical Engineering from the University of Strathclyde (United Kingdom). He is a member of the Institute of Engineers (Malaysia) and has 18 years of experience in the oil and gas industry while he was with Petronas Group. His work experience includes being manager in the quality assurance department of Malaysia Liquefied Natural Gas Dua Sdn Bhd, senior manager in the commercial division of Oil, Gas and Petrochemical Technical Services Sdn Bhd.

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

## PUAN SRI KHOO SIAN KEOW

Malaysian, aged 60, was appointed as an Independent Non-Executive Director on 6 August 1997. She completed her secondary education in 1960 and since then has assisted her father in managing Hock Lee Sdn Bhd until mid 1970's. When she retired in 1974 from active business involvement, she dedicated herself to domestic and social work after her husband was appointed as a Cabinet Minister. She has remained active in social service all these years.

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

## DATO' ABDUL HAMID BIN HJ MD. ZAINUDDIN

Malaysian, aged 67, 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.

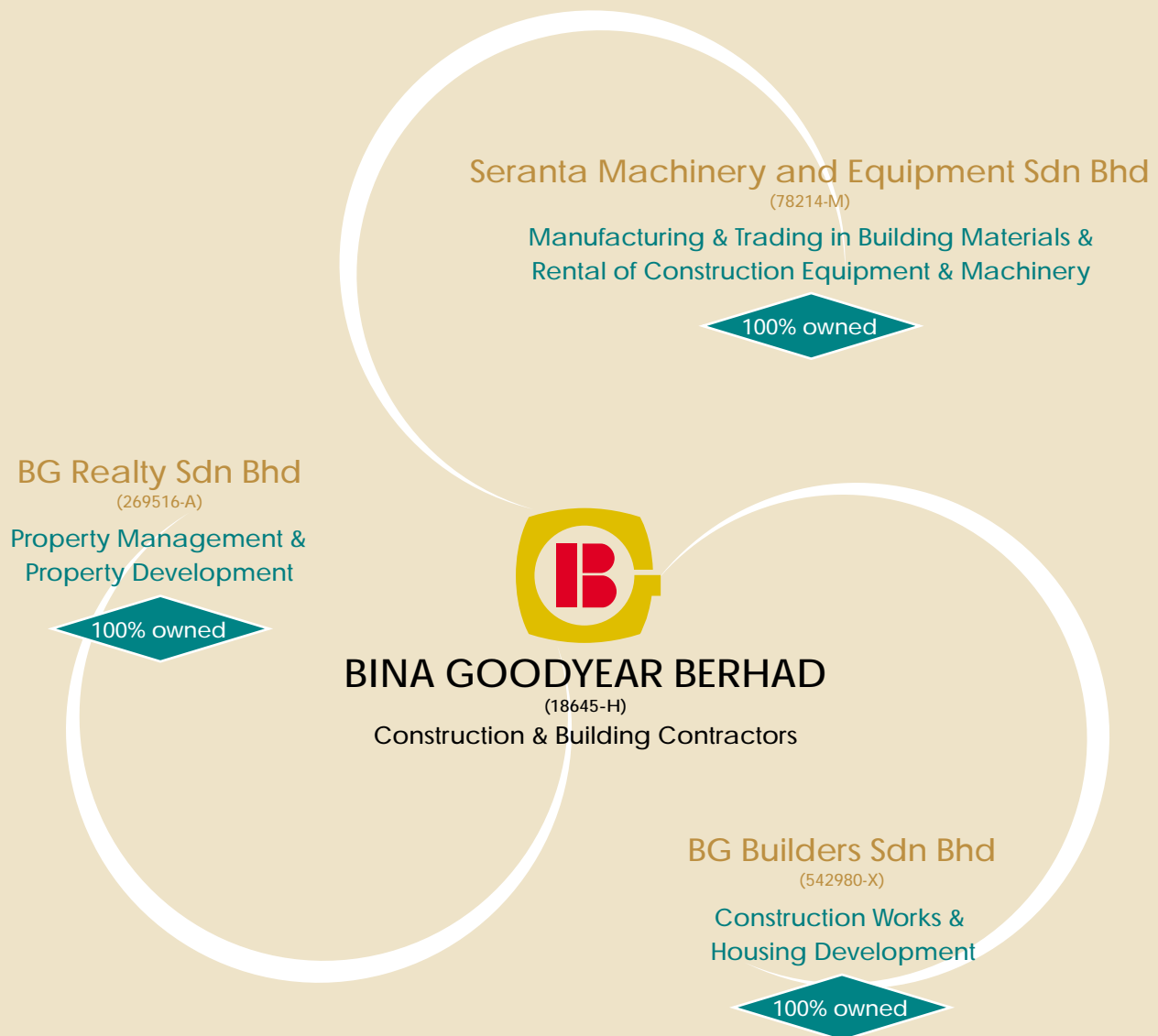
## ENCIK ISMAIL BIN ARIS

Malaysian, aged 47, 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 have any family relationship with each other and/or major shareholders of the Company and there are no business arrangements with the Company in which they have personal interest except for Mr Lai Tan Fatt, Mr Wong Chick Wai and 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 have been convicted for offences within the past ten (10) years other than traffic offences, if any.*



Palace of Justice, Putrajaya

Putrajaya Marriott Hotel, IOI Resort





## Corporate Governance

The Board of Directors of Bina Goodyear Berhad will continue to be committed to ensuring that the highest standards of corporate governance are practised throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders value.

In discharging its responsibilities, the Board is aware of the importance that they should be guided at all times by the good Corporate Governance as set out in the principles and best practices of the Malaysian Code on Corporate Governance ("the Code"). The Code issued in March 2000 was incorporated into the Revamped Listing Requirements of the KLSE in January 2001.

The Board of Directors confirms that in so far the Code is concerned, the Group has applied the principles set out in Part 1 and complied with the best practices set out in Part 2.

## 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 pages 4 to 5 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 2003, 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:-

Name	Attendance
Md Azar Bin Ismail	4/5
Lai Tan Fatt	5/5
Wong Chick Wai	5/5
Edmond Hoyt Yung	5/5
YAM Tengku Sulaiman Shah Ibni Sultan Salahuddin	
Abdul Aziz Shah	3/5
Mohd Yusof Bin Daud	4/5
Ismail Bin Aris	5/5
Puan Sri Khoo Sian Keow	4/5
Dato' Abdul Hamid Bin Hj Md. Zainuddin	5/5

Wisma Putra, Putrajaya



Dataran Prima



### 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 pages 12 to 14 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.

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

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

### Director' Remunerations

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

The aggregate Directors' remuneration paid or payable or otherwise made available to all Directors of the Company during the financial year ended 30 June 2003 are as follows:

	Basic Salary (RM)	Bonus (RM)	Fees (RM)	Meeting Allowances (RM)	Benefits in kind (RM)
Executive Directors	576,000	48,000	15,000	8,000	nil
Non-Executive Directors	60,000	5,000	30,000	14,600	nil

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

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

### Re-election of the Directors

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

### Directors' Training

All members of the Board have attended the Mandatory Accreditation Programme (MAP) organised by the Research Institute of Investment Analysts Malaysia in accordance with the KLSE's Listing Requirements.

The Board will ensure that all its members attend such continuing training programs as prescribed by the KLSE, and also 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 enhance the quality of decisions recommended at the Board meetings. Any additional information requested by Directors is also readily available.

The Directors meet, review and approve all corporate announcements, including the announcement of the quarterly financial results, prior to releasing them to 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 2003 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 12 to 14 of the Annual Report.

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

## OTHER INFORMATION

### Utilisation of Proceeds

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

The Employee Share Option Scheme ("ESOS") was launched on 6 June 2003. The details of the ESOS are disclosed in page 2 of the Directors' Report.

The Company has not issued any convertible securities or warrants during the financial year ended 30 June 2003.

### American Depositary Receipt (ADR) or Global Depositary 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

Profit Guarantee based on the revised terms of the Profit Guarantee and Stakeholders Agreement has been met, confirmed by the auditors.

### 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 revaluation policy is disclosed in Note 4 to the Financial Statements.

Bandar Tasek Mutiara Township



Taman Legenda Mas - 4 Storey Townhouse



Kota Kemuning Town Centre 3 - Shop/Office





# S Statement on Internal Control

BINA GOODYEAR BERHAD (18645-H)

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 Board confirms that there is an ongoing risk management process to identify, evaluate, and manage significant risks to effectively mitigate the risks that may impede the achievement of the Group's business and corporate objectives. The Board reviews the process on a regular basis to ensure proper management of risks and measures are taken to mitigate any weaknesses in the control environment.

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.

On a quarterly basis, the Internal Audit submits audit reports for review by the Audit Committee. Included in the reports are recommended corrective measures on risks identified, if any, for implementation by Management.

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

Kelana Centre Point, Kelana Jaya



Cyberia Apartment, Cyberjaya



Dataran Prima Condominium (Under Construction)



## MEMBERSHIP

The present members of the Audit Committee comprise:-

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

## TERMS OF REFERENCE

### 1. Objectives

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

### 2. Composition

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

### 3. Authority

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

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

### 4. Functions

The functions of the Audit Committee shall be:

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

- (g) the quarterly results and year end financial statements, prior to the approval by the Board, focusing particularly on:-
    - (i) changes in or implementation of major accounting policy changes;
    - (ii) significant and unusual events; and
    - (iii) compliance with accounting standards and other legal requirements;
  - (h) any related party transaction and conflict of interest situation that may arise within the Company or Group;
  - (i) any letter of resignation from the external auditors of the Company; and
  - (j) any other functions as may be agreed by the Committee and the Board or as may be required or empowered by statutory legislation or guidelines prepared by relevant governing authorities.
- 4.2 The term of office of the Audit Committee members shall be reviewed by the Board no less than once every three years. However, the appointment terminates when a member ceases to be a Director.

## 5. Meetings

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

## MEETINGS AND ATTENDANCE

The Committee held five (5) meetings during the financial year ended 30 June 2003 with all members of the Committee together with the Secretary in attendance. The dates of the meetings held are as follows:

29 August 2002  
18 October 2002  
29 November 2002  
28 February 2003  
29 May 2003

## 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)

## Bina Goodyear Berhad

(18645-H)  
(Incorporated in Malaysia)

**NOTICE IS HEREBY GIVEN THAT** the Twenty-ninth Annual General Meeting of Bina Goodyear Berhad will be held at Zamrud I Room, Hyatt Regency Saujana, 2 Km, Off Sultan Abdul Aziz Shah Airport Highway Saujana, 47200 Subang, Selangor on Tuesday, 16 December 2003 at 10.00 a.m. for the following purposes:-

### AGENDA

1. To receive the Audited Financial Statements for the financial year ended 30 June 2003 together with the Reports of the Directors and Auditors thereon.
2. To declare a First and Final Tax-Exempt Dividend of 5% for the financial year ended 30 June 2003.
3. To approve the payment of Directors' Fees for the financial year ended 30 June 2003.
4. To re-elect the following Directors retiring pursuant to Article 115 of the Company's Articles of Association and being eligible, offer themselves for re-election:
  - (i) Encik Md Azar Bin Ismail
  - (ii) Encik Mohd Yusof Bin Daud
  - (iii) Dato' Abdul Hamid Bin Hj. Md. Zainuddin
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 1**

**Resolution 2**

**Resolution 3**

**Resolution 4**

**Resolution 5**

**Resolution 6**

**Resolution 7**

As Special Business:

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolution:-

#### 6. **Authority to Allot and Issue Shares Pursuant to Section 132D of the Companies Act, 1965**

"THAT, subject to the Companies Act, 1965, Articles of Association of the Company and approval from 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. Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of A Revenue or Trading Nature

"THAT, approval be and is hereby given to the Company and/or its subsidiaries to enter into and give effect to recurrent transactions of a revenue or trading nature as set out in Part 2.3 of the Circular to Shareholders dated 21 November 2003, accompanying the Annual Report for the financial year ended 30 June 2003 with specific classes of Related Parties which are necessary for the Company's and/or its subsidiaries' day to day operations in the ordinary course of business on terms not more favourable to the Related Parties than those generally available to the public and not detrimental to minority shareholders of the Company and such approval shall continue to be in force until:-

- (a) the conclusion of the next annual general meeting of the Company, at which time the mandate will lapse, unless by a resolution passed at the next annual general meeting, the authority is renewed; or
- (b) the expiration of the period within which the next annual general meeting of the Company is required to be held pursuant to section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to section 143(2) of the Companies Act, 1965); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

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

### Resolution 9

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

**NOTICE IS ALSO HEREBY GIVEN THAT** the first and final tax-exempt dividend of five percent (5%) for the financial year ended 30 June 2003, if approved by the shareholders at the Twenty-ninth Annual General Meeting, will be paid on 19 January 2004 to Depositors registered in the Record of Depositors at the close of business on 9 January 2004.

A Depositor shall qualify for entitlement only in respect of :

- (a) Shares transferred into the Depositor's Securities account before 4.00 p.m. on 9 January 2004 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

**ANNIE YAP YIN HOON**

Company Secretary

Petaling Jaya

21 November 2003

# Notice of Annual General Meeting

BINA GOODYEAR BERHAD (18645-H)

## Notes :

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

## EXPLANATORY NOTES ON SPECIAL BUSINESS

### 1. Authority to Allot and Issue Shares Pursuant to Section 132D of the Companies Act, 1965

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

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

The proposed Ordinary Resolution 9, if passed, will allow the Group to enter into recurrent related party transactions with the respective Related Party, which are of a revenue or trading nature and in the ordinary course of business which are necessary for day-to-day operations pursuant to Paragraph 10.09(1) of the Kuala Lumpur Stock Exchange Listing Requirements. The details of the proposals are set out in the Circular to Shareholders dated 21 November 2003, which is despatched together with the Company's 2003 Annual Report.

## STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. The Directors standing for re-election pursuant to Article 115 of the Company's Articles of Association:-

- (i) Encik Md Azar Bin Ismail
- (ii) Encik Mohd Yusof Bin Daud
- (iii) Dato' Abdul Hamid Bin Hj. Md. Zainuddin

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

The particulars of the Directors seeking re-election are set out in the Directors' Profile appearing on pages 4 to 5 of the Annual Report.

The shareholdings of the aforesaid Directors are as stipulated on pages 49 to 50 of the Annual Report.





# Financial Statements

## CONTENTS

20	DIRECTORS' REPORT
23	STATUTORY DECLARATION
23	STATEMENT OF DIRECTORS
24	REPORT OF THE AUDITORS
25	BALANCE SHEETS
26	INCOME STATEMENTS
27	STATEMENT OF CHANGES IN EQUITY
29	CASH FLOW STATEMENTS
30	SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
33	NOTES TO THE FINANCIAL STATEMENTS

## BINA GOODYEAR BERHAD

(18645-H)  
(Incorporated in Malaysia)

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2003.

### 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	5,357,544 =====	1,005,439 =====

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

### DIVIDENDS

Since the end of the previous financial year, the Company paid a first and final tax exempt dividend of 5 sen per share on 35,000,000 ordinary shares, totaling RM1,750,000 in respect of the financial year ended 30 June 2002 on 23 January 2003.

The Board of Directors proposed a first and final tax exempt dividend of 5 sen per share on 42,000,000 ordinary shares, totaling RM2,100,000 in respect of the financial year ended 30 June 2003, to be approved by shareholders at the forthcoming Annual General Meeting.

### MOVEMENTS ON RESERVES AND PROVISIONS

There were no material transfers to and from reserves or provisions during the year, except as 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  
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

### 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:

Shareholdings in the name of the Director :	Number of ordinary shares of RM1 each in the Company			
	As at 01.07.2002	Bonus Issue	Sold	As at 30.6.2003
LAI TAN FATT	1,970,000	394,000	-	2,364,000
EDMOND HOYT YUNG	900,000	180,000	-	1,080,000
WONG CHICK WAI	1,964,400	392,880	-	2,357,280
MD AZAR BIN ISMAIL	4,790,000	958,000	-	5,748,000
MOHD YUSOF BIN DAUD	150,000	30,000	-	180,000
YAM TENGKU SULAIMAN SHAH IBNI SULTAN SALAHUDDIN ABDUL AZIZ SHAH	193,000	38,600	-	231,600

**DIRECTORS' INTERESTS** (cont'd)

Shareholdings in which the Director Is deemed to have an interest :	As at 01.07.2002	Bonus Issue	Sold	As at 30.6.2003
LAI TAN FATT	12,464,000	2,492,800	-	14,956,800
EDMOND HOYT YUNG	12,464,000	2,492,800	-	14,956,800
WONG CHICK WAI	12,464,000	2,492,800	-	14,956,800

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

**DIRECTORS' BENEFITS**

During and at the end of the financial year, no arrangements subsisted to which the Company or its 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, other than the share options granted pursuant to the ESOS which was implemented during the financial year.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than those disclosed in the financial statements) by reason of a contract made by the Company or by related corporations with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except for any benefits which may be deemed to have arisen by virtue of the significant related party transactions as disclosed in Note 25 to the financial statements.

**DIRECTORS' ROTATION**

In accordance with Article 115 of the Company's Articles of Association, MD AZAR BIN ISMAIL, MOHD YUSOF BIN DAUD and DATO' ABDUL HAMID BIN HJ MD ZAINUDDIN, retire by rotation and being eligible, offer themselves for re-election.

**ISSUE OF SHARES AND DEBENTURES**

During the financial year, the issued and paid up share capital of the Company was increased from RM35 million to RM42 million ordinary share of RM1.00 each through a bonus issue on the basis of 1 new ordinary share for every 5 existing ordinary shares held in the Company. The bonus issue is by way of capitalizing retained profits. The new ordinary share rank pari passu in all respects with the existing ordinary shares.

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

**EMPLOYEES' SHARE OPTION SCHEME**

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

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

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

**BAD AND DOUBTFUL DEBTS**

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

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

## VALUATION METHODS

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

## CONTINGENT AND OTHER LIABILITIES

The contingent liabilities of the Company are disclosed in Note 28 to the financial statements. At the date of this report, there does not exist: -

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

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 2003 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.

## 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

\_\_\_\_\_  
WONG CHICK WAI

Kuala Lumpur

Dated: 23 OCT 2003



**BINA GOODYEAR BERHAD**

(18645-H)

(Incorporated in Malaysia)

**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 25 to 47 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 )  
...23.... day of ...October..... )  
20 ..03.... )

## 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 25 to 47 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 2003 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**

---

**WONG CHICK WAI**

Kuala Lumpur

Dated: 23 OCT 2003

# Report of the Auditors to the members of Bina Goodyear Berhad

BINA GOODYEAR BERHAD (18645-H)

## **BINA GOODYEAR BERHAD**

(18645-H)

(Incorporated in Malaysia)

We have audited the financial statements as set out on pages 25 to 47 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 2003 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**

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

Kuala Lumpur  
Date : 23 OCT 2003

# Balance Sheets as at 30 June 2003

BINA GOODYEAR BERHAD (18645-H)

## BINA GOODYEAR BERHAD

(18645-H)

(Incorporated in Malaysia)

	Note	Group		Company	
		2003 RM	2002 RM	2003 RM	2002 RM
<b>PROPERTY, PLANT AND EQUIPMENT</b>	3	6,648,389	6,778,811	870,184	928,786
<b>INVESTMENT PROPERTIES</b>	4	10,748,136	12,210,926	10,748,136	12,210,926
<b>INVESTMENT IN SUBSIDIARIES</b>	5	-	-	2,100,000	2,100,000
<b>CURRENT ASSETS</b>					
Inventories	6	4,216,582	1,969,439	2,491,900	1,479,209
Development properties	7	10,583,367	11,751,460	622,388	-
Trade and other receivables	8	68,081,355	42,243,367	59,338,827	32,150,967
Amount due from customers on contract	9	50,354,181	40,502,920	43,002,260	38,534,710
Amount due from subsidiary companies	10	-	-	10,814,697	9,124,241
Amount due from related party	11	-	3,500	-	3,500
Tax recoverable		128,000	220,725	128,000	-
Joint venture	12	5,184,598	13,147,419	5,184,598	13,147,419
Deposits, cash and bank balances	13	40,502,777	22,791,312	36,675,319	19,700,073
		179,050,860	132,630,142	158,257,989	114,140,119
<b>CURRENT LIABILITIES</b>					
Trade and other payables	14	67,905,455	30,204,047	54,828,465	22,614,501
Amount due to related parties	11	441,415	258,465	441,415	258,465
Provision for taxation		269,835	1,865,532	-	1,754,032
Borrowings	15&16	35,247,789	27,546,427	33,432,518	20,230,391
Bank overdrafts	13&16	693,513	2,624,494	693,513	782,856
		104,558,007	62,498,965	89,395,911	45,640,245
<b>NET CURRENT ASSETS</b>		74,492,853	70,131,177	68,862,078	68,499,874
		91,889,378	89,120,914	82,580,398	83,739,586
<b>FINANCED BY :</b>					
Share capital	17	42,000,000	35,000,000	42,000,000	35,000,000
Reserves		48,062,855	51,652,921	40,479,325	48,421,496
<b>SHAREHOLDERS' EQUITY</b>		90,062,855	86,652,921	82,479,325	83,421,496
<b>LONG TERM AND DEFERRED LIABILITIES</b>					
Borrowings	15&16	1,799,523	2,423,993	88,073	274,090
Deferred taxation	18	27,000	44,000	13,000	44,000
		1,826,523	2,467,993	101,073	318,090
		91,889,378	89,120,914	82,580,398	83,739,586

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

# Income Statements for the year ended 30 June 2003

BINA GOODYEAR BERHAD (18645-H)

## BINA GOODYEAR BERHAD

(18645-H)

(Incorporated in Malaysia)

	Note	Group		Company	
		2003 RM	2002 RM	2003 RM	2002 RM
REVENUE	19	260,671,563	196,027,137	202,436,771	164,710,457
Cost of sales	20	(247,852,731)	(186,799,938)	(197,307,668)	(158,612,774)
GROSS PROFIT		12,818,832	9,227,199	5,129,103	6,097,683
Administration charges and office expenses		(5,909,844)	(3,551,118)	(4,590,511)	(3,097,527)
PROFIT FROM OPERATIONS		6,908,988	5,676,081	538,592	3,000,156
Finance cost		(316,818)	(259,085)	(17,630)	(19,530)
Investment and other income		1,639,633	1,232,772	1,524,382	1,232,772
PROFIT BEFORE TAXATION	21	8,231,803	6,649,768	2,045,344	4,213,398
Taxation	22	(2,874,259)	(1,801,068)	(1,039,905)	(1,302,568)
PROFIT AFTER TAXATION		5,357,544	4,848,700	1,005,439	2,910,830
Minority interest		-	-	-	-
NET PROFIT FOR THE YEAR		5,357,544	4,848,700	1,005,439	2,910,830
		=====	=====	=====	=====
EARNINGS PER SHARE (SEN)	23	13	12	2	7
		=====	=====	=====	=====
GROSS DIVIDENDS PER SHARE (SEN)	24	5	5	5	5
		=====	=====	=====	=====

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

# Statements of Changes in Equity for the year ended 30 June 2003

BINA GOODYEAR BERHAD (18645-H)

## BINA GOODYEAR BERHAD

(18645-H)  
(Incorporated in Malaysia)

### GROUP

	Note	Issued & Fully Paid Ordinary Shares of RM1.00 Each	<----- Non-distributable ----->			Distributable	Total RM
		Nominal Value RM	Share Premium RM	Reserve on Consolidation RM	Revaluation Reserve RM	Retained Profits RM	
At 1 July 2001							
As previously reported		35,000,000	1,999,905	382,304	1,856,075	42,585,937	81,824,221
Prior year adjustment		-	-	-	-	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
Net profit for the year		-	-	-	-	4,848,700	4,848,700
Dividends							
- First and final for the year ended 30 June 2001	24	-	-	-	-	(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)
At 30 June 2002		35,000,000	1,999,905	382,304	1,836,075	47,434,637	86,652,921
At 1 July 2002		35,000,000	1,999,905	382,304	1,836,075	47,434,637	86,652,921
Net profit for the year		-	-	-	-	5,357,544	5,357,544
Dividends							
- First and final for the year ended 30 June 2002	24	-	-	-	-	(1,750,000)	(1,750,000)
Bonus share issue	17	7,000,000	-	-	-	(7,000,000)	-
Revaluation deficit	4	-	-	-	(9,270)	-	(9,270)
<u>Net loss not recognised in income statement</u>							
Realised on disposal of investment properties		-	-	-	(188,340)	-	(188,340)
		-	-	-	(188,340)	-	(188,340)
At 30 June 2003		42,000,000	1,999,905	382,304	1,638,465	44,042,181	90,062,855

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	
At 1 July 2001		35,000,000	1,999,905	1,856,075	41,674,686	80,530,666
As previously reported		-	-	-	1,750,000	1,750,000
Prior year adjustment						
Restated balance		35,000,000	1,999,905	1,856,075	43,424,686	82,280,666
Net profit for the year		-	-	-	2,910,830	2,910,830
Dividends						
- First and final for the year ended 30 June 2001	24	-	-	-	(1,750,000)	(1,750,000)
<u>Net loss not recognised in the income statement</u>						
Provision for deferred tax liability in respect of property previously revalued		-	-	(20,000)	-	(20,000)
		-	-	(20,000)	-	(20,000)
At 30 June 2002		35,000,000	1,999,905	1,836,075	44,585,516	83,421,496
At 1 July 2002		35,000,000	1,999,905	1,836,075	44,585,516	83,421,496
Net profit for the year		-	-	-	1,005,439	1,005,439
Dividends						
- First and final for the year ended 30 June 2002	24	-	-	-	(1,750,000)	(1,750,000)
Bonus share issue	17	7,000,000	-	-	(7,000,000)	-
Revaluation deficit	4	-	-	(9,270)	-	(9,270)
<u>Net loss not recognised in income statement</u>						
Realised on disposal of investment properties		-	-	(188,340)	-	(188,340)
		-	-	(188,340)	-	(188,340)
At 30 June 2003		42,000,000	1,999,905	1,638,465	36,840,955	82,479,325

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



# Cash Flow Statements for the year ended 30 June 2003

BINA GOODYEAR BERHAD (18645-H)

## BINA GOODYEAR BERHAD

(18645-H)  
(Incorporated in Malaysia)

Note	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net profit before taxation	8,231,803	6,649,768	2,045,344	4,213,398
Adjustment for :-				
Depreciation	2,159,625	1,870,781	504,948	485,741
Gain on disposal of investment properties	(276,357)	-	(276,357)	-
Gain on disposal of property, plant and equipment	(71,792)	-	(16,692)	-
Loss on disposal of property, plant and equipment	-	8,922	-	794
Provision for impairment losses on property, plant & equipment	299,197	-	-	-
Impairment losses on investment properties	87,666	-	87,666	-
Interest income	(552,353)	(386,312)	(498,745)	(386,312)
Interest expenses	2,209,383	2,050,315	1,399,351	1,112,372
Deposits written off	-	66,853	-	66,853
Property, plant and equipment written off	58,681	11,187	58,681	-
Operating profit before working capital changes	12,145,853	10,271,514	3,304,196	5,492,846
Changes in working capital				
Development property	784,760	(1,943,701)	(622,388)	-
Receivables	(27,772,299)	(2,583,502)	(25,428,917)	(672,310)
Inventories	(2,247,144)	2,071,397	(1,012,691)	2,281,868
Payables	37,838,568	(2,329,643)	32,349,877	(4,198,482)
Cash generated from operations	20,749,738	5,486,065	8,590,077	2,903,922
Interest received	552,353	386,312	498,745	386,312
Interest paid	(1,778,499)	(1,425,560)	(1,352,312)	(979,609)
Income tax paid	(4,391,506)	(4,391,394)	(2,950,211)	(3,863,284)
Net cash from/ (used in) operating activities	15,132,086	55,423	4,786,299	(1,552,659)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Property, plant and equipment				
- additions	(1,031,021)	(2,046,748)	(449,465)	(364,274)
- disposal	95,000	160,000	10,500	-
Disposal of investment properties	1,451,145	-	1,451,145	-
Purchase of investment	-	-	-	(900,000)
Net cash from/ (used in) investing activities	515,124	(1,886,748)	1,012,180	(1,264,274)
	15,647,210	(1,831,325)	5,798,479	(2,816,933)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from term loan and revolving credit	15,821,505	26,949,500	15,521,505	20,000,000
Payment of finance lease liabilities	(1,451,345)	(1,085,458)	(89,995)	(206,170)
Repayment of term loan and revolving credit	(8,624,924)	(4,843,248)	(2,415,400)	(4,743,246)
Dividend paid	(1,750,000)	(1,750,000)	(1,750,000)	(1,750,000)
Fixed deposits pledged with licensed banks	5,272,480	(505,720)	4,592,480	174,280
Net cash from financing activities	9,267,716	18,765,074	15,858,590	13,474,864
Net increase in cash and cash equivalents	24,914,926	16,933,749	21,657,069	10,657,931
Cash and cash equivalents at beginning of the year	9,505,851	(7,427,898)	8,936,250	(1,721,681)
Cash and cash equivalents at end of the year 13	34,420,777	9,505,851	30,593,319	8,936,250

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

# Summary of Significant Accounting Policies for the year ended 30 June 2003

BINA GOODYEAR BERHAD (18645-H)

## 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

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

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

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

### B. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries made up to 30 June 2003.

All 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 therefrom. The Group's subsidiary companies are listed in Note 5 to the financial statements.

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

### D. Property, plant and equipment

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

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

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

### E. Impairment of assets

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use.

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

**F. 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.

**G. Inventories**

Inventories comprising building 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.

**H. Development properties**

Development properties consist 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.

**I. Receivables**

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

**J. 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.

**K. 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.

**L. 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.

**M. 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.
- (v) Dividend income from subsidiary companies are included in the income statement of the Company when declared.

**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 in the period in which they are incurred.

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. 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 on the liability method for taxation deferred in respect of all material timing differences except where it is thought reasonably probable that the tax effects of such deferrals will continue in the foreseeable future. Deferred tax benefits 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. Neither provision nor disclosure is made of this tax effect where the Group intends to hold such investment properties for the foreseeable future.

**P. Cash and cash equivalents**

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

**Q. Financial instruments**

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

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**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 and property and housing development. One of the subsidiary company has ceased its manufacturing operations during the year.

The total number of employees of the Group and of the Company (excluding directors) at financial year end were 186 (2002: 193) and 132 (2002 : 137 ) respectively.

The Company is a public limited company 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.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 23 October 2003.

**2. Financial Risk Management Policies**

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

The Group does not trade in derivative financial instruments.

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

**a) Interest rate risk**

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

**b) Credit risk**

Cash deposits and trade receivables may give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. It is the Group's policy to monitor the financial standing of these counter parties on an going concern basis to ensure that the Group is exposed to minimal credit risk.

**c) Liquidity and cash flow risk**

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

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

**d) Foreign currency risk**

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

### 3. 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	Total RM
<b>COST</b>						
At 1 July 2002	2,593,306	6,924,779	2,384,745	-	1,055,000	12,957,830
Additions	165,254	1,975,279	222,145	-	-	2,362,678
Disposals	(69,897)	(49,000)	(2,800)	-	-	(121,697)
Written off	-	(2,200)	-	-	-	(2,200)
At 30 June 2003	2,688,663	8,848,858	2,604,090	-	1,055,000	15,196,611
<b>ACCUMULATED DEPRECIATION AND PROVISION FOR IMPAIRMENT LOSSES</b>						
At 1 July 2002	2,094,331	2,324,160	1,760,528	-	-	6,179,019
Charge	233,864	1,704,224	221,537	-	-	2,159,625
Disposals	(67,899)	(19,600)	(1,680)	-	-	(89,179)
Provision for impairment losses	-	299,197	-	-	-	299,197
Written off	-	(440)	-	-	-	(440)
At 30 June 2003	2,260,296	4,307,541	1,980,385	-	-	8,548,222
<b>NET BOOK VALUE</b>						
At 30 June 2003	428,367	4,541,317	623,705	-	1,055,000	6,648,389
At 30 June 2002	498,975	4,600,619	624,217	-	1,055,000	6,778,811
<b>DEPRECIATION</b>						
Year ended 30 June 2002	200,744	1,359,995	267,273	1	-	1,828,013

The Company	Motor Vehicles RM	Machinery & Equipment RM	Furniture, Fittings and Office Equipment RM	Total RM
<b>COST</b>				
At 1 July 2002	2,244,870	143,592	2,370,138	4,758,600
Additions	117,180	256,040	76,245	449,465
Disposals	(69,897)	-	(2,800)	(72,697)
At 30 June 2003	2,292,153	399,632	2,443,583	5,135,368
<b>ACCUMULATED DEPRECIATION</b>				
At 1 July 2002	2,014,611	57,437	1,757,766	3,829,814
Charge	142,127	159,853	202,968	504,948
Disposals	(67,898)	-	(1,680)	(69,578)
At 30 June 2003	2,088,840	217,290	1,959,054	4,265,184
<b>NET BOOK VALUE</b>				
At 30 June 2003	203,313	182,342	484,529	870,184
At 30 June 2002	230,259	86,155	612,372	928,786
<b>DEPRECIATION</b>				
Year Ended 30 June 2002	121,025	57,437	264,511	442,973

Depreciation expense of the Group and of the Company amounting to RM18,444 (2002: RM53,396) and nil (2002: RM42,768) respectively has been included in cost of contracts.



**3. Property, Plant and Equipment** (cont'd)

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

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Freehold land	1,055,000	1,055,000	-	-

Details of assets under hire purchase agreements :

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Motor vehicles				
- additions during the year	38,400	380,400	-	85,000
- net book value at year end	260,154	444,439	65,194	176,521
Machinery and equipment				
- additions during the year	1,293,257	2,481,299	-	-
- net book value at year end	3,474,286	2,988,865	-	-
Computer				
- additions during the year	-	-	-	-
- net book value at year end	18,191	27,287	18,191	27,287

**4. Investment Properties**

The Group & The Company	2003 RM	2002 RM
At beginning of year		
Freehold land and buildings		
- at valuation	6,991,146	8,357,000
- at cost	3,690,290	3,690,290
Long term leasehold land and building		
- at valuation	163,636	163,636
	<u>10,845,072</u>	<u>12,210,926</u>
Movement during the year		
Long term leasehold land and building		
- Revaluation deficit	(9,270)	-
- Impairment losses	(87,666)	-
At end of year	<u>10,748,136</u>	<u>12,210,926</u>
	=====	=====

The investment properties were revalued downwards by the Directors during the financial year based on the valuation carried out by an independent firm of professional valuers on 18 September 2003 using the open market value basis. 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.

Investment properties with values amounting to RM9,422,290 (2002: RM9,422,290) have been pledged as security for bank borrowings.

## 5. Investment In Subsidiaries

The Company	2003 RM	2002 RM
Unquoted shares, at cost	2,100,000	2,100,000
	=====	=====

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

Name	Effective interest		Principal activities
	2003	2002	
i) Seranta Machinery & Equipment Sdn. Bhd. (Formerly known as Seranta Manufacturing Sdn. Bhd.)	100%	100%	Manufacturing of and trading in building materials and rental of construction equipment and machinery. The Company ceased its manufacturing activities during the year.
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

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
At cost				
Building materials	4,216,582	1,939,675	2,491,900	1,479,209
Finished goods	-	29,764	-	-
	4,216,582	1,969,439	2,491,900	1,479,209
	=====	=====	=====	=====

## 7. Development Properties

The Group	2003 RM	2002 RM
Leasehold land, at cost	9,868,880	9,868,888
Development expenditure, at cost	19,491,462	1,882,572
	29,360,342	11,751,460
Attributable profit recognised to date	3,503,181	-
	32,863,523	11,751,460
Progress billings to date	(22,280,156)	-
	10,583,367	11,751,460
	=====	=====

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

Term loan interest of the Group amounting to RM383,333 (2002: RM491,992) has been included in development expenditure during the year.

The Company	2003 RM	2002 RM
Development expenditure, at cost	622,388	-
	=====	=====

The Company has on 18 April 2003 entered into Sales and Purchase agreements with a directors-related company to acquire seventy-seven (77) lots of land for a purchase consideration of RM3,536,988.

The acquisitions have not been accounted for in the financial statement for this financial year end as the conditions contained in the sales and purchase agreements have yet to be fulfilled by the vendor.

The related expenditure attributed to the acquisition include professional fee, earthworks and other related development expenditure.

**8. Trade And Other Receivables**

	<b>Group</b>		<b>Company</b>	
	<b>2003 RM</b>	<b>2002 RM</b>	<b>2003 RM</b>	<b>2002 RM</b>
Progress billings receivables	51,008,980	25,256,663	45,540,527	17,824,874
Retention sums	14,979,972	15,420,661	13,157,704	13,247,555
Trade receivables	16,226	24,960	-	-
Allowance for doubtful debts	(13,887)	(13,887)	-	-
	<u>65,991,291</u>	<u>40,688,397</u>	<u>58,698,231</u>	<u>31,072,429</u>
Other receivables	161,396	283,531	61,050	61,000
Deposits	1,595,828	572,771	578,256	539,231
Prepayments	332,840	698,668	1,290	478,307
	<u>68,081,355</u>	<u>42,243,367</u>	<u>59,338,827</u>	<u>32,150,967</u>
	=====	=====	=====	=====

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

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

The Group has on 30 June 2003 successfully bid in a public auction, held at the High Court Malaya Kuala Lumpur for a parcel of development land. The purchase consideration of RM9.6 million has been derived from bidding. Ten percent of deposit has been paid and included in sundry deposits during the year. The acquisition has yet to be finalised as at the date of this report.

**9. Amount Due From Customers On Contract**

	<b>Group</b>		<b>Company</b>	
	<b>2003 RM</b>	<b>2002 RM</b>	<b>2003 RM</b>	<b>2002 RM</b>
Costs incurred on contract to date	734,839,996	486,387,603	648,638,178	454,853,214
Attributable profit recognised to date	25,138,980	17,554,868	21,398,023	16,060,683
	<u>759,978,976</u>	<u>503,942,471</u>	<u>670,036,201</u>	<u>470,913,897</u>
Progress billings to date	(709,624,795)	(463,439,551)	(627,033,941)	(432,379,187)
	<u>50,354,181</u>	<u>40,502,920</u>	<u>43,002,260</u>	<u>38,534,710</u>
	=====	=====	=====	=====

**10. Amount Due From Subsidiary Companies****The Company**

The identities of amount due from subsidiary companies are as follows:-

	<b>2003 RM</b>	<b>2002 RM</b>
Seranta Machinery & Equipment Sdn. Bhd. - Trade ( Formerly known as Seranta Manufacturing Sdn. Bhd. )	1,374,022	1,016,385
BG Realty Sdn. Bhd. - Non trade	7,914,187	5,381,921
BG Builders Sdn. Bhd. - Subcontractors	(3,262,053)	-
- Retention	(1,193,344)	-
- Non trade	5,981,886	2,725,935
	<u>1,526,488</u>	<u>2,725,935</u>
	<u>10,814,697</u>	<u>9,124,241</u>
	=====	=====

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

## 11. Amount Due From/ (To) Related Parties

### The Group & The Company

The identities of amount due from related party are as follows:-

	2003 RM	2002 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)	-	3,500
	=====	=====

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

	2003 RM	2002 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)
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)	(431,083)	(78,598)
	(441,415)	(258,465)
	=====	=====

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

## 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.

	2003 RM	2002 RM
Amount due from joint venture operation	5,956,692	13,694,822
Share of loss of joint venture operation	(772,094)	(547,403)
	5,184,598	13,147,419
	=====	=====

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

	2003 RM	2002 RM
Property, plant and equipment	-	203,758
Current assets	8,146,021	19,558,463
Current liabilities	(2,961,423)	(6,614,802)
	5,184,598	13,147,419
	=====	=====

**12. Joint Venture** (cont'd)

	<b>Joint Venture's Income Statement</b>		<b>Company's share (49%)</b>	
	<b>2003 RM</b>	<b>2002 RM</b>	<b>2003 RM</b>	<b>2002 RM</b>
Revenue	15,100,177	20,983,685	7,399,087	10,282,006
Expenses	(15,558,733)	(20,887,089)	(7,623,778)	(10,234,673)
Profit/(loss) from ordinary activities before tax	(458,556)	96,596	(224,692)	47,332
Taxation	-	-	-	-
Profit/(loss) after taxation	(458,556)	96,596	(224,692)	47,332
Accumulated loss brought forward	(1,117,147)	(1,213,743)	(547,403)	(594,735)
Accumulated loss carried forward	(1,575,703)	(1,117,147)	(772,094)	(547,403)

**13. Cash And Cash Equivalents**

	<b>Group</b>		<b>Company</b>	
	<b>2003 RM</b>	<b>2002 RM</b>	<b>2003 RM</b>	<b>2002 RM</b>
Deposits with licensed banks	25,381,169	17,168,676	25,381,169	16,488,676
Cash held under Housing Development Accounts	2,023,546	1,080,447	-	-
Cash and bank balances	13,098,061	4,542,189	11,294,150	3,211,397
Deposits, cash and bank balances	40,502,777	22,791,312	36,675,319	19,700,073
less: Bank overdrafts - secured	(693,513)	(2,624,494)	(693,513)	(782,856)
	39,809,264	20,166,818	35,981,806	18,917,217
less: Fixed deposits pledged to licensed banks	(5,388,487)	(10,660,967)	(5,388,487)	(9,980,967)
	34,420,777	9,505,851	30,593,319	8,936,250
	=====	=====	=====	=====

Interest rates on bank overdrafts during the year ranged from 8.40% to 9.90% per annum (2002: 8.40%).

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

Fixed deposits amounting to RM5,388,487 (2002: RM10,660,967) for the Group and RM5,388,487 (2002: RM9,980,967) for the Company have been pledged to licensed banks as security for credit facilities granted to the Group.

**14. Trade & Other Payables**

	<b>Group</b>		<b>Company</b>	
	<b>2003 RM</b>	<b>2002 RM</b>	<b>2003 RM</b>	<b>2002 RM</b>
Trade payables	12,946,914	5,563,910	8,820,551	3,662,475
Sub-contractors	38,287,955	10,573,485	32,012,610	8,489,370
Retention sums	15,941,680	10,928,430	13,405,996	9,837,916
	67,176,549	27,065,825	54,239,157	21,989,761
Accruals	361,924	429,068	284,043	361,484
Other payables	211,342	583,684	149,625	36,826
Deposits received	155,640	2,125,470	155,640	226,430
	67,905,455	30,204,047	54,828,465	22,614,501
	=====	=====	=====	=====

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





## 17. Share Capital

The Group & The Company	2003 RM	2002 RM
Authorised :		
Ordinary shares of RM1.00 each		
At beginning of year	50,000,000	50,000,000
Increased during the year	50,000,000	-
At end of year	100,000,000	50,000,000
Issued & fully paid :		
Ordinary shares of RM1.00 each		
At beginning of year	35,000,000	35,000,000
Bonus shares issued during the year	7,000,000	-
At end of year	42,000,000	35,000,000

During the financial year, the authorised share capital of the Company was increased from RM50 million to RM100 million through the creation of 50 million ordinary shares of RM1.00 each, and the issued and paid up share capital of the Company was increased from RM35 million to RM42 million ordinary share of RM1.00 each through a bonus issue on the basis of 1 new ordinary share for every 5 existing ordinary share held in the Company. The bonus issue is by way of capitalizing retained profits. The new ordinary shares rank pari passu in respects with the existing ordinary shares.

## 18. Deferred Taxation

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
At beginning of year	44,000	67,700	44,000	67,700
Provision for deferred tax liability	(20,000)	20,000	(20,000)	20,000
Transfer from/ (to) income statement (Note 22)	3,000	(43,700)	(11,000)	(43,700)
At end of year	27,000	44,000	13,000	44,000

The Group has not accounted for tax effects of the timing differences and potential tax savings in two of the subsidiary companies which would result in a debit to the deferred tax balance at the year end amounting to RM231,700 (2002: RM158,000).

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

## 19. Revenue

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Construction contracts	238,326,191	195,770,821	202,436,771	164,710,457
Revenue from property development	22,280,156	-	-	-
Manufacturing and trading in building materials	24,822	139,478	-	-
Rental income on construction machinery and equipment	40,394	116,838	-	-
	260,671,563	196,027,137	202,436,771	164,710,457

## 20. Cost Of Sales

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Construction costs	240,070,472	182,720,175	197,307,668	158,612,774
Development expenditure	2,895,506	-	-	-
Manufacturing and trading in building materials	29,764	216,126	-	-
Construction machinery and equipment rental cost	4,856,989	3,863,637	-	-
	247,852,731	186,799,938	197,307,668	158,612,774

**21. Profit Before Taxation**

(a) Profit before taxation is arrived at after charging:

		<b>Group</b>		<b>Company</b>	
		<b>2003 RM</b>	<b>2002 RM</b>	<b>2003 RM</b>	<b>2002 RM</b>
Auditors' remuneration	- The Group	53,000	32,800	-	-
	- The Company	-	-	34,500	23,000
	- Joint venture	3,675	2,450	3,675	2,450
Depreciation	- The Group	2,159,625	1,828,013	-	-
	- The Company	-	-	504,948	442,973
	- Joint venture	-	42,768	-	42,768
Directors' emoluments	- salary	636,000	516,000	636,000	516,000
	- fees	45,000	45,000	45,000	45,000
	- bonus	53,000	28,000	53,000	28,000
	- others	22,600	6,500	22,600	6,500
Property, plant & equipment written off	- The Group	-	11,187	-	-
	- Joint venture	58,681	-	58,681	-
Deposits written off		-	66,853	-	66,853
Hire of machinery		2,148,442	2,526,206	6,214,574	6,454,140
Hire purchase interest		270,168	225,091	15,883	17,534
Loss on disposal of property, plant and equipment	- The Group	-	8,128	-	-
	- Joint venture	-	794	-	794
Other interest		43,056	76,432	26,397	56,364
Overdraft interest		176,704	410,493	65,094	206,081
Provision for impairment loss	- The Group	299,197	-	-	-
Impairment losses on investment properties		87,666	-	87,666	-
Rental		600,264	466,754	299,888	407,554
Term loan interest		1,336,121	846,307	1,291,977	832,393
And Crediting :-					
Fixed deposit interest		500,533	386,312	498,745	386,312
Gain on disposal of investment property		276,357	-	276,357	-
Gain on disposal of property, plant & equipment	- The Group	62,482	-	-	-
	- The Company	-	-	7,382	-
	- Joint venture	9,310	-	9,310	-
Interest received		21,595	-	-	-
Other interest received		30,225	-	-	-
Rental income		724,061	789,626	724,061	789,626
The following expenses have been included in contract cost:-					
Term loan interest		1,291,977	832,393	1,291,977	832,393
Overdraft interest		176,704	410,493	65,094	206,081
Other interest		40,550	56,352	24,650	54,368
Depreciation		18,444	53,396	-	42,768
Hire of machinery		2,000,635	2,450,686	6,214,574	6,454,140
Rental		114,070	74,416	103,690	72,816

(b) Employee Information

		<b>Group</b>		<b>Company</b>	
		<b>2003 RM</b>	<b>2002 RM</b>	<b>2003 RM</b>	<b>2002 RM</b>
Staff costs		16,736,806	13,092,433	13,248,083	10,622,699

Directors' emoluments were included in staff costs.

The total number of employees of the Group and the Company (excluding directors) at financial year end were 186 (2002: 193) and 132 (2002 : 137) respectively.

## 22. Taxation

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Malaysian taxation based on profit for the year	2,741,000	1,868,500	980,000	1,370,000
Under/ (over) provision in previous year	130,259	(30,212)	70,905	(30,212)
Underprovision of RPGT in previous year	-	6,480	-	6,480
Deferred taxation (Note 18)	3,000	(43,700)	(11,000)	(43,700)
	<u>2,874,259</u>	<u>1,801,068</u>	<u>1,039,905</u>	<u>1,302,568</u>
	=====	=====	=====	=====

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

The Company has approximately RM22,380,161 (2002: RM21,616,493) tax credit under S108 of the Income Tax Act 1967, and tax exempt account amounting to RM4,784,887 (2002: 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 Group and 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.

## 23. Earnings Per Share

Earnings per share is calculated by dividing the Group's profit attributable to shareholders amounting to RM5,357,544 (2002: RM4,848,700) by the number of shares in issue of 42,000,000 (2002: 42,000,000) ordinary shares of RM1.00 each.

## 24. Dividends

The Group & the Company	2003 RM	2002 RM
Dividend paid in respect of the financial year are as follows:-		
First and final dividend paid - 5% tax exempt (2002 : 5% tax exempt)	1,750,000	1,750,000
	=====	=====
Sen per share (Gross)	5	5
	=====	=====

The first and final 5% tax exempt dividend per share in respect of financial year ended 30 June 2002 which have been accounted for in the financial statements of the Group and the Company in the financial year ended 30 June 2003 was paid on 23 January 2003.

The Board of Directors proposed a final gross dividend on ordinary shares of 5 sen per share, tax exempt, amounting to RM2,100,000 in respect of the financial year ended 30 June 2003. These dividends are not recognised as a liability at the balance sheet date and will be accounted for as an appropriation of retained earnings in the financial year ending 30 June 2004 when approved by members at the forthcoming Annual General Meeting.

## 25. Significant Intercompany And Related Parties Transactions

### Identity of related parties

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

Significant related party transactions are as follows:

### Transactions between the Company and its subsidiary companies

	2003 RM	2002 RM
Materials purchased from subsidiary - Seranta Machinery & Equipment Sdn. Bhd. ( Formerly known as Seranta Manufacturing Sdn. Bhd. )	-	18,920
Machinery rental paid/payable to subsidiary - Seranta Machinery & Equipment Sdn. Bhd. ( Formerly known as Seranta Manufacturing Sdn. Bhd. )	4,482,829	4,378,059
	=====	=====

**25. Significant Intercompany And Related Parties Transactions** (cont'd)**Transactions with companies in which certain directors have substantial financial interest**

	Group		Company	
	2003 RM	2002 RM	2003 RM	2002 RM
Potensi Naga Sdn. Bhd. (an indirect subsidiary company of Mutiara Goodyear Development Berhad, a company in which Lai Tan Fatt, Edmond Hoyt Yung and Wong Chick Wai are directors and have substantial shareholdings)				
- Rental paid/payable	408,794	299,998	161,998	299,998
- Janitorial usage charges paid/payable	2,778	4,137	2,778	4,137
- Parking fee paid/payable	123,480	68,760	89,880	68,760
- Maintenance fee paid/payable	-	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	-	56,979
- Quit rent paid/payable	4,252	9,263	4,252	9,263
- Insurance paid/ payable to	5,682	-	5,682	-
- Security charges paid/ payable to	9,685	-	-	-
Pembangunan Bandar Mutiara Sdn. Bhd. (a subsidiary company of Mutiara Goodyear Development Berhad, a company which Lai Tan Fatt, Edmond Hoyt Yung and Wong Chick Wai are directors, and have substantial shareholdings)				
- Contract fee received/receivable from	14,883,943	1,269,885	-	324,093
- Transportation & travelling paid/ payable to	2,814	-	2,814	-
Puncak Kencana Sdn. Bhd. (an indirect subsidiary company of Mutiara Goodyear Development Berhad, a company in which Lai Tan Fatt, Edmond Hoyt Yung and Wong Chick Wai are directors and have substantial shareholdings)				
- Contract fee received/receivable from	359,914	2,200,497	119,524	2,200,497
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	20,765,088	32,051,162	-	1,936,590
Sri Majuni Sdn. Bhd. (a company in which Edmond Hoyt Yung, and Lai Tan Fatt are directors and substantial shareholders)				
- Insurance paid/ payable to	307,394	-	222,056	-
	=====	=====	=====	=====

Related parties transactions with Directors of the Group and of the Company are disclosed in Note 26.

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

**26. Directors' Remuneration**

<b>The Group &amp; The Company</b>	<b>2003 RM</b>	<b>2002 RM</b>
<b>Directors of the Company</b>		
Executive Directors:		
Salaries	576,000	456,000
Bonus	48,000	23,000
Fees	15,000	15,000
Meeting allowances	8,000	2,000
	<u>647,000</u>	<u>496,000</u>
Non-executive Directors:		
Salaries	60,000	60,000
Bonus	5,000	5,000
Fees	30,000	30,000
Meeting allowances	14,600	4,500
	<u>109,600</u>	<u>99,500</u>
Total	<u>756,600</u>	<u>595,500</u>
	=====	=====

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

	<b>Number of Directors 2003 RM</b>	<b>2002 RM</b>
Executive Directors:		
RM100,000 - RM200,000	1	3
RM200,000 - RM300,000	2	-
Non executive Directors:		
Below RM50,000	5	5
RM50,000 - RM100,000	1	1
	=====	=====

**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 3).

**28. Contingent Liabilities (Unsecured)**

	<b>Company 2003 RM</b>	<b>2002 RM</b>
Corporate guarantees given to financial institutions for banking facilities granted to subsidiaries	21,812,980	22,183,980
Corporate guarantees given to a wholly owned subsidiary's client for its contract performance	3,375,072	2,028,527
Corporate guarantees in favour of suppliers of goods for credit terms granted to subsidiaries	13,900,000	2,100,000
	<u>39,088,052</u>	<u>26,312,507</u>
	=====	=====

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

## 29. Segment Analysis

### (a) Primary reporting format - business segment

The Group's operations comprise the following business segment:

- (i) Construction
- (ii) Property development
- (iii) Construction machinery & equipment rental and trading in building materials

	Construction RM	Property Development RM	Machinery & Equipment Rental and Trading in Building Materials RM	Elimination RM	Consolidation RM
2003					
REVENUE					
External sales	238,326,191	22,280,156	65,216	-	260,671,563
Inter-segment sales	15,881,468	-	6,740,368	(22,621,836)	-
Total revenue	254,207,659	22,280,156	6,805,584	(22,621,836)	260,671,563
RESULTS					
Segment operating profit	2,296,302	2,937,644	1,675,042	-	6,908,988
Finance costs					(316,818)
Investment and other income					1,639,633
Profit before taxation					8,231,803
Taxation					(2,874,259)
Net profit for the year					5,357,544
OTHER INFORMATION					
Segment assets	196,659,369	15,258,709	8,718,694	(24,317,387)	196,319,385
Tax assets					128,000
Consolidated total assets					196,447,385
Segment liabilities	110,892,923	12,104,828	5,307,331	(22,217,387)	106,087,695
Tax liabilities					296,835
Consolidated total liabilities					106,384,530
Capital expenditure	546,961	1,680,160	135,557	-	2,362,678
Depreciation	590,114	1,555,488	14,023	-	2,159,625
2002					
REVENUE					
External sales	195,770,820	-	256,317	-	196,027,137
Inter-segment sales	-	-	5,456,062	(5,456,062)	-
Total revenue	195,770,820	-	5,712,379	(5,456,062)	196,027,137
RESULTS					
Segment operating profit/ (loss)	4,409,652	(82,111)	1,345,824	2,716	5,676,081
Finance costs					(259,085)
Investment and other income					1,232,772
Profit before taxation					6,649,768
Taxation					(1,801,069)
Net profit for the year					4,848,699
OTHER INFORMATION					
Segment assets	141,732,366	14,500,716	7,006,068	(11,839,996)	151,399,154
Tax assets					220,725
Consolidated total assets					151,619,879
Segment liabilities	54,405,930	13,674,418	4,717,074	(9,739,996)	63,057,426
Tax liabilities					1,909,532
Consolidated total liabilities					64,966,958
Capital expenditure	717,654	-	4,190,794	-	4,908,447
Depreciation	549,289	-	1,321,491	-	1,870,781

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

### (b) Secondary reporting - geographical segment

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



### 30. Financial Instruments

#### a) Interest rate risk

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

Group 2003	Less than 1 year RM	More than 1 year RM	Total RM	Effective interest rate during the year %
<b>Financial Asset</b>				
Fixed deposit with licensed bank	25,381,169	-	25,381,169	2.74 - 4.07
Trade receivables	1,723,964	-	1,723,964	10.47
<b>Financial Liabilities</b>				
Borrowings	35,247,789	1,799,523	37,047,312	4.2 - 13.06
Bank overdraft	693,513	-	693,513	8.73 - 10.36
	=====	=====	=====	=====
<b>Company 2003</b>	<b>Less than 1 year RM</b>	<b>More than 1 year RM</b>	<b>Total RM</b>	<b>Effective interest rate during the year %</b>
<b>Financial Asset</b>				
Fixed deposit with licensed bank	25,381,169	-	25,381,169	2.74 - 4.07
<b>Financial Liabilities</b>				
Borrowings	33,432,518	88,073	33,520,591	4.2 - 13.06
Bank overdraft	693,513	-	693,513	8.73 - 10.36
	=====	=====	=====	=====

#### b) Credit risk

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet and the outstanding obligations under the guarantees as disclosed in Note 28.

#### c) Fair value

The carrying amounts of cash and cash equivalents, trade and other receivables / payables approximate their fair value due to relatively short term maturity of these financial instruments.

### 31. 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 stated RM	As restated RM	As previously stated RM
Amount due from subsidiary companies	-	-	4,455,397	-
Tax recoverable	128,000	-	-	-
Trade and other payables	-	-	-	4,455,397
Provision for taxation	-	128,000	-	-
	=====	=====	=====	=====

No comparative are disclosed for certain information relating to financial instruments as allowed under the transitional provision of the MASB 24 - Financial instruments : Disclosure and Presentation upon first application.

# Properties Held by the Group as at 30 June 2003

BINA GOODYEAR BERHAD (18645-H)

## BINA GOODYEAR BERHAD

(18645-H)  
(Incorporated in Malaysia)

Title / Location	Description / Existing Use	Tenure	Land Area / Built Up Area (sq. feet)	Owership	Approximate Age of Building ( Years)	Net Book Value as at 30/06/03 RM'000	Date of Acquisition
Mukim of Ulu Kinta, District of Kinta, State of Perak							
- Lot 105977 (PT. 29300 )	Land for Semi-Detach / Vacant	Leasehold 90 years (12.01.2081)	3,014 / N.A	Bina Goodyear Bhd	N.A	48	12 May 1990
- Lot 105979 (PT. 29302 )	Irregular Lot for Semi-Detach / Vacant	Leasehold 90 years (12.01.2081)	1,561 / N.A	- do -	N.A	19	12 May 1990
Subang Perdana Phase 5 Subang Jaya State of Selangor (6 units)	Shop Lots for Apartments / Rented	Freehold	N.A / 6,408	- do -	7	1,259	2 June 1995
Subang Perdana Phase 6 Subang Jaya State of Selangor	Shop Lots for Apartments / Rented	Freehold	N.A / 52,542	- do -	6	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 -	6	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
<b>Properties Disposed During The Year</b>							
Subang Perdana Phase 5 Subang Jaya State of Selangor (Disposal of 22 units)	Shop Lots for Apartments / Rented	Freehold	N.A / 14,598	Bina Goodyear Bhd			

# Shareholders' Information as at 3 November 2003

BINA GOODYEAR BERHAD (18645-H)

## BINA GOODYEAR BERHAD

(18645-H)

(Incorporated in Malaysia)

Authorised Share Capital	RM100,000,000
Issued & Paid-up Capital	RM42,217,900
Class of Shares	Ordinary Shares of RM1.00 each
Voting Rights	One voting right per ordinary share

### DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Holders	Total Holdings	%
Less than 100	0	0	0
100 to 1,000	103	74,300	0.18
1,001 to 10,000	1,111	2,672,500	6.33
10,001 to 100,000	122	3,434,080	8.13
100,001 to less than 5% of issued shares	40	19,514,420	46.22
5% and above of issued shares	3	16,522,600	39.14
<b>TOTAL</b>	<b>1,379</b>	<b>42,217,900</b>	<b>100</b>

### 30 Largest Shareholders

Name of Shareholders	No. of Shares	%
1. Goodyear Investors (Malaysia) Sdn Bhd	9,000,000	21.32
2. EB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Goodyear Investors (M) Sdn Bhd	5,056,800	11.98
3. HSBC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Md Azar Bin Ismail	2,465,800	5.84
4. HSBC Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Rozana Bte Talib @ Shiribi	1,680,000	3.98
5. HSBC Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Wong Chick Wai	1,440,000	3.41
6. HSBC Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Md Azar Bin Ismail	1,282,200	3.04
7. Lee Yuen Pheng	1,276,800	3.02
8. HSBC Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lai Tan Fatt	1,188,000	2.81
9. Lai Tan Fatt	1,168,800	2.77
10. HSBC Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Edmond Hoyt Yung	1,080,000	2.56
11. Phan Sin Chong	918,000	2.17
12. Wong Soo Chai @ Wong Chick Wai	896,400	2.12
13. Kan See Man @ Kan See Mun	887,200	2.10
14. Anita Lau Soo Leng	659,200	1.56
15. HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Alunan Harapan Sdn Bhd	600,000	1.42

Name of Shareholders	No. of Shares	%
16. Perbadanan Nasional Berhad	600,000	1.42
17. RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Goodyear Management (M) Sdn Bhd	600,000	1.42
18. Perbadanan Nasional Berhad	525,000	1.24
19. Lee Yoon Chan	524,400	1.24
20. Perbadanan Nasional Berhad	390,000	0.92
21. Alunan Harapan Sdn Bhd	310,800	0.74
22. Goodyear Investors (Malaysia) Sdn Bhd	300,000	0.71
23. Citicorp Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Wong Se-Yuen	249,800	0.59
24. Lee Chong Lim	244,100	0.58
25. Al Wakalah Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tengku Sulaiman Shah Ibni Sultan Salahuddin Abdul Aziz Shah	231,600	0.55
26. CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Foong Choong Heng (PB-IU)	200,000	0.47
27. RHB Nominees (Tempatan) Sdn Bhd Beneficiary: Mohd Yusof Bin Daud	180,000	0.43
28. Lee Yuen Pheng	179,520	0.43
29. Lim Tzeh Foong	159,200	0.38
30. Alunan Harapan Sdn Bhd	144,000	0.34
	<u>34,437,620</u>	<u>81.57</u>
	=====	=====

### Substantial Shareholders

Name of Shareholders	No. of Shares	%
1. Goodyear Investors (Malaysia) Sdn Bhd	9,000,000	21.32
2. EB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Goodyear Investors (M) Sdn Bhd	5,056,800	11.98
3. HSBC Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Md Azar Bin Ismail	2,465,800	5.84
	<u>16,522,600</u>	<u>39.14</u>
	=====	=====

### Directors' Shareholdings

Directors	No. of shares	
	Direct	Indirect
Md Azar Bin Ismail	3,748,000	Nil
Lai Tan Fatt	2,364,000	14,356,800*
Wong Chick Wai	2,357,280	14,356,800*
Edmond Hoyt Yung	1,080,000	14,356,800*
Mohd Yusof Bin Daud	180,000	-
Dato' Abdul Hamid Bin Hj Md. Zainuddin	Nil	Nil
Puan Sri Khoo Sian Keow	Nil	Nil
YAM Tengku Sulaiman Shah Ibni Sultan Salahuddin Abdul Aziz Shah	231,600	Nil
Ismail Bin Aris	Nil	Nil

\* Deemed interested through Goodyear Investors (Malaysia) Sdn Bhd

(Incorporated in Malaysia)

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

No.	Resolution	For	Against
1.	To receive the Audited Financial Statements for the financial year ended 30 June 2003 together with 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 2003.		
3.	Payment of Directors' Fees for the financial year ended 30 June 2003.		
4.	Re-election of Encik Md Azar Bin Ismail as Director of the Company.		
5.	Re-election of Encik Mohd Bin Daud as Director of the Company		
6.	Re-election of Dato' Abdul Hamid Bin Hj. Md. Zainuddin as Director of the Company.		
7.	Re-appointment of Messrs S.F. Yap & Co. as Auditors of the Company and to authorise the Directors to fix their remuneration.		
8.	Authority to Directors to allot & issue shares pursuant to Section 132D of the Companies Act, 1965.		
9.	Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

\*Delete if not applicable.

Signed this                      day of                      2003

Signature of Member

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

---

To:

**The Company Secretary**  
**Bina Goodyear Berhad** (18645-H)

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

---

Stamp