



BINA GOODYEAR BERHAD

(18645-H)
Incorporated in Malaysia

annual report
2009

Contents

| | |
|----------------------------------|----|
| Chairman's Statement | 1 |
| Corporate Information | 3 |
| Corporate Structure | 4 |
| Notice of Annual General Meeting | 5 |
| Board of Directors | 8 |
| Profile of Directors | 9 |
| Corporate Governance | 11 |
| Statement on Internal Control | 15 |
| Audit Committee | 16 |
| Financial Statements | 19 |
| Properties Held by The Group | 56 |
| Shareholders' Information | 57 |

Dear Shareholders,

On behalf of the Board of Directors of Bina Goodyear Berhad, I am delighted to present to you the Annual Report and Financial Statements of your Company and Group for the financial year ended 30 June 2009.

En. Md Azar bin Ismail / Chairman



Operating Background

As mentioned in the 2008 Annual Report, the global financial crisis which started in early 2007 saw construction material prices soaring and peaking towards the second half of 2008 (the prices of certain materials almost doubling that of 2007). In this regard, the Group was faced with significant increases in construction costs for contracts secured and commenced towards mid 2007 and the beginning of 2008.

The property development and construction industries during the last one year has been soft with few property launches in a very competitive market. With the various government initiatives announced to stabilize and boost the businesses and economy, it is hoped that the situation will improve in the near future.

Review of Results

For the financial year ended 30 June 2009, revenue increased 20.6% to RM333.764 million from RM276.77 million in the previous year. The Group recorded pre-tax losses of RM24.03 million for the year against a pre-tax profit of RM2.55 million in 2008. These pre-tax losses are due to increased costs of construction materials in our two major on-going construction contracts valued at over RM740 million. In addition, due to the depressed property and construction industry markets, the Group has made provisions for discounts on claims yet to be certified, for certain completed projects.

As of 30 June 2009, the Group's outstanding construction contract stood at over RM410 million. In October 2009, Bina Goodyear Berhad secured a new construction contract valued in the region of RM195 million.

In property development, the Group has disposed its 30% investment in Twin Ridge Sdn Bhd and its 8.6 acre land in Sri Damansara, Selangor D.E. These investments are planned for the development of medium-high and high end properties. In view of the current depressed property market conditions, the Board decided to liquidate these investments to enable the Group to reduce its bank borrowings as well as improve its internally funded working capital.

Chairman's Statement

Prospects

Despite the trying conditions faced by the Group, it has maintained its good track record, reputation and more importantly the confidence of its clients, to ensure continued business growth. This is evident in the Group being awarded the RM195 million contract mentioned above. It will continue to actively tender for local construction projects and seek investment opportunities overseas targeting at niche markets.

The Group is still involved in property development with its focus now turned to medium cost buildings and landed properties.

Dividends

The Directors have not recommended any payment of dividend for the financial year ended 30 June 2009.

Acknowledgement

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

MD AZAR BIN ISMAIL
Chairman



1. Solaris Dutamas (perspective).
2. Mutiara Upper East Condominium, Ampang.
3. The Plaza Condominium, Taman Tun Dr. Ismail.
4. Ministry of Art/Culture & Tourism & Proposed Ministry of Higher Education (5G2), Putrajaya (perspective).



BOARD OF DIRECTORS

En. Md Azar Bin Ismail *Non-Executive Chairman*

Mr. Lai Tan Fatt *Managing Director*

Mr. Wong Chick Wai *Executive Director*

Dato' Edmond Hoyt Yung *Non-Executive Director*

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

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

Mr. Eric Lai *Alternate Director to Mr Lai Tan Fatt*

AUDIT COMMITTEE

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

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

En. Md Azar Bin Ismail
Non-Executive 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, Malaysia

BANKERS

CIMB Bank Berhad

Standard Chartered Bank Malaysia Berhad

AmBank (Malaysia) Berhad

ADVOCATES & SOLICITORS

Y M Chin & Lee

SHARE REGISTRAR

Bina Management (M) Sdn Bhd
Lot 10, The Highway Centre
Jalan 51/205, 46050 Petaling Jaya
Selangor Darul Ehsan, Malaysia
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

Main Board of Bursa Malaysia Securities Berhad
(Bursa Malaysia)



BINA GOODYEAR BERHAD (18645-H)

Construction & Building Contractors

100%
Owned

BG Builders Sdn Bhd (542980-X)

Construction Works & Housing Development

100%
Owned

BG Realty Sdn Bhd (269516-A)

Property Management & Property Development

100%
Owned

Greater Heights Development Sdn Bhd (709588-P)

Property Development

100%
Owned

Seranta Machinery & Equipment Sdn Bhd (78214-M)

Rental of Construction Equipment & Machinery

75.5%
Owned

TC Electronics Sdn Bhd (174562-K)

Product Manufacturer of Automotive & Home Loud Speakers

Notice of Annual General Meeting

Bina Goodyear Berhad

(18645-H)

(Incorporated in Malaysia)

NOTICE IS HEREBY GIVEN THAT the Thirty-fifth Annual General Meeting of Bina Goodyear Berhad will be held at Delima Room, The Saujana, Kuala Lumpur, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor on Wednesday, 16 December 2009 at 10.00 a.m. for the following purposes:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 30 June 2009 together with the Reports of the Directors and Auditors thereon.

Resolution 1

2. To approve the payment of Directors' Fees for the financial year ended 30 June 2009.

Resolution 2

3. To re-elect the following Directors retiring pursuant to Article 115 of the Company's Articles of Association and being eligible, offer themselves for re-election:

(i) Mr. Lai Tan Fatt

Resolution 3

(ii) Dato' Edmond Hoyt Yung

Resolution 4

4. To consider and if thought fit, to pass a resolution pursuant to Section 129(6) of the Companies Act, 1965, to re-appoint Dato' Abdul Hamid Bin Hj Md Zainuddin as Director of the Company to hold office until the conclusion of the next Annual General Meeting.

Resolution 5

5. To re-appoint Messrs S.F. Yap & Co. as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

Resolution 6

As Special Business:

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

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

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

Resolution 7

Notice of Annual General Meeting

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

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

"THAT, approval be and is hereby given to the Company and/or its subsidiaries to enter into and give effect to recurrent related party transactions of a revenue or trading nature from time to time, which are necessary for day-to-day operations as set out in Part 2.4 of the Circular to Shareholders dated 18 November 2009, accompanying the Company's 2009 Annual Report, with Mutiara Group, Subang Perdana Services Sdn Bhd and Sri Majuni Sdn Bhd ("Related Parties") mentioned therein, in the ordinary course of business on terms not more favourable to the Related Parties than those generally available to the public and not detrimental to minority shareholders of the Company AND THAT such authority shall commence upon the passing of this resolution and shall continue to be in force until:-

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

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

Resolution 8

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

BY ORDER OF THE BOARD

ANNIE YAP YIN HOON

Company Secretary

Petaling Jaya

18 November 2009

Notes :

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

EXPLANATORY NOTES ON SPECIAL BUSINESS

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

The proposed Ordinary Resolution No. 7, if passed, will empower the Directors to allot and issue shares not exceeding 10% of the issued capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied by the Company in a general meeting, will expire at the next Annual General Meeting of the Company.

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

The proposed Ordinary Resolution 8, if passed, will allow the Group to enter into recurrent related party transactions with the respective Related Parties, which are of a revenue or trading nature and in the ordinary course of business which are necessary for day-to-day operations pursuant to Paragraph 10.09(1) of Bursa Malaysia Securities Berhad Listing Requirements. The details of the proposals are set out in the Circular to Shareholders dated 18 November 2009, which is despatched together with the Company's 2009 Annual Report.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. The Directors standing for re-election / re-appointment are:-
 - (i) Mr Lai Tan Fatt - Retiring pursuant to Article 115 of the Company's Articles of Association
 - (ii) Dato' Edmond Hoyt Yung - Retiring pursuant to Article 115 of the Company's Articles of Association
 - (iii) Dato' Abdul Hamid Bin Hj Md Zainuddin - Retiring pursuant to Section 129(6) of the Companies Act, 1965.
2. Further details of Directors who are standing for re-election at the Thirty-fifth Annual General Meeting

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

The shareholdings of the aforesaid Directors are as stipulated on page 58 of the Annual Report.



seated from left to right

1. **Mr. Lai Tan Fatt**
Managing Director
2. **En. Md Azar Bin Ismail**
Non-Executive Chairman
3. **Dato' Abdul Hamid Bin Hj Md. Zainuddin**
Independent Non-Executive Director

standing from left to right

4. **Mr. Wong Chick Wai**
Executive Director
5. **Mr. Tan Su Tiam @ Tan Hooi Thean**
Independent Non-Executive Director
6. **Dato' Edmond Hoyt Yung**
Non-Executive Director

absent from picture

- **Mr. Eric Lai**
Alternate Director to Mr Lai Tan Fatt

Encik Md. Azar Bin Ismail

Malaysian, aged 59, was appointed to the Board of Directors of BGB on 10 January 1995. He was appointed the Chairman of BGB on 9 September 1997. He started his career with The Chartered Bank in 1970 and left the bank as an officer in 1981. Thereafter, he held position as Manager in Arab Malaysia Finance Berhad from 1981 to 1982. Subsequently, he was Head of Credit Department in Kwong Yik Bank Berhad and left the position in 1985 to join The Pacific Bank Berhad in the same year. He left The Pacific Bank Berhad as a Senior Manager in 1991.

Upon leaving the banking industry, he sits on the Board of several other private companies. Amongst others, he is the Executive Vice Chairman of SK Formware Sdn Bhd and Olitec Services Sdn Bhd, the Executive Chairman of RI Kawalan Sdn Bhd and a Director of Medical Apparatus Supplies Sdn Bhd.

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

Mr. Lai Tan Fatt

Malaysian, aged 63, was appointed to the Board of Directors of BGB on 1 November 1978. He is the Managing Director of BGB and holds a Bachelor of Commerce and Administration degree from Victoria University (New Zealand). His professional qualifications include Associate Chartered Accountant from the Institute of Chartered Accountants of New Zealand and Certified Public Accountants from the Malaysian Association of Certified Public Accountants. His experience in the field of accountancy includes working as an accountant in Touche Ross (New Zealand) and Peat Marwick Mitchell (Malaysia) and as an Internal Auditor with Tractors Malaysia Berhad, a company listed on the Main Board of Bursa Malaysia, in 1974.

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

Mr. Wong Chick Wai

Malaysian, aged 69, 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 holds 2,048,380 ordinary shares of RM1.00 each in the Company and by virtue of his substantial shareholdings (direct and indirect) in the Company, he is deemed to have interest in the ordinary shares held by the Company in its subsidiaries.

Dato' Edmond Hoyt Yung

British and a permanent resident of Malaysia, aged 68, was appointed to the Board of Directors of BGB on 1 November 1978. He graduated from University of Hong Kong and holds a Masters Degree from University of London and a Diploma of Imperial College (London). He is also a Chartered Engineer, a fellow at the Geological Society of London. His wide experience in engineering, includes eleven (11) years in London in water supply engineering, soil mechanics, foundation engineering, earth moving and motorway construction. Dato' Yung was appointed Director and Chief Executive Officer of United Estates Plantation Sdn Bhd ("UEP") in 1975 and was responsible for the entire Subang Jaya development until 1980.

Dato' Yung holds 3,392,700 ordinary shares of RM1.00 each in the Company and by virtue of his substantial shareholdings (direct and indirect) in the Company, he is deemed to have interest in the ordinary shares held by the Company in its subsidiaries.

Dato' Abdul Hamid Bin Hj Md. Zainuddin

Malaysian, aged 73, was appointed as an Independent Non-Executive Director of BGB on 6 August 1997. Dato' Abdul Hamid is an active Bumiputra investor and entrepreneur. He also sits on the Board of several private companies.

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

Mr. Tan Su Tiam @ Tan Hooi Thean

Malaysian, aged 60, was appointed as an Independent Non-Executive Director of BGB on 15 February 2008. Mr Tan Su Tiam graduated from Otago University of New Zealand and was admitted to the Institute of Chartered Accountants of New Zealand. His experience includes working for the New Zealand Government Audit Office as an auditor. Presently, he has set up his own private accounting practice, and has been practicing since then. Mr. Tan is also a Director of Mutiara Goodyear Development Berhad, a company listed on the Main Board of Bursa Malaysia.

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

Mr. Eric Lai (Alternate Director to Mr. Lai Tan Fatt)

Malaysian, aged 40, was appointed as the Alternate Director to Mr. Lai Tan Fatt on 13 October 2008. Mr Eric Lai holds a Bachelor of Commerce degree and Executive Master of Business Administration (MBA) from Queensland, Australia. He is also a member of CPA Australia. He holds an indirect shareholdings of 1,058,500 ordinary shares (2.29%) through Diamond Form Sdn Bhd and Fountainhead Sdn Bhd. He is the son of Mr. Lai Tan Fatt, the Managing Director.

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

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

Corporate Governance

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

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

THE BOARD OF DIRECTORS

Composition

The Board currently has six (6) members comprising the Non-Executive Chairman, the Managing Director, one (1) Executive Directors, two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. There is also an Alternate Director on the Board.

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

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

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

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

Meetings

The Board meets at least four (4) times a year with additional meetings convened when necessary. Scheduled Board meetings are structured with a pre-set agenda. The Board members are provided with Board papers which contain management and financial information and other matters to be discussed prior to the meetings to enable the Directors to obtain further explanations and/or clarifications if necessary, in order to ensure the effectiveness of the proceeding of the meetings. During the financial year ended 30 June 2009, there were five (5) meetings held and the Board members' attendance is outlined as follows:-

| Name | Attendance |
|--|------------|
| Md Azar Bin Ismail | 5/5 |
| Lai Tan Fatt | 3/5 |
| Wong Chick Wai | 5/5 |
| Dato' Edmond Hoyt Yung | 5/5 |
| Dato' Abdul Hamid Bin Hj Md. Zainuddin | 5/5 |
| Tan Su Tiam @ Tan Hooi Thean | 2/2 |
| Ismail Bin Aris (resigned 02/03/2009) | 1/5 |

Board Committee

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

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

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

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

Directors' Remuneration

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 2009 are as follows:

| | Basic Salary (RM) | Bonus (RM) | Fees (RM) | Meeting Allowances (RM) | Benefits in kind (RM) |
|--------------------------------|----------------------|---------------|--------------|-------------------------------|-----------------------------|
| Executive Directors | 527,400 | 16,800 | 10,000 | 5,000 | 56,000 |
| Non-Executive Directors | 70,598 | 2,693 | 20,000 | 20,000 | nil |

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

| Range of Remuneration | Number of Directors | |
|-----------------------|---------------------|---------------|
| | Executive | Non-Executive |
| Below RM50,000 | nil | 5 |
| RM50,001 - RM100,000 | nil | nil |
| RM100,001 - RM150,000 | nil | nil |
| RM150,001 - RM200,000 | nil | nil |
| RM200,001 - RM250,000 | 1 | nil |
| RM250,001 - RM300,000 | nil | nil |
| RM300,001 - RM350,000 | 1 | nil |
| RM350,001 - RM400,000 | nil | nil |
| RM400,001 - RM450,000 | nil | nil |
| RM450,001 - RM500,000 | nil | nil |

Re-election of the Directors

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

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

Directors' Training

All the Directors of the Company have attended the Mandatory Accreditation Program prescribed by Bursa Securities and the Board members will attend further training programmes/seminars from time to time to keep abreast with the relevant changes and latest development in laws and regulations where appropriate and with the changing commercial risks. Amongst the seminars and courses attended by the Directors were Briefing on Financial Instruments for Non-Financial Institutions and Training Programme on Directorship - Independent vs Executive.

Supply of Information

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

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

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

SHAREHOLDERS

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

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

ACCOUNTABILITY AND AUDIT

Financial Reporting

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

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

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

The Board of Directors do hereby state that the preparation of financial statements for the year ended 30 June 2009 is the responsibility of the Directors. They are legally required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company and of their results and cash flow for the financial year then ended. In preparing those financial statements, the Directors have:

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

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

Internal Control

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

Relationship with Auditors

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

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

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

Corporate Social Responsibility

The Company recognises its corporate social responsibility commitments to its various stakeholders, which include investors, clients, suppliers, members of the local communities as well as its employees in which it operates.

The Board of Directors of the Company and the Group will ensure that all pertinent matters relating to Corporate Social Responsibility are considered and supported in the Group's operations and administrative processes and are consistent with the Group's stakeholders' best interests.

OTHER INFORMATION

Utilisation of Proceeds

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

Share Buybacks

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

Options, Warrants or Convertible Securities

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

American 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

Non-audit fees paid to the external auditors, Messrs Liktak Management Sdn Bhd by the Company during the financial year amounted to RM60,000.00.

Profit Estimate, Forecast or Projection

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

Profit Guarantee

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

Material Contracts

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

Contracts Relating to Loans

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

Revaluation of Landed Properties

The accounting policy of revaluation of land and buildings is stated in Notes to the financial statements under Note (6), under heading Investment Properties in the financial statements of the Company and its subsidiaries for the financial year ended 30 June 2009.

Recurrent Related Party Transactions

Details of the significant transactions with related parties of a recurrent nature undertaken by the Group during the financial year ended 30 June 2009 are disclosed in Note (26) of the Financial Statements.



Armanee Terrace, Damansara Perdana.



Suasana Sentral Condominium.



Suria Stonor Condominium (perspective).

The Board of Directors of Bina Goodyear Berhad is pleased to provide the following statement which outlines the key elements of the internal control systems within the Group for the year ended 30 June 2009.

Board Responsibility

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

The nature of risks means that events may occur which would give rise to unanticipated or unavoidable losses and because of the limitation that are inherent in any system of internal controls, the Board recognises that such systems of internal control are designed to manage and control rather than eliminate the risk of failure to achieve business objectives; thus it should be noted that it can only provide reasonable and not absolute assurance against the risk of material errors, misstatement, fraud or losses. The system control incorporates inter alia, risk management, financial, operational and compliance controls as well as the governance process.

Risk Assessment/Management

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

Internal Control/Control Environment

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

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

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

Internal Audit Function

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

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

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

Internal Control Issues

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

Conclusion

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

MEMBERSHIP

The present members of the Audit Committee comprise:-

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

TERMS OF REFERENCE

1. Objectives

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

2. Composition

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

3. Authority

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

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

4. Functions

The functions of the Audit Committee shall be:

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

- (g) the quarterly results and year end financial statements, prior to the approval by the Board, focusing particularly on:-
 - (i) changes in or implementation of major accounting policy changes;
 - (ii) significant and unusual events; and
 - (iii) compliance with accounting standards and other legal requirements;
- (h) any related party transaction and conflict of interest situation that may arise within the Company or Group;
- (i) any letter of resignation from the external auditors of the Company; and
- (j) any other functions as may be agreed by the Committee and the Board or as may be required or empowered by statutory legislation or guidelines prepared by relevant governing authorities.

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

5. Meetings

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

MEETINGS AND ATTENDANCE

The Audit Committee held five (5) meetings during the financial year ended 30 June 2009 and the details of attendance of the Audit Committee Members are as follows:-

| Audit Committee Members | No. of Meetings Attended |
|--|--------------------------|
| Dato' Abdul Hamid Bin Hj. Md Zainuddin | 5/5 |
| Mr. Tan Su Tiam @ Tan Hooi Thean | 5/5 |
| Encik Md Azar Bin Ismail | 5/5 |

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

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

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

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



Wisma Putra, Putrajaya.



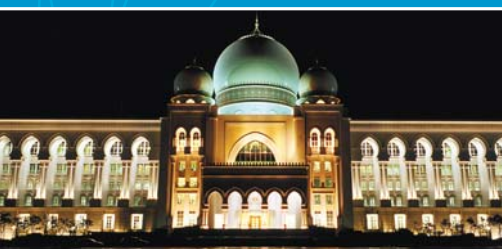
Kelana Centre Point, Kelana Jaya.



Selangor State Mosque, Shah Alam.



Putrajaya Marriott Hotel, IOI Resort.



Palace of Justice, Putrajaya.



Taman Legenda Mas 2A - Townhouse, Cheras.



Dataran Prima Commercial Centre, Petaling Jaya.



Syariah Court, Putrajaya.



T.C. Electronics Factory, Port Klang.



Sri Hartamas Condominium, K.L.

Directors' Report

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 2009.

PRINCIPAL ACTIVITIES

The principal activities of the Company are those of construction and building contractors. The principal activities of the subsidiary companies are disclosed in Note 7 in the notes to the financial statements.

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

FINANCIAL RESULTS

| | Group RM | Company RM |
|-----------------------------|---------------------|-----------------------|
| Net loss for the year | (24,241,042) | (22,823,066) |
| | ===== | ===== |
| Attributable to: | | |
| Shareholders of the Company | (24,010,863) | (22,823,066) |
| Minority interest | (230,179) | - |
| Net loss for the year | (24,241,042) | (22,823,066) |
| | ===== | ===== |

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, except for disposal of investment in an associated company which result in a gain of RM5,347,983 to the group, as disclosed in Note 23.

Since the end of the previous financial year, the Company paid a first and final dividend of 3 sen less tax at 26% per share on 46,259,800 ordinary shares, totaling RM1,026,968 in respect of the financial year ended 30 June 2008 on 19 January 2009.

MOVEMENTS ON RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

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

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

EMPLOYEES' SHARE OPTION SCHEME

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

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

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

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

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

| Date of offer | Option price | As at 01.07.2008 | Expired Option | Granted | Exercised | As at 30.06.2009 |
|----------------|--------------|------------------|----------------|---------|-----------|------------------|
| September 2003 | 2.10 | 842,200 | (842,200) | - | - | - |

The ESOS have since expired on September 2008 and the options granted under the ESOS have lapsed. There were no new options granted to employees during the financial year ended 30 June 2009.

DIRECTORS

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

MD AZAR BIN ISMAIL

LAI TAN FATT

WONG SOO CHAI @ WONG CHICK WAI

DATO' EDMOND HOYT YUNG

ISMAIL BIN ARIS (Resigned w.e.f 2/3/2009)

DATO' ABDUL HAMID BIN HJ MD ZAINUDDIN

ERIC LAI (Alternate Director to Mr Lai Tan Fatt)

TAN SU TIAM @ TAN HOOI THEAN

Directors' Report

DIRECTORS' INTEREST

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

| Shareholdings in which the Director is deemed to have an interest : | As at 01.07.2008 | Granted | Exercised | As at 30.06.2009 |
|---|---------------------|---------|-----------|---------------------|
| LAI TAN FATT | 17,275,465 | - | - | 17,275,465 |
| DATO' EDMOND HOYT YUNG | 16,198,965 | - | - | 16,198,965 |
| WONG SOO CHAI @ WONG CHICK WAI | 20,901,465 | 283,000 | - | 21,184,465 |

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

| Shareholdings in the name of the Director : | As at 01.07.2008 | Granted | Exercised | As at 30.06.2009 |
|---|---------------------|---------|-----------|---------------------|
| LAI TAN FATT | 1,195,200 | - | - | 1,195,200 |
| DATO' EDMOND HOYT YUNG | 2,944,900 | 447,800 | - | 3,392,700 |
| WONG SOO CHAI @ WONG CHICK WAI | 2,048,380 | - | - | 2,048,380 |

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

| Shareholdings in the name of the Director : | As at 01.07.2008 | Granted | Exercised | As at 30.06.2009 |
|---|---------------------|---------|-----------|---------------------|
| LAI TAN FATT | 125,000 | - | - | 125,000 |
| WONG SOO CHAI @ WONG CHICK WAI | 100,000 | - | - | 100,000 |

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

DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than those disclosed in the financial statements) by reason of a contract made by the Company or by related corporations with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except for any benefits which may be deemed to have arisen by virtue of the significant related party transactions as disclosed in Note 26 to the financial statements.

DIRECTORS' ROTATION

In accordance with the Company's Articles of Association, DATO' EDMOND HOYT YUNG and MR LAI TAN FATT, retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

BAD AND DOUBTFUL DEBTS

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

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

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

The contingent liabilities of the Company are disclosed in Note 30 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 2009 were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature.

EVENT SUBSEQUENT TO BALANCE SHEET DATE

Significant event subsequent to the balance sheet date is disclosed in Note 28 of the financial statements.

AUDITORS

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

Signed on behalf of the Board in accordance with a resolution of the Directors, dated 28 September 2009.

LAI TAN FATT
Director

WONG SOO CHAI @
WONG CHICK WAI
Director

Kuala Lumpur

Dated : 28 Sep 2009

Statement by Directors

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

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

We, **LAI TAN FATT** and **WONG SOO CHAI @ WONG CHICK WAI**, being two of the Directors of **BINA GOODYEAR BERHAD**, do hereby state on behalf of the board that in the opinion of the Directors, the accompanying financial statements as set out on pages 26 to 55 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 2009 and of the results and cash flows of the Group and of the Company for the year ended on that date.

Signed on behalf of the Board in accordance with a resolution of the Directors, dated 28 September 2009

LAI TAN FATT
Director

WONG SOO CHAI @
WONG CHICK WAI
Director

Kuala Lumpur.

Dated: 28 Sep 2009

Statutory Declaration

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

I, **LAI TAN FATT**, the Director primarily responsible for the accounting records and financial management of **BINA GOODYEAR BERHAD**, do solemnly and sincerely declare that the financial statements as set out on pages 26 to 55 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed LAI TAN FATT, at)
Kuala Lumpur in the State of Federal)
Territory on this 28 day of)
September 2009)

Before me,

Independent Auditors' Report to The Members of BINA GOODYEAR BERHAD

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

Report on the Financial Statements

We have audited the financial statements of Bina Goodyear Berhad, which comprise the balance sheets as at 30 June 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 26 to 55.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2009 and of their financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

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

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

Other Matters

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

S.F.YAP & CO.
NO. AF 0055
CHARTERED ACCOUNTANTS
Kuala Lumpur
Date : 28 Sep 2009

YAP SHIN SIANG
NO. 2439/01/10(J)
CHARTERED ACCOUNTANT

Balance Sheets as at 30 June 2009

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

| | | Group | | Company | |
|---|---------|-------------|-------------|-------------|-------------|
| | Note | 2009 RM | 2008 RM | 2009 RM | 2008 RM |
| PROPERTY, PLANT AND EQUIPMENT | 3 | 10,399,277 | 12,929,149 | 1,684,005 | 2,234,285 |
| PREPAID LAND LEASE PAYMENT | 4 | 1,347,355 | 1,364,405 | - | - |
| GOODWILL ON CONSOLIDATION | 5 | 2,407,796 | 2,407,796 | - | - |
| INVESTMENT PROPERTIES | 6 | 4,977,396 | 9,874,396 | 4,977,396 | 9,874,396 |
| INVESTMENT IN SUBSIDIARY COMPANIES | 7 | - | - | 10,835,000 | 10,835,000 |
| INVESTMENT IN ASSOCIATED COMPANIES | 8 | 1,000,000 | 4,254,823 | 1,000,000 | 2,956,080 |
| CURRENT ASSETS | | | | | |
| Inventories | 9 | 6,980,303 | 15,109,382 | 3,099,350 | 10,257,251 |
| Property development costs | 10 | 33,859,711 | 31,708,774 | - | - |
| Trade and other receivables | 11 | 128,938,949 | 107,046,945 | 115,500,273 | 98,519,117 |
| Amounts due from customers on contracts | 12 | 73,195,483 | 88,868,013 | 71,054,863 | 83,170,795 |
| Amounts due from subsidiary companies | 13(i) | - | - | 19,954,708 | 21,760,530 |
| Amount due from associated companies | 13(ii) | 593,260 | 8,198,026 | 449,770 | 449,625 |
| Tax recoverable | | 2,145,046 | 1,078,836 | 650,292 | - |
| Deposits, cash and bank balances | 14 | 19,465,548 | 14,202,003 | 17,674,249 | 9,948,499 |
| | | 265,178,300 | 266,211,979 | 228,383,505 | 224,105,817 |
| CURRENT LIABILITIES | | | | | |
| Trade and other payables | 15 | 77,168,604 | 72,650,945 | 68,213,745 | 62,334,260 |
| Amount due to subsidiary companies | 13(i) | - | - | 5,942,918 | 8,037,284 |
| Provision for taxation | | - | 11,744 | - | 11,744 |
| Borrowings | 16 & 17 | 66,891,164 | 62,829,410 | 58,881,298 | 54,654,424 |
| Bank overdrafts | 16 & 17 | 37,929,030 | 27,697,228 | 37,449,045 | 24,449,813 |
| | | 181,988,798 | 163,189,327 | 170,487,006 | 149,487,525 |
| NET CURRENT ASSETS | | 83,189,502 | 103,022,652 | 57,896,499 | 74,618,292 |
| | | 103,321,326 | 133,853,221 | 76,392,900 | 100,518,053 |
| | | ===== | ===== | ===== | ===== |
| FINANCED BY : | | | | | |
| Share capital | 18 | 46,259,800 | 46,259,800 | 46,259,800 | 46,259,800 |
| Reserves | | 46,751,210 | 71,789,041 | 29,501,836 | 53,351,870 |
| SHAREHOLDERS' EQUITY | | 93,011,010 | 118,048,841 | 75,761,636 | 99,611,670 |
| MINORITY INTERESTS | | 2,591,621 | 2,821,800 | - | - |
| TOTAL EQUITY | | 95,602,631 | 120,870,641 | 75,761,636 | 99,611,670 |
| NON-CURRENT AND DEFERRED LIABILITIES | | | | | |
| Borrowings | 16 & 17 | 7,613,695 | 12,910,580 | 631,264 | 906,383 |
| Deferred taxation | 19 | 105,000 | 72,000 | - | - |
| | | 7,718,695 | 12,982,580 | 631,264 | 906,383 |
| | | 103,321,326 | 133,853,221 | 76,392,900 | 100,518,053 |
| | | ===== | ===== | ===== | ===== |

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

Income Statements for the year ended 30 June 2009

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

| | | Group | | Company | |
|---|-------------|--------------------|--------------------|--------------------|--------------------|
| | Note | 2009 RM | 2008 RM | 2009 RM | 2008 RM |
| REVENUE | 20 | 333,764,272 | 276,773,368 | 317,164,875 | 253,039,849 |
| Cost of sales | 21 | (354,545,742) | (265,999,741) | (335,657,655) | (245,030,796) |
| GROSS (LOSS)/ PROFIT | | (20,781,470) | 10,773,627 | (18,492,780) | 8,009,053 |
| Administration charges and office expenses | | (9,762,356) | (9,231,408) | (5,594,977) | (4,869,402) |
| (LOSS)/ PROFIT FROM OPERATIONS | | (30,543,826) | 1,542,219 | (24,087,757) | 3,139,651 |
| Finance cost | | (436,676) | (444,287) | (50,908) | (50,075) |
| Investment and other income | | 1,604,216 | 1,574,254 | 1,260,227 | 1,035,816 |
| Gain on disposal of investment in an associated company | | 5,347,983 | - | - | - |
| Share of loss of an associated company | | - | (123,970) | - | - |
| (LOSS)/ PROFIT BEFORE TAXATION | 23 | (24,028,303) | 2,548,216 | (22,878,438) | 4,125,392 |
| Taxation | 22 | (212,739) | (2,105,969) | 55,372 | (1,681,781) |
| NET (LOSS)/ PROFIT FOR THE YEAR | | (24,241,042) | 442,247 | (22,823,066) | 2,443,611 |
| Attributable to:- | | | | | |
| Shareholders of the Company | | (24,010,863) | 302,206 | (22,823,066) | 2,443,611 |
| Minority interests | | (230,179) | 140,041 | - | - |
| NET (LOSS)/ PROFIT FOR THE YEAR | | (24,241,042) | 442,247 | (22,823,066) | 2,443,611 |
| (LOSS)/ EARNINGS PER SHARE (SEN) - Basic | 24 | (51.9) | 0.7 | | |
| DIVIDENDS PER SHARE (SEN) - Net | 25 | 2.22 | 3.65 | | |

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

Statement of Changes in Equity for the year ended 30 June 2009

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

| Group | Note | Issued & Fully Paid Ordinary Shares of RM1.00 Each | Non - distributable | Distributable | Total RM | Minority interests RM | Total Equity RM |
|---|------|---|------------------------|---------------------------|--------------|-----------------------------|-----------------------|
| | | Nominal Value RM | Share Premium RM | Retained Profits RM | | | |
| At 1 July 2007 | | 46,259,800 | 7,296,885 | 65,878,433 | 119,435,118 | 2,705,436 | 122,140,554 |
| Net profit for the year | | - | - | 302,206 | 302,206 | 140,041 | 442,247 |
| Dividends from subsidiary company | | - | - | - | - | (23,677) | (23,677) |
| Dividends - First and final for the year ended 30 June 2007 | 25 | - | - | (1,688,483) | (1,688,483) | - | (1,688,483) |
| At 30 June 2008 | | 46,259,800 | 7,296,885 | 64,492,156 | 118,048,841 | 2,821,800 | 120,870,641 |
| Net loss for the year | | - | - | (24,010,863) | (24,010,863) | (230,179) | (24,241,042) |
| Dividends - First and final for the year ended 30 June 2008 | 25 | - | - | (1,026,968) | (1,026,968) | - | (1,026,968) |
| At 30 June 2009 | | 46,259,800 | 7,296,885 | 39,454,325 | 93,011,010 | 2,591,621 | 95,602,631 |

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

Statement of Changes in Equity for the year ended 30 June 2009

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

Company

| | | Issued & Fully Paid Ordinary Shares of RM1.00 Each | Non - distributable | Distributable | |
|---|------|---|------------------------|---------------------------|--------------|
| | Note | Nominal Value RM | Share Premium RM | Retained Profits RM | Total RM |
| At 1 July 2007 | | 46,259,800 | 7,296,885 | 45,299,857 | 98,856,542 |
| Net profit for the year | | - | - | 2,443,611 | 2,443,611 |
| Dividends - First and final for the year ended 30 June 2007 | 25 | - | - | (1,688,483) | (1,688,483) |
| At 30 June 2008 | | 46,259,800 | 7,296,885 | 46,054,985 | 99,611,670 |
| Net loss for the year | | - | - | (22,823,066) | (22,823,066) |
| Dividends - First and final for the year ended 30 June 2008 | 25 | - | - | (1,026,968) | (1,026,968) |
| At 30 June 2009 | | 46,259,800 | 7,296,885 | 22,204,951 | 75,761,636 |

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

Cash Flow Statements for the year ended 30 June 2009

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

| | Note | Group | | Company | |
|---|------|--------------|--------------|--------------|--------------|
| | | 2009 RM | 2008 RM | 2009 RM | 2008 RM |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Profit/(loss) before taxation | | (24,028,303) | 2,548,216 | (22,878,438) | 4,125,392 |
| Adjustment for :- | | | | | |
| Impairment of goodwill | | - | 139,758 | - | - |
| Depreciation | | 4,482,053 | 4,503,838 | 681,636 | 753,379 |
| (Gain)/loss on disposal of investment properties | | (873,360) | 5,245 | (873,360) | 5,245 |
| (Gain)/loss on disposal of property, plant and equipment | | (11,414) | (4,145) | 43,586 | 13,704 |
| Gain on disposal of investment in an associated company | | (5,347,983) | - | - | - |
| Amortisation of prepaid land lease payment | | 17,050 | 17,049 | - | - |
| Deposit written off | | 15,015 | - | - | - |
| Bad debt written off | | 492,646 | - | 252,546 | - |
| Property, plant and equipment written off | | 1,000 | - | - | - |
| Interest income | | (90,625) | (635,227) | (42,867) | (67,354) |
| Interest expense | | 4,923,224 | 3,256,052 | 4,495,957 | 2,849,584 |
| Share of loss of an associated company | | - | 123,970 | - | - |
| Dividend income | | - | - | - | (98,603) |
| Impairment loss on investment | | 1,956,080 | 739,020 | 1,956,080 | 739,020 |
| Operating (loss)/ profit before working capital changes | | (18,464,617) | 10,693,776 | (16,364,860) | 8,320,367 |
| Changes in working capital | | | | | |
| Development properties | | (2,150,937) | (3,024,739) | - | - |
| Receivables | | 5,876,172 | (32,774,655) | 1,686,447 | (35,635,829) |
| Inventories | | 8,129,078 | (6,342,324) | 7,157,901 | (6,022,020) |
| Payables | | 4,517,656 | 15,816,952 | 3,785,117 | 16,510,910 |
| Cash absorbed by operations | | (2,092,648) | (15,630,990) | (3,735,395) | (16,826,572) |
| Interest received | | 90,625 | 635,227 | 42,867 | 67,354 |
| Interest paid | | (4,923,224) | (3,256,052) | (4,495,957) | (2,849,584) |
| Tax paid | | (1,257,693) | (3,016,125) | (606,664) | (1,784,036) |
| Net cash used in operating activities | | (8,182,940) | (21,267,940) | (8,795,149) | (21,392,838) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Property, plant and equipment | | | | | |
| - additions | 29 | (1,445,369) | (2,038,516) | (265,788) | (753,609) |
| - disposals | | 145,846 | 376,400 | 90,846 | 172,400 |
| Addition of prepaid land lease payment | | - | (36,616) | - | - |
| Dividend received | | - | - | - | 72,966 |
| Proceed from disposal of investment in associated company | | 6,646,726 | - | - | - |
| Proceed from disposal of investment properties | | 771,820 | 300,000 | 771,820 | 300,000 |
| Net cash from/(used in) investing activities | | 6,119,023 | (1,398,732) | 596,878 | (208,243) |
| | | (2,063,917) | (22,666,672) | (8,198,271) | (21,601,081) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | |
| Proceeds from term loan and revolving credit | | 64,736,067 | 50,343,627 | 64,736,067 | 49,343,626 |
| Payment of finance lease liabilities | | (1,654,941) | (3,023,142) | (359,096) | (388,795) |
| Repayment of term loan and revolving credit | | (64,958,499) | (26,039,965) | (60,425,215) | (26,000,000) |
| Dividend paid to shareholders | | (1,026,968) | (1,688,483) | (1,026,968) | (1,688,483) |
| Dividend paid to minority interest | | - | (23,677) | - | - |
| Fixed deposits pledged with licensed banks | | (42,867) | 1,709,802 | (42,867) | 1,709,802 |
| Net cash (used in)/from financing activities | | (2,947,208) | 21,278,162 | 2,881,921 | 22,976,150 |
| Net (decrease)/increase in cash and cash equivalents | | (5,011,125) | (1,388,510) | (5,316,350) | 1,375,069 |
| Cash and cash equivalents at beginning of the year | | (15,073,058) | (13,684,548) | (16,079,147) | (17,454,216) |
| Cash and cash equivalents at end of the year | 14 | (20,084,183) | (15,073,058) | (21,395,497) | (16,079,147) |
| | | ===== | ===== | ===== | ===== |

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

Summary of Significant Accounting Policies for the year ended 30 June 2009

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 by the revaluation of certain land and buildings) unless otherwise indicated in this summary of significant accounting policies.

The financial statements of the Group and of the Company have been prepared in accordance with the applicable approved accounting standards for entities other than private entities issued by the Malaysian Accounting Standards Board (MASB) and provisions of the Companies Act, 1965.

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

B. Changes in accounting policies and effects arising from adoption of new and revised FRSs

The Group has not adopted the following FRSs and IC Interpretations that have been issued as at date of authorisation of these financial statements but are not yet effective for the Group.

(i) FRS issued and effective for financial periods beginning on or after 1 July 2009:

| | |
|-------|--------------------|
| FRS 8 | Operating Segments |
|-------|--------------------|

FRS 8 replaces FRS 114²⁰⁰⁴ Segment Reporting and requires a "management approach", under the which segment information is presented on the same basis as that used for internal reporting purposes. The adoption of this standard only impacts the form and content of disclosures presented in the financial statements of the Group.

(ii) FRSs issued and effective for financial periods beginning on or after 1 January 2010:

| | |
|---------|--|
| FRS 4 | Insurance Contracts |
| FRS 7 | Financial Instruments: Disclosures |
| FRS 123 | Borrowing Costs |
| FRS 139 | Financial Instruments: Recognition and Measurement |

FRS 4 is not applicable to the Company. Hence, no further disclosure is warranted.

(iii) Amendments issued and effective for financial periods beginning on or after 1 January 2010:

| | |
|---------------------------------|---|
| Amendments to FRS 1 and FRS 127 | Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate |
| Amendment to FRS 2 | Vesting Conditions and Cancellations |

The above amendments are not relevant to the Group's operations.

(iv) IC Interpretations issued and effective for financial periods beginning on or after 1 January 2010:

| | |
|----------------------|---|
| IC Interpretation 9 | Reassessment of Embedded Derivatives |
| IC Interpretation 10 | Interim Financial Reporting and Impairment |
| IC Interpretation 11 | FRS 2: Group and Treasury Share Transactions |
| IC Interpretation 13 | Customer Loyalty Programmes |
| IC Interpretation 14 | FRS 119: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction |

The above IC Interpretations are not relevant to the Group's operations.

B. Changes in accounting policies and effects arising from adoption of new and revised FRSs *(continued)*

Significant accounting judgements and estimates

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

(i) Impairment on goodwill

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

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

(ii) Income taxes

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

(iii) Depreciation of property, plant and equipment

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

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

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

C. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiary companies made up to 30 June 2009.

All subsidiary companies are consolidated using the acquisition method of accounting. Under the acquisition method, the results of subsidiary companies acquired or disposed of during the year are included in the consolidated income statement from the date of acquisition or up to the date of disposal respectively. The acquisition method of accounting involves allocating the cost of acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. Any excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition represents negative goodwill which is immediately recognised in the income statement.

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

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

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

D. Goodwill on consolidation

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

E. Subsidiary companies

A subsidiary company is a company in which the Group has long term equity interest of more than 50% or has power to exercise control over the financial and operating policies so as to obtain benefits therefrom. The Group's subsidiary companies are listed in Note 7 to the financial statements.

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

F. Associated companies

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

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

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

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

G. Property, plant and equipment

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

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

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

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

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

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

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

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

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit/ (loss) from operations. On disposal of revalued assets, amounts in revaluation reserve relating to those assets are transferred to retained earnings.

H. Impairment of assets

The carrying amount of the Group's and Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

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

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

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

I. Investment properties

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

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

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

J. Inventories

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

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

K. Property development costs

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

The recognition of property development revenue and expenses is similar to that of construction contracts (Note R). Property development costs not recognised as an expense is recognised as an asset and is stated at the lower of cost and net realisable value.

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

L. Capitalisation of borrowing costs

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

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

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

M. Receivables

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

N. Payables

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

O. Amounts due from/(to) customers on contracts

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

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

P. Share capital

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Cost incurred directly attributable to the issuance of the shares is accounted for as a deduction from share premium, otherwise, it is charged to the income statement.

Q. Revenue recognition

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

R. Construction contracts

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

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

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

S. Taxation

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

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

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

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

T. Cash and cash equivalents

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

U. Lease

i) Finance lease

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

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

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

ii) Operating lease

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

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

V. Financial instruments

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

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

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

W. Employee Benefits

i) Short term employee benefits

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

ii) Defined contribution plans

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

iii) Equity compensation benefits

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

3) PROPERTY, PLANT AND EQUIPMENT

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

| Group | Leasehold Building RM | Freehold Land RM | Motor Vehicles RM | Machinery & Equipment RM | Furniture, Fittings and Office Equipment RM | Renovation & Others RM | Total RM |
|---|--------------------------|---------------------|----------------------|-----------------------------|--|---------------------------|-------------|
| COST | | | | | | | |
| At 1 July 2008 | 1,390,864 | 1,055,000 | 6,951,634 | 23,863,157 | 2,338,655 | 63,430 | 35,662,740 |
| Additions | - | - | 108,731 | 1,840,088 | 138,793 | - | 2,087,612 |
| Disposals | - | - | (483,826) | - | - | - | (483,826) |
| Written off | - | - | - | (309,640) | (116,287) | - | (425,927) |
| At 30 June 2009 | 1,390,864 | 1,055,000 | 6,576,539 | 25,393,605 | 2,361,161 | 63,430 | 36,840,599 |
| ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES | | | | | | | |
| At 1 July 2008 | 476,890 | - | 3,983,940 | 16,569,386 | 1,655,413 | 47,962 | 22,733,591 |
| Charge for the year | 29,243 | - | 746,924 | 3,457,870 | 234,718 | 13,298 | 4,482,053 |
| Disposals | - | - | (349,395) | - | - | - | (349,395) |
| Written off | - | - | - | (309,640) | (115,287) | - | (424,927) |
| At 30 June 2009 | 506,133 | - | 4,381,469 | 19,717,616 | 1,774,844 | 61,260 | 26,441,322 |
| NET CARRYING AMOUNT | | | | | | | |
| At 30 June 2009 | 884,731 | 1,055,000 | 2,195,070 | 5,675,989 | 586,317 | 2,170 | 10,399,277 |
| At 30 June 2008 | 913,974 | 1,055,000 | 2,967,694 | 7,293,771 | 683,242 | 15,468 | 12,929,149 |
| DEPRECIATION | | | | | | | |
| Year ended 30 June 2008 | 29,219 | - | 780,077 | 3,449,457 | 234,267 | 10,818 | 4,503,838 |

Depreciation expense of the Group amounting to RM 3,521,198 (2008: RM 3,442,683) has been included in cost of sales.

| Company | Motor Vehicles RM | Machinery & Equipment RM | Furniture, Fittings and Office Equipment RM | Renovation & Others RM | Total RM |
|---|----------------------|-----------------------------|--|---------------------------|-------------|
| COST | | | | | |
| At 1 July 2008 | 3,581,412 | 1,295,798 | 1,319,942 | 37,936 | 6,235,088 |
| Additions | 108,731 | 82,670 | 74,386 | - | 265,787 |
| Disposals | (344,515) | - | - | - | (344,515) |
| Written off | - | (254,680) | (113,787) | - | (368,467) |
| At 30 June 2009 | 3,345,628 | 1,123,788 | 1,280,541 | 37,936 | 5,787,893 |
| ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES | | | | | |
| At 1 July 2008 | 1,949,597 | 1,138,911 | 881,947 | 30,348 | 4,000,803 |
| Charge for the year | 351,041 | 154,186 | 168,821 | 7,588 | 681,636 |
| Disposals | (210,084) | - | - | - | (210,084) |
| Written off | - | (254,680) | (113,787) | - | (368,467) |
| At 30 June 2009 | 2,090,554 | 1,038,417 | 936,981 | 37,936 | 4,103,888 |
| NET CARRYING AMOUNT | | | | | |
| At 30 June 2009 | 1,255,074 | 85,371 | 343,560 | - | 1,684,005 |
| At 30 June 2008 | 1,631,815 | 156,887 | 437,995 | 7,588 | 2,234,285 |
| DEPRECIATION | | | | | |
| Year ended 30 June 2008 | 349,367 | 224,289 | 172,136 | 7,587 | 753,379 |

3) PROPERTY, PLANT AND EQUIPMENT *(continued)*

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

| | Group | | Company | |
|--------------------|------------|------------|------------|------------|
| | 2009 RM | 2008 RM | 2009 RM | 2008 RM |
| Leasehold building | 884,731 | 913,974 | - | - |
| Freehold land | 1,055,000 | 1,055,000 | - | - |

c) Details of assets under hire purchase agreements:

| | Group | | Company | |
|-----------------------------------|------------|------------|------------|------------|
| | 2009 RM | 2008 RM | 2009 RM | 2008 RM |
| Motor vehicles | | | | |
| - additions during the year | - | 1,602,608 | - | 1,347,140 |
| - net carrying amount at year end | 1,952,156 | 2,812,947 | 1,030,780 | 1,504,998 |
| Machinery and equipment | | | | |
| - additions during the year | 516,936 | 3,317,481 | - | - |
| - net carrying amount at year end | 3,193,912 | 4,971,962 | - | - |

4) PREPAID LAND LEASE PAYMENTS

| | Group | |
|-----------------------------------|------------|------------|
| | 2009 RM | 2008 RM |
| Cost | | |
| At the beginning of the year | 1,499,349 | - |
| Adoption FRS 117 restated balance | - | 1,462,733 |
| Additions during the year | - | 36,616 |
| At end of the year | 1,499,349 | 1,499,349 |
| Accumulated amortisation | | |
| At the beginning of the year | 134,944 | 117,895 |
| Amortisation for the year | 17,050 | 17,049 |
| At the end of the year | 151,994 | 134,944 |
| Net carrying amount | 1,347,355 | 1,364,405 |

The prepaid lease payment has been pledged as security for banking facilities granted to a subsidiary company.

5) GOODWILL ON CONSOLIDATION

| | Group | |
|--------------------------|------------|------------|
| | 2009 RM | 2008 RM |
| Carrying amounts | | |
| At beginning of the year | 2,407,796 | 2,547,554 |
| Impairment loss | - | (139,758) |
| At end of the year | 2,407,796 | 2,407,796 |

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

| | 2009 RM | 2008 RM |
|---------------------|------------|------------|
| Manufacturing - CGU | 2,407,796 | 2,407,796 |

5) GOODWILL ON CONSOLIDATION *(continued)*

Impairment test on CGU

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

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

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

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

6) INVESTMENT PROPERTIES

| Group & Company | 2009 RM | 2008 RM |
|-----------------------------|---------------------------|---------------------------|
| At beginning of the year | | |
| Freehold land and buildings | 9,874,396 | 10,178,596 |
| Disposed during the year | (4,897,000) | (304,200) |
| At end of the year | <u>4,977,396</u> ===== | <u>9,874,396</u> ===== |

Investment properties with values amounting to RM 4,248,022 (2008: RM 9,145,022) have been pledged as security for bank borrowings.

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

7) INVESTMENT IN SUBSIDIARY COMPANIES

| Company | 2009 RM | 2008 RM |
|--------------------------|---------------------|---------------------|
| Unquoted shares, at cost | 10,835,000 ===== | 10,835,000 ===== |

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

| | Effective interest | | Principal activities |
|---|---------------------------|-------------|--|
| | 2009 | 2008 | |
| i) Seranta Machinery & Equipment Sdn. Bhd. | 100% | 100% | Rental of construction equipment and machinery |
| ii) BG Realty Sdn. Bhd. | 100% | 100% | Property management and property development |
| iii) BG Builders Sdn. Bhd. | 100% | 100% | Construction works and housing development |
| iv) TC Electronics Sdn. Bhd. | 75.50% | 75.50% | Manufacturers and dealers in electrical and electronic goods |
| v) Greater Heights Development Sdn. Bhd. (Subsidiary company of BG Realty Sdn. Bhd.) | 100% | 100% | Property development |

8) INVESTMENT IN ASSOCIATED COMPANIES

| Group | 2009 RM | 2008 RM |
|--------------------------------|--------------------|--------------------|
| Unquoted shares, at cost | 5,195,100 ===== | 5,195,100 ===== |
| At the beginning of the year | 4,254,823 | 5,117,813 |
| Disposal of associated company | (1,298,743) | - |
| Impairment loss | (1,956,080) | (739,020) |
| Share of losses | - | (123,970) |
| At the end of the year | 1,000,000 ===== | 4,254,823 ===== |

| Company | 2009 RM | 2008 RM |
|------------------------------|--------------------|--------------------|
| Unquoted shares, at cost | 3,695,100 ===== | 3,695,100 ===== |
| At the beginning of the year | 2,956,080 | 3,695,100 |
| Impairment loss | (1,956,080) | (739,020) |
| At the end of the year | 1,000,000 ===== | 2,956,080 ===== |

| Name | Effective interest | | Principal activities |
|--|---------------------------|-------------|----------------------------------|
| | 2009 | 2008 | |
| i) Twin Ridge Sdn. Bhd. * (Associated company of BG Realty Sdn. Bhd.) | - | 30% | Property development |
| ii) Bina Goodyear Middle East Limited* (Incorporated in United Arab Emirates) * Not audited by S.F.Yap & Co. | 50% | 50% | Construction and general trading |

The Group has not equity accounted for the result of the associated company, Bina Goodyear Middle East Limited. During the financial year, the Directors made an allowance for impairment loss of the investment in associated company in the financial statements amounting to RM1,956,080. Based on the directors' opinion, the allowance is adequately made in the financial statements as the carrying amount of the investment approximated the net asset value of the associated company as at year end.

9) INVENTORIES

| | Group | | Company | |
|----------------------|--------------------|---------------------|--------------------|---------------------|
| | 2009 RM | 2008 RM | 2009 RM | 2008 RM |
| <u>At cost</u> | | | | |
| Raw material | 2,772,113 | 3,557,691 | - | - |
| Work in progress | 227,372 | 219,506 | - | - |
| Finished goods | 811,952 | 822,630 | - | - |
| Building materials | 3,099,350 | 10,440,039 | 3,099,350 | 10,257,251 |
| Completed properties | 69,516 | 69,516 | - | - |
| | 6,980,303 ===== | 15,109,382 ===== | 3,099,350 ===== | 10,257,251 ===== |

10) PROPERTY DEVELOPMENT COSTS

| | Group | |
|--------------------------------|--------------------|--------------------|
| | 2009 RM | 2008 RM |
| Freehold land, at cost | 27,981,693 | 27,981,693 |
| Add: Development cost incurred | | |
| At beginning of the year | 3,727,081 | 702,342 |
| Addition during the year | 2,150,937 | 3,024,739 |
| | 5,878,018 | 3,727,081 |
| At end of the year | 33,859,711 | 31,708,774 |
| | ===== | ===== |

Borrowing cost of RM 6,175,292 (2008: RM4,367,568) for the Group has been included in property development cost during the year. The freehold land is pledged as security for bank borrowings for a subsidiary company.

11) TRADE AND OTHER RECEIVABLES

| | Group | | Company | |
|--|--------------------|--------------------|--------------------|--------------------|
| | 2009 RM | 2008 RM | 2009 RM | 2008 RM |
| Progress billings receivables | 63,423,290 | 65,524,736 | 61,793,349 | 62,003,838 |
| Retention sums | 46,953,558 | 35,680,125 | 46,609,534 | 34,232,303 |
| Trade receivables | 2,185,035 | 1,973,871 | - | - |
| | 112,561,883 | 103,178,732 | 108,402,883 | 96,236,141 |
| Other receivables, deposits and prepayment | 16,377,066 | 3,868,213 | 7,097,390 | 2,282,976 |
| | 128,938,949 | 107,046,945 | 115,500,273 | 98,519,117 |
| | ===== | ===== | ===== | ===== |

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

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

Included in the other receivables of the Group is an amount owing by a former associated company of RM7,099,999.88.

12) AMOUNTS DUE FROM CUSTOMERS ON CONTRACTS

| | Group | | Company | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 2009 RM | 2008 RM | 2009 RM | 2008 RM |
| Costs incurred on contracts to date | 1,371,487,236 | 1,043,311,386 | 1,168,806,165 | 845,264,442 |
| Attributable profit recognized to date | 12,387,006 | 35,384,803 | 9,809,483 | 28,302,263 |
| | 1,383,874,242 | 1,078,696,189 | 1,178,615,648 | 873,566,705 |
| Less: Progress billings to date | (1,310,678,759) | (989,828,176) | (1,107,560,785) | (790,395,910) |
| Amounts due from customers on contracts | 73,195,483 | 88,868,013 | 71,054,863 | 83,170,795 |
| | ===== | ===== | ===== | ===== |

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

| Company | 2009 RM | 2008 RM |
|------------------|------------|------------|
| Amount owing by: | | |
| Non-trade | 19,954,708 | 21,760,530 |
| | ===== | ===== |
| Amount owing to: | | |
| Trade | 5,502,918 | 6,702,090 |
| Non-trade | 440,000 | 1,335,194 |
| | ===== | ===== |
| | 5,942,918 | 8,037,284 |
| | ===== | ===== |

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

ii) AMOUNT DUE FROM ASSOCIATED COMPANIES

The amount due from associated companies relate to advances which is unsecured, interest free and has no fixed terms of repayment.

14) CASH AND CASH EQUIVALENTS

| | Group | | Company | |
|--|--------------|--------------|--------------|--------------|
| | 2009 RM | 2008 RM | 2009 RM | 2008 RM |
| Fixed deposits with licensed banks | 1,620,701 | 1,577,833 | 1,620,701 | 1,577,833 |
| Cash held under Housing Development Accounts | 16,947 | 332,791 | - | - |
| Cash and bank balances | 17,827,900 | 12,291,379 | 16,053,548 | 8,370,666 |
| | ===== | ===== | ===== | ===== |
| Deposits, cash and bank balances | 19,465,548 | 14,202,003 | 17,674,249 | 9,948,499 |
| Less: Bank overdrafts - secured | (37,929,030) | (27,697,228) | (37,449,045) | (24,449,813) |
| | ===== | ===== | ===== | ===== |
| | (18,463,482) | (13,495,225) | (19,774,796) | (14,501,314) |
| Less: Fixed deposits pledged to licensed banks | (1,620,701) | (1,577,833) | (1,620,701) | (1,577,833) |
| | ===== | ===== | ===== | ===== |
| | (20,084,183) | (15,073,058) | (21,395,497) | (16,079,147) |
| | ===== | ===== | ===== | ===== |

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

Interest rates on bank overdrafts during the year ranged from 6.55% to 8.50% per annum (2008: 7.75% - 8.75%).

Fixed deposits amounting to RM 1,620,701 (2008: RM1,577,833) for the Group and for the Company have been pledged to licensed banks as security for credit facilities granted to the Group. Interest rate on fixed deposits during the year ranged from 1.75% to 3.50% per annum (2008: 3.15% - 4.00%).

15) TRADE AND OTHER PAYABLES

| | Group | | Company | |
|-------------------|------------|------------|------------|------------|
| | 2009 RM | 2008 RM | 2009 RM | 2008 RM |
| Trade payables | 24,239,855 | 37,117,628 | 21,837,075 | 32,039,778 |
| Sub-contractors | 27,856,920 | 11,348,707 | 25,695,208 | 9,483,738 |
| Retention sums | 19,676,865 | 21,531,979 | 18,547,995 | 19,255,232 |
| | ===== | ===== | ===== | ===== |
| | 71,773,640 | 69,998,314 | 66,080,278 | 60,778,748 |
| Accruals | 514,170 | 846,686 | 375,653 | 213,663 |
| Other payables | 1,781,588 | 1,489,626 | 929,878 | 1,025,530 |
| Deposits received | 3,029,936 | - | 827,936 | - |
| Sinking fund | 69,270 | 316,319 | - | 316,319 |
| | ===== | ===== | ===== | ===== |
| | 77,168,604 | 72,650,945 | 68,213,745 | 62,334,260 |
| | ===== | ===== | ===== | ===== |

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

Notes to The Financial Statements for the year ended 30 June 2009

16) BORROWINGS

| | Group | | Company | |
|---------------------------|-------------------|-------------------|-------------------|-------------------|
| <u>Current</u> | 2009 | 2008 | 2009 | 2008 |
| <u>Secured</u> | RM | RM | RM | RM |
| Revolving credit | 4,959,200 | 5,000,000 | 4,959,200 | 5,000,000 |
| Term loan | 59,953,478 | 55,229,877 | 53,695,278 | 49,343,627 |
| Finance lease liabilities | 1,978,486 | 2,599,533 | 226,820 | 310,797 |
| | <u>66,891,164</u> | <u>62,829,410</u> | <u>58,881,298</u> | <u>54,654,424</u> |
| <u>Non-current</u> | | | | |
| <u>Secured</u> | | | | |
| Term loan | 5,168,550 | 10,073,783 | - | - |
| Finance lease liabilities | 2,445,145 | 2,836,797 | 631,264 | 906,383 |
| | <u>7,613,695</u> | <u>12,910,580</u> | <u>631,264</u> | <u>906,383</u> |
| Total | <u>74,504,859</u> | <u>75,739,990</u> | <u>59,512,562</u> | <u>55,560,807</u> |
| | ===== | ===== | ===== | ===== |

Interest rates on the above are as follows :-

| | | | | |
|---------------------------|---------------|---------------|---------------|---------------|
| Revolving credit | 4.44% - 5.77% | 5.6% - 5.73% | 4.44% - 5.77% | 6.6% - 5.73% |
| Term loan | 4.95% - 8.25% | 6.00% - 8.57% | 4.95% - 6.25% | 6.00% - 8.00% |
| Finance lease liabilities | 2.19% - 9.76% | 4.13% - 9.32% | 2.19% - 4.07% | 4.13% - 7.73% |

| | Group | | Company | |
|--|-------------------|-------------------|-------------------|-------------------|
| <u>Repayment terms</u> | 2009 | 2008 | 2009 | 2008 |
| <u>Term loan</u> | RM | RM | RM | RM |
| - not later than 1 year | 59,953,478 | 55,229,877 | 53,695,278 | 49,343,627 |
| - between 1 to 2 years | 4,774,217 | 9,472,415 | - | - |
| - between 2 to 5 years | 394,333 | 601,368 | - | - |
| | <u>65,122,028</u> | <u>65,303,660</u> | <u>53,695,278</u> | <u>49,343,627</u> |
| | ===== | ===== | ===== | ===== |
| <u>Finance lease liabilities</u> | | | | |
| Minimum lease payment | | | | |
| - not later than 1 year | 2,185,574 | 2,860,355 | 262,200 | 361,960 |
| - between 1 to 2 years | 1,697,188 | 1,442,589 | 256,248 | 278,922 |
| - between 2 to 5 years | 812,591 | 1,454,076 | 382,612 | 613,066 |
| - more than 5 years | 66,418 | 153,214 | 40,567 | 101,479 |
| | <u>4,761,771</u> | <u>5,910,234</u> | <u>941,627</u> | <u>1,355,427</u> |
| Future finance charges on finance lease | (338,140) | (473,904) | (83,543) | (138,247) |
| Present value of finance lease liabilities | <u>4,423,631</u> | <u>5,436,330</u> | <u>858,084</u> | <u>1,217,180</u> |
| | ===== | ===== | ===== | ===== |
| Present value of finance lease liabilities | | | | |
| - not later than 1 year | 1,978,486 | 2,599,533 | 226,820 | 310,797 |
| - between 1 to 2 years | 1,607,363 | 1,315,890 | 232,077 | 241,663 |
| - between 2 to 5 years | 772,436 | 1,373,562 | 359,092 | 566,887 |
| - more than 5 years | 65,346 | 147,345 | 40,095 | 97,833 |
| | <u>4,423,631</u> | <u>5,436,330</u> | <u>858,084</u> | <u>1,217,180</u> |
| | ===== | ===== | ===== | ===== |

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

1) GENERAL INFORMATION

The Company is principally engaged as construction and building contractors.

The principal activities of the subsidiary companies are set out in Note 7. There have been no significant changes in the nature of these activities during the financial year.

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

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

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

2) FINANCIAL RISK MANAGEMENT POLICIES

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

The Group does not trade in derivative financial instruments.

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

a) Interest rate risk

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

b) Credit risk

Cash deposits and trade receivables may give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. In addition, the Company has given guarantees to subsidiaries for banking facilities. It is the Group's policy to monitor the financial standing of these counter parties on a going concern basis to ensure that the Group is exposed to minimal credit risk.

c) Liquidity and cash flow risk

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

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

d) Foreign currency risk

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

17) BANKING FACILITIES

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

- legal assignment over freehold land and leasehold property (Note 3)
- ownership of equipment or vehicles approved by the hire-purchase payables (Note 3)
- legal assignment over the certain investment properties (Note 6)
- legal assignment over sale proceeds and end finance proceeds in respect of proposed property development
- legal assignment over the progressive payments of contracts from construction contracts
- joint & several guarantee by certain directors of the Company
- first party fixed deposits held under lien supported by charges on fixed deposits (Note 14).

18) SHARE CAPITAL

| Group & Company | 2009 RM | 2008 RM |
|--------------------------------|-------------|-------------|
| Authorised : | | |
| Ordinary shares of RM1.00 each | 100,000,000 | 100,000,000 |
| | ===== | ===== |
| Issued & fully paid : | | |
| Ordinary shares of RM1.00 each | 46,259,800 | 46,259,800 |
| | ===== | ===== |

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

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

The ESOS have since expired on September 2008 and the options granted under the ESOS have lapsed.

19) DEFERRED TAXATION

| | Group | | Company | |
|--|------------|------------|------------|------------|
| | 2009 RM | 2008 RM | 2009 RM | 2008 RM |
| At beginning of the year | 72,000 | 89,000 | - | - |
| Transfer to income statement (Note 22) | 33,000 | (17,000) | - | - |
| | ===== | ===== | ===== | ===== |
| At end of the year | 105,000 | 72,000 | - | - |
| | ===== | ===== | ===== | ===== |

The Group has not accounted for tax effects of the temporary differences and potential tax savings in which would result in a debit to the deferred tax balance at the year end amounting to RM8,100,000 (2008: RM 350,000).

20) REVENUE

| | Group | | Company | |
|---|-------------|-------------|-------------|-------------|
| | 2009 RM | 2008 RM | 2009 RM | 2008 RM |
| Construction contracts | 320,854,591 | 262,657,886 | 317,164,875 | 253,039,849 |
| Revenue from property development | - | 475,998 | - | - |
| Sale of goods | 12,909,681 | 13,527,964 | - | - |
| Rental income on construction machinery and equipment | - | 111,520 | - | - |
| | ===== | ===== | ===== | ===== |
| | 333,764,272 | 276,773,368 | 317,164,875 | 253,039,849 |
| | ===== | ===== | ===== | ===== |

21) COST OF SALES

| | Group | | Company | |
|--|--------------------|--------------------|--------------------|--------------------|
| | 2009 RM | 2008 RM | 2009 RM | 2008 RM |
| Construction costs | 330,574,255 | 245,134,076 | 335,657,655 | 245,030,796 |
| Development expenditure | - | 127,707 | - | - |
| Cost of goods sold | 12,027,044 | 10,615,860 | - | - |
| Construction machinery and equipment rental cost | 11,944,443 | 10,122,098 | - | - |
| | <u>354,545,742</u> | <u>265,999,741</u> | <u>335,657,655</u> | <u>245,030,796</u> |
| | ===== | ===== | ===== | ===== |

22) TAXATION

| | Group | | Company | |
|---|----------------|------------------|-----------------|------------------|
| | 2009 RM | 2008 RM | 2009 RM | 2008 RM |
| Malaysian taxation based on profit for the year | 220,000 | 2,119,512 | - | 1,709,512 |
| Deferred taxation (Note 19) | 33,000 | (17,000) | - | - |
| Adjustment recognised in the current year in relation to the income tax of prior year | - | 103,614 | - | - |
| | <u>253,000</u> | <u>2,206,126</u> | <u>-</u> | <u>1,709,512</u> |
| Over provision in previous year | (40,261) | (100,157) | (55,372) | (27,731) |
| | <u>212,739</u> | <u>2,105,969</u> | <u>(55,372)</u> | <u>1,681,781</u> |
| | ===== | ===== | ===== | ===== |

The Company has approximately RM 28,809,502 (2008: RM 28,808,498) tax credit under S108 of the Income Tax Act, 1967, and tax exempt account amounting to RM 357,157 (2008: RM 357,157) available for distribution as dividends.

The Malaysian Budget 2008, introduced a single tier Company income tax system with effect from year of assessment 2009. As such, the Section 108 tax credit as at 30 June 2009 will be available to the Company until such time the credit is fully utilised or upon expiry of the six year transitional period on 31 December 2013 whichever is earlier.

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

| | Group | | Company | |
|---|-------------|--------------|---------------|--------------|
| | 2009 % | 2008 % | 2009 % | 2008 % |
| Applicable tax rate | 25.00 | 26.00 | 25.00 | 26.00 |
| Tax effects in respect of: | | | | |
| Change in tax rate | - | (2.35) | - | - |
| Expenses not deductible for tax purposes | (7.57) | 42.11 | (4.11) | 15.44 |
| (Over)/under provision of tax in prior year | (0.04) | 0.14 | (0.24) | (0.67) |
| Deferred taxation | 0.03 | (0.67) | - | - |
| Others | (16.53) | 17.41 | (20.89) | - |
| | <u>0.89</u> | <u>82.64</u> | <u>(0.24)</u> | <u>40.77</u> |
| | ===== | ===== | ===== | ===== |

Notes to The Financial Statements for the year ended 30 June 2009

23) PROFIT BEFORE TAXATION

a) Profit before taxation is arrived at after charging:

| | Group | | Company | |
|---|------------|------------|------------|------------|
| | 2009 RM | 2008 RM | 2009 RM | 2008 RM |
| Auditors' remuneration | 53,000 | 55,500 | 30,000 | 30,000 |
| Depreciation | 4,482,053 | 4,503,838 | 681,636 | 753,379 |
| Directors' remuneration | 694,698 | 944,797 | 597,998 | 848,797 |
| - salaries | 30,000 | 35,000 | 30,000 | 35,000 |
| - fees | 27,493 | 136,000 | 19,493 | 124,000 |
| - bonus | 25,000 | 25,500 | 25,000 | 25,500 |
| - others | | | | |
| Hire of machinery | 3,180,612 | 2,263,579 | 14,112,519 | 11,758,217 |
| Hire purchase interest | 348,483 | 352,304 | 50,835 | 49,927 |
| Impairment of goodwill | - | 139,758 | - | - |
| Impairment loss on investment | 1,956,080 | 739,020 | 1,956,080 | 739,020 |
| Loss on disposal of property, plant & equipment | 43,586 | 25,652 | 43,586 | 13,704 |
| Loss on disposal of investment properties | - | 5,245 | - | 5,245 |
| Loss on foreign exchange transactions | - | 82,901 | - | - |
| Other interest | 1,234 | 128,403 | 73 | 123,529 |
| Other interest overprovided (net) | (195,684) | - | (156,531) | - |
| Overdraft interest | 371,767 | 172,954 | 272,780 | 94,949 |
| Deposit written off | 15,015 | - | - | - |
| Bad debt written off | 492,646 | - | 252,546 | - |
| Property, plant and equipment written off | 1,000 | - | - | - |
| Rental | 1,415,705 | 1,222,459 | 965,838 | 769,688 |
| Amortisation of prepaid land lease payment | 17,050 | 17,049 | - | - |
| Term loan interest | 4,397,424 | 2,602,391 | 4,328,800 | 2,581,179 |
| And crediting: | | | | |
| Fixed deposit interest | 42,867 | 67,354 | 42,867 | 67,354 |
| Gain on disposal of investment in an associated company | 5,347,983 | - | - | - |
| Gain on disposal of investment properties | 873,360 | - | 873,360 | - |
| Gain on disposal of property, plant & equipment | 55,000 | 29,797 | - | - |
| Gain on foreign exchange | 141,231 | - | - | - |
| Bank interest | 10,373 | - | - | - |
| Interest received | 7,770 | 89,544 | - | - |
| Other interest received | 29,615 | 478,329 | - | - |
| Rental income | 344,000 | 805,080 | 344,000 | 805,080 |
| Dividend received | - | - | - | 98,603 |

The following expenses have been included in cost of sales:-

| | | | | |
|-----------------------------------|-----------|-----------|------------|------------|
| Loss in material | - | - | - | 28,590 |
| Depreciation | 3,521,199 | 3,442,683 | - | - |
| Hire of machinery | 3,180,612 | 984,788 | 14,112,519 | 11,758,217 |
| Other interest | - | 127,180 | - | 123,382 |
| Other interest overprovided (net) | (195,684) | - | (156,531) | - |
| Overdraft interest | 353,432 | 103,420 | 272,780 | 94,949 |
| Rental | 906,062 | 765,546 | 749,422 | 606,006 |
| Term loan interest | 4,328,800 | 2,581,179 | 4,328,800 | 2,581,179 |

b) EMPLOYEE INFORMATION

| | Group | | Company | |
|-------------|------------|------------|------------|------------|
| | 2009 RM | 2008 RM | 2009 RM | 2008 RM |
| Staff costs | 19,061,171 | 21,395,619 | 15,017,758 | 16,953,841 |

Directors' remuneration were included in staff costs.

Staff costs included contribution to Employee Provident Fund and Socso for Group is RM1,351,296 (2008:RM 1,437,414) and for Company is RM1,087,153 (2008: RM1,158,561).

24) (LOSS)/ EARNINGS PER SHARE

a) Basic (loss)/ earnings per share

The basic(loss)/ earnings per ordinary share is calculated by dividing the Group's net loss attributable to shareholders amounting to RM24,010,863 (Net profit for financial year 2008: RM302,206) by the weighted average number of ordinary shares of the Company in issue during the financial year of 46,259,800 (2008: 46,259,800).

b) Diluted earnings per share

The diluted earnings per share figures are not shown as the conversion price of ESOS is higher than the Company's share price during the year.

25) DIVIDENDS

Dividends recognised in the current year by the Company are:-

| | Sen per share (Net of tax) | Total net amount RM | Date of payment |
|-------------------------------|----------------------------------|---------------------------|--------------------|
| 2009 | | | |
| First and Final 2008 ordinary | 2.22 ===== | 1,026,968 ===== | 19 January 2009 |
| 2008 | | | |
| First and Final 2007 ordinary | 3.65 ===== | 1,688,483 ===== | 25 January 2008 |

26) SIGNIFICANT INTERCOMPANY AND RELATED PARTIES TRANSACTIONS

a) Identity of related parties

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

Significant related party transactions are as follows:

i) Transactions between the Company and its subsidiary companies

| | 2009 RM | 2008 RM |
|--|------------|------------|
| Machinery rental paid/payable to subsidiary - Seranta Machinery & Equipment Sdn. Bhd. | 13,245,778 | 11,085,907 |
| Dividend income - TC Electronics Sdn. Bhd. | - | 98,603 |
| | ===== | ===== |

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

| | Group 2009 RM | 2008 RM | Company 2009 RM | 2008 RM |
|---------------------------------------|---------------------|------------|-----------------------|------------|
| Quit rent paid/payable | 4,638 | 4,636 | 4,638 | 4,636 |
| Security charge payables | 118,679 | - | 4,000 | - |
| Maintenance fee paid | 58,664 | 58,894 | 58,664 | 58,894 |
| Rental paid/payable | 490,442 | 257,863 | 197,215 | 132,632 |
| Staff admin cost | 26,726 | 27,230 | - | - |
| Janitorial usage charges paid/payable | 33,668 | 2,808 | 2,328 | 2,808 |
| Contract fee received/receivable | - | 54,435,449 | - | 44,817,412 |
| Insurance paid/payable | 151,475 | 136,109 | 47,466 | 43,526 |
| Purchases of building material | - | 40,181,651 | - | 40,181,651 |
| Parking fee payable | 80,220 | - | 80,220 | - |

26) SIGNIFICANT INTERCOMPANY AND RELATED PARTIES TRANSACTIONS (continued)

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

| Group | Gross balance outstanding at 30 June RM | Allowance for doubtful debts at 30 June RM | Net balance outstanding at 30 June RM | Doubtful receivables recognised for the year end 30 June RM |
|--|---|--|---|--|
| 2009 | | | | |
| Included in: | | | | |
| Receivables, deposits and prepayments | | | | |
| Related parties | 195,469 | - | 195,469 | - |
| | ===== | ===== | ===== | ===== |
| Payables and accruals | | | | |
| Related parties | 258,838 | - | 258,868 | - |
| | ===== | ===== | ===== | ===== |
| Group | | | | |
| | | | | |
| 2008 | | | | |
| Included in: | | | | |
| Receivables, deposits and prepayments | | | | |
| Related parties | 13,315,081 | - | 13,315,081 | - |
| | ===== | ===== | ===== | ===== |
| Payables and accruals | | | | |
| Related parties | 18,296,729 | - | 18,296,729 | - |
| | ===== | ===== | ===== | ===== |

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

Compensation of key management personnel

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

| | Group | | Company | |
|------------------------------|------------|------------|------------|------------|
| | 2009 RM | 2008 RM | 2009 RM | 2008 RM |
| Short term employee benefits | 2,050,032 | 2,142,322 | 2,029,952 | 2,026,322 |
| Defined contribution plan | 291,336 | 242,795 | 273,969 | 228,875 |
| | 2,341,368 | 2,385,117 | 2,303,921 | 2,255,197 |
| | ===== | ===== | ===== | ===== |

27) DIRECTORS' REMUNERATION

| | Group | | Company | |
|---------------------------------|------------|------------|------------|------------|
| | 2009 RM | 2008 RM | 2009 RM | 2008 RM |
| Executive Directors: | | | | |
| Salaries | 527,400 | 752,797 | 527,400 | 752,797 |
| Bonus | 16,800 | 108,000 | 16,800 | 108,000 |
| Fees | 10,000 | 15,000 | 10,000 | 15,000 |
| Meeting allowances | 5,000 | 8,500 | 5,000 | 8,500 |
| Benefits-in-kind | 56,000 | 56,000 | 56,000 | 56,000 |
| | 615,200 | 940,297 | 615,200 | 940,297 |
| | ===== | ===== | ===== | ===== |
| Non-executive Directors: | | | | |
| Salaries | 70,598 | 96,000 | 70,598 | 96,000 |
| Bonus | 2,693 | 16,000 | 2,693 | 16,000 |
| Fees | 20,000 | 20,000 | 20,000 | 20,000 |
| Meeting allowances | 20,000 | 17,000 | 20,000 | 17,000 |
| | 113,291 | 149,000 | 113,291 | 149,000 |
| | ===== | ===== | ===== | ===== |

27) DIRECTORS' REMUNERATION *(continued)*

| | Group | | Company | |
|--|----------------|------------------|----------------|------------------|
| | 2009 RM | 2008 RM | 2009 RM | 2008 RM |
| Other Director of the Group: | | | | |
| Salary | 96,700 | 96,000 | - | - |
| Bonus | 8,000 | 12,000 | - | - |
| | <u>104,700</u> | <u>108,000</u> | <u>-</u> | <u>-</u> |
| | ===== | ===== | ===== | ===== |
| Total directors' remuneration | <u>833,191</u> | <u>1,197,297</u> | <u>728,491</u> | <u>1,089,297</u> |
| | ===== | ===== | ===== | ===== |
| Total directors' remuneration excluding benefits-in-kind | <u>777,191</u> | <u>1,141,297</u> | <u>672,491</u> | <u>1,033,297</u> |
| | ===== | ===== | ===== | ===== |

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

| | Number of Directors | |
|--------------------------|---------------------|-------|
| | 2009 | 2008 |
| Executive Directors: | | |
| RM100,000 - RM150,000 | - | 1 |
| RM150,001 - RM200,000 | - | - |
| RM200,001 - RM250,000 | 1 | - |
| RM250,001 - RM300,000 | - | - |
| RM300,001 - RM350,000 | 1 | - |
| RM350,001 - RM400,000 | - | 1 |
| RM400,001 - RM450,000 | - | - |
| RM450,001 - RM500,000 | - | 1 |
| Non executive Directors: | | |
| Below RM50,000 | 5 | 4 |
| RM50,000 - RM100,000 | - | - |
| RM100,001 - RM150,000 | - | - |
| RM150,001 - RM200,000 | - | 1 |
| | ===== | ===== |

28) SIGNIFICANT EVENT SUBSEQUENT TO BALANCE SHEET

- i) On 18 May 2009, Greater Heights Development Sdn. Bhd. a 100% own subsidiary of the Company, entered into a conditional Sale and Purchase Agreement with Green Heights Development Sdn. Bhd. for the disposal of a parcel development land held under title at Geran 89403, Lot 62523, in the Mukim of Bandar Sri Damansara, District of Petaling, state of Selangor for a cash consideration of RM27 million. The disposal of the said property is not accounted during the financial year.

The proposed disposal is expected to be completed by October of 2009.

- ii) On 10 July 2009, Seranta Machinery & Equipment Sdn. Bhd. a 100% own subsidiary of the Company, entered into a conditional Sale and Purchase Agreement with Lim Cem Chap & Yo chung Boei for the disposal of a parcel development land held under title at Geran 46256, Lot 2041, in the Mukim of Cheras, Daerah Ulu Langat, state of Selangor for a cash consideration of RM2.1 million.

The proposed disposals is expected to be completed by October of 2009.

29) PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

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

| | Group | | Company | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 2009 RM | 2008 RM | 2009 RM | 2008 RM |
| Purchase of property, plant and equipment (Note 3) | 2,087,612 | 6,663,781 | 265,788 | 1,850,209 |
| Financed by hire purchase and lease arrangements | (642,243) | (4,625,265) | - | (1,096,600) |
| Due to payables | - | - | - | - |
| Cash payment on purchase of property, plant and equipment | <u>1,445,369</u> | <u>2,038,516</u> | <u>265,788</u> | <u>753,609</u> |
| | ===== | ===== | ===== | ===== |

30) CONTINGENT LIABILITIES (UNSECURED)

| | Company | |
|---|--------------------|--------------------|
| | 2009 RM | 2008 RM |
| Corporate guarantees given to financial institutions for banking facilities granted to subsidiaries | 53,002,785 | 45,222,000 |
| Corporate guarantees given to a wholly owned subsidiary's client for its contract performance | 5,433,021 | 4,878,021 |
| Corporate guarantees in favour of suppliers of goods for credit terms and for its contract performance granted to the Group | 7,000,000 | 2,000,000 |
| Corporate guarantees in favour of suppliers of goods for credit terms granted to subsidiaries | 1,315,000 | 3,515,000 |
| | <u>66,750,806</u> | <u>55,615,021</u> |
| | ===== | ===== |

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

31) SEGMENT ANALYSIS

(a) Primary reporting format - business segment

The Group's operations comprise the following business segment:

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

Notes to The Financial Statements for the year ended 30 June 2009

31) SEGMENT ANALYSIS (continued)

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

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

Notes to The Financial Statements for the year ended 30 June 2009

31) SEGMENT ANALYSIS (continued)

| 2008 | Construction RM | Property Development RM | Machinery & Equipment Rental RM | Furniture, Manufacturers and dealers in electrical and electronic goods RM | Elimination RM | Consolidation RM |
|----------------------------------|--------------------|-------------------------------|--|---|-------------------|---------------------|
| REVENUE | | | | | | |
| External sales | 262,657,886 | 475,998 | 111,520 | 13,527,964 | - | 276,773,368 |
| Inter-segment sales | - | - | 11,085,907 | - | (11,085,907) | - |
| Total revenue | 262,657,886 | 475,998 | 11,197,427 | 13,527,964 | (11,085,907) | 276,773,368 |
| RESULTS | | | | | | |
| Segment operating (loss)/ profit | 1,160,355 | (576,138) | 398,630 | 699,130 | (139,758) | 1,542,219 |
| Finance costs | | | | | | (123,970) |
| Investment and other income | | | | | | (444,287) |
| Share loss of associate | | | | | | 1,574,254 |
| Profit before taxation | | | | | | 2,548,216 |
| Taxation | | | | | | (2,105,969) |
| Minority interest | | | | | | (140,041) |
| Net profit for the year | | | | | | 302,206 |
| OTHER INFORMATION | | | | | | |
| Segment assets | 264,029,747 | 42,045,056 | 16,876,337 | 12,184,958 | (39,172,386) | 295,963,712 |
| Tax assets | | | | | | 1,078,836 |
| Consolidated total assets | | | | | | 297,042,548 |
| Segment liabilities | 158,066,273 | 38,357,720 | 9,511,793 | 897,558 | (30,745,181) | 176,088,163 |
| Tax liabilities | | | | | | 83,744 |
| Consolidated total liabilities | | | | | | 176,171,907 |
| Capital expenditure | 1,937,022 | 181,308 | 4,410,875 | 134,576 | - | 6,663,781 |
| Depreciation | 833,731 | 188,519 | 3,378,921 | 102,667 | - | 4,503,838 |

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

(b) Secondary reporting - geographical segment

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

32) FINANCIAL INSTRUMENTS

a) Interest rate risk

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

| Group | Note | Less than 1 year RM | More than 1 year RM | Total RM | Effective interest rate during the year % |
|----------------------------------|------|---------------------------|---------------------------|-------------|--|
| 2009 | | | | | |
| Financial Asset | | | | | |
| Fixed deposit with licensed bank | 14 | 1,620,701 | - | 1,620,701 | 1.76 - 3.56 |
| Financial Liabilities | | | | | |
| Borrowings | 16 | 66,891,164 | 7,613,695 | 74,504,859 | 2.19 - 9.76 |
| Bank overdraft | 14 | 37,929,030 | - | 37,929,030 | 6.55 - 8.50 |
| | | ===== | ===== | ===== | ===== |
| 2008 | | | | | |
| Financial Asset | | | | | |
| Fixed deposit with licensed bank | 14 | 1,577,833 | - | 1,577,833 | 3.20 - 3.56 |
| Financial Liabilities | | | | | |
| Borrowings | 16 | 62,829,410 | 12,910,580 | 75,739,990 | 4.13 - 9.32 |
| Bank overdraft | 14 | 27,697,228 | - | 27,697,228 | 8.25 - 8.75 |
| | | ===== | ===== | ===== | ===== |
| Company | | | | | |
| | | Less than 1 year RM | More than 1 year RM | Total RM | Effective interest rate during the year % |
| 2009 | | | | | |
| Financial Asset | | | | | |
| Fixed deposit with licensed bank | 14 | 1,620,701 | - | 1,620,701 | 1.76 - 3.56 |
| Financial Liabilities | | | | | |
| Borrowings | 16 | 58,881,298 | 631,264 | 59,512,562 | 2.19 - 6.25 |
| Bank overdraft | 14 | 37,449,045 | - | 37,449,045 | 6.55 - 8.50 |
| | | ===== | ===== | ===== | ===== |
| 2008 | | | | | |
| Financial Asset | | | | | |
| Fixed deposit with licensed bank | 14 | 1,577,833 | - | 1,577,833 | 3.20 - 3.56 |
| Financial Liabilities | | | | | |
| Borrowings | 16 | 54,654,424 | 906,383 | 55,560,807 | 4.13 - 8.00 |
| Bank overdraft | 14 | 24,449,813 | - | 24,449,813 | 8.03 - 8.30 |
| | | ===== | ===== | ===== | ===== |

b) Credit risk

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet and the outstanding obligations under the guarantees are as disclosed in Note 30.

c) Fair value

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

33) AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Board of Directors on 28 September 2009.

Properties Held by The Group as at 30 June 2009

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

| Title/Location | Description/ Existing Use | Tenure | Land Area/ Built Up Area (sq. feet) | Ownership | Approximate Age of Building (years) | Net Book Value as at 30/06/09 RM'000 | Date of Acquisition/ Valuation |
|--|--------------------------------------|---------------------------------------|---|--------------------------------------|---|--|--------------------------------------|
| Subang Perdana Phase 5 Subang Jaya State of Selangor (3 units) | Shop Lots Rented | Freehold | N.A./ 3,834 | Bina Goodyear Bhd | 13 | 730 | 02-Jun-95 15-Feb-06 |
| Subang Perdana Phase 6 Subang Jaya State of Selangor (11 units) | Shop Lots / Apartments | Freehold | N.A./ 7,956 | - do - | 12 | 800 | 26-Jul-95 15-Feb-06 |
| Bukit Lancang-Lot 419 Mukim of Damansara District of Klang State of Selangor | Plant and Machineries Workshop | Freehold | 128,600/ N.A. | - do - | N.A. | 1,147 | 18-Sep-96 |
| Simpang Kuala Lot 66 & 67 Mukim of Pengkalan Kundur District of Kota Setar State of Kedah | Shop Lots / Offices Rented | Freehold | 3,407/ 16,504 | - do - | 12 | 2,300 | 08-Mar-99 22-Aug-06 |
| Mukim of Ulu Langat State of Selangor - Lot 2041 (Grant 9629) | Workshop | Freehold | 505,112/ N.A. | Seranta Machinery & Equipment S/B | N.A. | 1,055 | 04-Oct-01 |
| Lot 4 Jalan Sultan Muhamed 2, Kawawan Perusahaan Bandar Sultan Suleiman (Selat Klang Utara) 42000 Port Klang, Selangor | Factory | Leasehold 99 years (6-10-2087) | 87,120/ 25,900 | TC Electronics S/B | 22 | 2,139 | 06-Oct-88 23-Mar-07 |
| No 2-4 Tingkat 2 and No 3-2 Tingkat 3 Blok 36, Bandar Sultan Suleiman, (Selat Klang Utara) 42000 Port Klang, Selangor | Worker Hostel | Apartment 99 years (11-07-2095) | N.A. 1,532 | TC Electronics S/B | 12 | 93 | 12-Jul-96 |
| Geran 89403, Lot 62523 Bandar Sri Damansara Daerah Petaling | Land Under Development | Freehold | 376,995/ N.A. | Greater Heights Development S/B | N.A. | 33,860 | 21-Dec-05 |
| Properties Disposed During The year | | | | | | | |
| Subang Perdana Phase 6 Subang Jaya State of Selangor (61 units) | Shop Lots / Apartments | Freehold | N.A./ 44,586 | Bina Goodyear Bhd | | | |

Shareholders' Information as at 30 October 2009

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

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

DISTRIBUTION OF SHAREHOLDINGS

| <u>Size of Holdings</u> | <u>No. of Holders</u> | <u>%</u> | <u>No. of Shares</u> | <u>%</u> |
|--|-----------------------|------------|----------------------|------------|
| Less than 100 shares | 2 | 0.14 | 100 | 0.00 |
| 100 to 1,000 shares | 141 | 10.10 | 101,400 | 0.22 |
| 1,001 to 10,000 shares | 1,046 | 74.93 | 3,054,800 | 6.60 |
| 10,001 to 100,000 shares | 160 | 11.46 | 5,051,880 | 10.92 |
| 100,001 to less than 5% of issued shares | 44 | 3.15 | 20,602,120 | 44.54 |
| 5% and above of issued shares | 3 | 0.22 | 17,449,500 | 37.72 |
| TOTAL | 1,399 | 100 | 46,259,800 | 100 |

30 Largest Shareholders

| <u>Name of Shareholders</u> | <u>No. of Shares</u> | <u>%</u> |
|--|----------------------|----------|
| 1 Goodyear Investors (Malaysia) Sdn Bhd | 9,000,000 | 19.46 |
| 2 EB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Goodyear Investors (M) Sdn Bhd | 5,056,800 | 10.93 |
| 3 Dato' Edmond Hoyt Yung | 3,392,700 | 7.33 |
| 4 Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Wong Yee Kiat | 1,249,600 | 2.70 |
| 5 NTC Audio Sdn Bhd | 1,242,335 | 2.69 |
| 6 Allasia Industries Sdn Bhd | 1,242,165 | 2.69 |
| 7 HSBC Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lai Tan Fatt | 1,188,000 | 2.57 |
| 8 Wong Soo Chai @ Wong Chick Wai | 1,142,500 | 2.47 |
| 9 Kan See Man @ Kan See Mun | 1,101,000 | 2.38 |
| 10 Phan Sin Chong | 1,043,900 | 2.26 |
| 11 Lee Yu Yong @ Lee Yuen Ying | 866,600 | 1.87 |
| 12 HSBC Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Wong Soo Chai @ Wong Chick Wai | 800,000 | 1.73 |
| 13 EB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lee Yu Yong @ Lee Yuen Ying | 767,300 | 1.66 |
| 14 Lim Tzeh Foong | 762,200 | 1.65 |
| 15 Diamond Form Sdn Bhd | 725,400 | 1.57 |
| 16 Anita Lau Soo Leng | 608,800 | 1.32 |
| 17 Goodyear Management (Malaysia) Sdn Bhd | 600,000 | 1.30 |
| 18 HLB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Alunan Harapan Sdn Bhd | 600,000 | 1.30 |

Shareholders' Information as at 30 October 2009

30 Largest Shareholders (continued)

| Name of Shareholders | No. of Shares | % |
|--|-------------------|--------------|
| 19 Lee Yuen Pheng | 517,800 | 1.12 |
| 20 Lee Yoon Chan | 475,000 | 1.03 |
| 21 Wong Dong Jiann | 400,000 | 0.86 |
| 22 Wong Se-Ching | 400,000 | 0.86 |
| 23 Wong Se-Wei | 400,000 | 0.86 |
| 24 Fountainhead Sdn Bhd | 333,100 | 0.72 |
| 25 Alunan Harapan Sdn Bhd | 310,800 | 0.67 |
| 26 Goodyear Investors (Malaysia) Sdn Bhd | 300,000 | 0.65 |
| 27 Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lee Yu Yong @ Lee Yuen Ying | 296,800 | 0.64 |
| 28 Citigroup Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged Securities Account for Wong Se-Yuen | 249,800 | 0.54 |
| 30 Kee Cheng Teik | 222,000 | 0.48 |
| | <u>35,543,700</u> | <u>76.83</u> |
| | ===== | ===== |

Substantial Shareholders

| Name of Shareholders | No. of Shares | % |
|--|-------------------|--------------|
| 1. Goodyear Investors (Malaysia) Sdn Bhd | 9,000,000 | 19.46 |
| 2. EB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Goodyear Investors (M) Sdn Bhd | 5,056,800 | 10.93 |
| 3. Dato' Edmond Hoyt Yung | 3,392,700 | 7.33 |
| | <u>17,449,500</u> | <u>37.72</u> |
| | ===== | ===== |

Directors' Shareholdings

Directors

| | Direct Interest | | Deemed Interest | |
|--|-----------------|------|-----------------|-------|
| | No. of shares | % | No. of shares | % |
| Md Azar Bin Ismail | Nil | - | Nil | - |
| Lai Tan Fatt | 1,195,200 | 2.58 | 17,275,465 * | 37.31 |
| Wong Chick Wai | 2,048,380 | 4.43 | 20,961,665 # | 45.31 |
| Dato' Edmond Hoyt Yung | 3,392,700 | 7.33 | 1,842,165 ^ | 3.98 |
| Dato' Abdul Hamid Bin Hj Md. Zainuddin | Nil | - | Nil | - |
| Mr Tan Su Tiam @ Tan Hooi Thean | Nil | - | Nil | - |
| Eric Lai (Alternate Director) | Nil | - | 1,058,500+ | 2.29 |

Notes:

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

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

^ Deemed interested by virtue of his interest in Goodyear Management (Malaysia) Sdn Bhd and indirect interest in Allasia Industries Sdn Bhd.

+ Deemed interested by virtue of his interest in Diamond Form Sdn Bhd and indirect interest in Fountainhead Sdn Bhd.

BINA GOODYEAR BERHAD

(18645-H)
(Incorporated in Malaysia)

PROXY FORM

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

I/We,.....
of.....
being a *member/members of BINA GOODYEAR BERHAD, hereby appoint
.....
of.....
or failing him,.....
of.....
as *my/our proxy to vote for *me/us on *my/our behalf at the Thirty-fifth Annual General Meeting of the Company to be held at Delima Room, The Saujana, Kuala Lumpur, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor on Wednesday, 16 December 2009 at 10.00 a.m. and at any adjournment thereof *for/against the resolution(s) to be proposed thereat.

| No. | Resolution | For | Against |
|-----|--|-----|---------|
| 1. | To receive the Audited Financial Statements for the financial year ended 30 June 2009 together with the Reports of the Directors and Auditors thereon. | | |
| 2. | Payment of Directors' Fees for the financial year ended 30 June 2009. | | |
| 3. | Re-election of Mr. Lai Tan Fatt as Director of the Company. | | |
| 4. | Re-election of Dato' Edmond Hoyt Yung as Director of the Company. | | |
| 5. | Re-appointment of Dato' Abdul Hamid Bin Hj Md Zainuddin as Director of the Company. | | |
| 6. | Re-appointment Messrs S.F. Yap & Co. as Auditors of the Company and to authorise the Directors to fix their remuneration. | | |
| 7. | Authority to Directors to allot & issue shares pursuant to Section 132D of the Companies Act, 1965. | | |
| 8. | To approve the Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature. | | |

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

**Delete if not applicable.*

Signed this day of 2009

.....
Signature of Member

Notes:-

1. A member of the Company entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him. A proxy may but need not be a member of the Company.
2. The instrument appointing a proxy must be deposited at the registered office of the Company at Wisma Goodyear, 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

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

Stamp



BINA GOODYEAR BERHAD (18645-H)

Wisma Goodyear

Tingkat 11, Blok B

Kelana Centre Point

3 Jalan SS7/19, Kelana Jaya

47301 Petaling Jaya

Selangor Darul Ehsan, Malaysia

Tel: 603-7880 0388

Fax: 603-7880 0302

www.binagoodyear.com