

2018

ANNUAL
REPORT



BCB BERHAD • 龙城集团

Building Communities & Beyond

The Elysia Park Residence Iskandar Puteri



Versis Medini



Versis Kluang

Hometree Kota Kemuning

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CHAIRMAN'S STATEMENT



Dear Shareholders,

On behalf of the Board of Directors of BCB Berhad, I am pleased to present this Annual Report and Financial Statements of BCB Berhad for the financial year ended 30 June 2018.

OVERVIEW

The recent conclusion of GE 14 on May 9, 2018 saw the country bestowed with a new government – the first time in its 61 years of history. Going into uncharted waters, the sentiment in the country was somewhat affected as can be seen in the Malaysian economy – it was rather subdued; as the country waited anxiously for directions and policies from the new government. Consequently, growth (gross domestic product or GDP) is expected to moderate at 5.0% this year as compared to 5.9% chalked up in the previous year. Nevertheless, strong domestic demand, services and exports are expected to continue propelling growth. As in the past, solid domestic demand will continue to be the main driving force propelling Malaysia's growth forward in years 2018 and 2019.

The potential risks to Malaysia's economic growth are primarily external ones, stemming from the present trade wars between the United States and China, which will ultimately bear an impact on global commodity prices; as well as from upheavals in the Middle East.

Against this bleak global backdrop, the government has embarked on a strong fiscal consolidation mode

and has cancelled a few mega projects initiated by the previous government. It has also abolished the controversial Goods and Services Tax ("GST") which was implemented on April 1, 2015 and replaced it with a less burdensome Sales and Services Tax ("SST") on September 1, 2018.

The Malaysian property market continues to be on consolidation mode; partly because Bank Negara Malaysia has yet to relax on the stringent but prudent credit policy imposed on the sector since a few years back. As a result of this policy, the Group continues to lose many potential buyers who were unable to secure a bank loan or a higher desired loan margin of financing. However, the commercial sector of the property market is expected to recover somewhat with the abolishment of the GST.

The past financial year was indeed very challenging for the Group. The Group was lucky to turn out a set of better than expected results chiefly from contributions from its project in Medini called Elysia Park Residence. However, its other projects are also "holding out well" because of the employment of target marketing, competitive pricing, superior concept, practical design and the strategic location of its properties/products.

Chairman's Statement

(cont'd)

Financial Review

During the financial year, the Group posted a turnover of RM305.01 million compared with RM222.15 million achieved in the previous year. Group profit before tax increased to RM51.71 million compared with RM21.05 million achieved in the previous year while Group profit after tax increased to RM45.42 million compared with RM11.04 million achieved in the previous year.

REVIEW OF OPERATIONS

Property Development

The Group experienced strong sales for its products amidst in a more competitive and sluggish market environment.

New development phases in the Group's flagship development projects in Batu Pahat, Johor - Taman Bukit Perdana, Evergreen Heights and Bandar Putera Indah continue to generate interest from homebuyers. These three townships are strategically sited close to public amenities and they continue to provide value to homebuyers in terms of better/attractive designs, quality finishes, superb landscaping, excellent infrastructures, and competitive pricing.

In Medini Iskandar Malaysia, the Group's high-end condominium project, Elysia Park Residence, continue to generate sales and interest from mainly foreign buyers despite an overall weak sentiment for property development projects within the Iskandar Malaysia region. It is situated in front of Gleneagles Hospital and a walking distance to Legoland Malaysia. Phase 1 with an initial GDV of RM600 million was revised upwards to RM700 million and comprises of 3, 44 storey tower blocks was officially launched in August 2015. Total sales to-date is about RM450 million.

In the Klang Valley, the Group's high-end condominium project, Concerto North Kiara continue to generate sales and interest from homebuyers. Total cumulative sales to-date is about RM480 million. Its other high-end landed project, Home Tree in Kota Kemuning officially launched its sub phases, 2A and 2B of Phase 2 with a combined GDV of RM270 million comprising 35 units of 3 storey bungalows and 78 units of 3 storey semi-Ds on August 27, 2017. Total sales to-date is about RM85 million. Its phase 1 (GDV RM283 million) is almost fully sold.

The Group expects these two Klang Valley projects in addition to existing projects in Johor to contribute generously to its earnings in the near term.

Johor

a) Taman Bukit Perdana, Batu Pahat

This 400 acres mixed development township is located 1.5km from Batu Pahat town centre and continue to record strong sales during the year.

To date, over 4,000 units have been sold for a total sales value of about RM600 million. As at to-date, this township is almost fully developed.

b) Evergreen Heights, Batu Pahat

This 400 acres mixed development township is located 8km south of Batu Pahat town centre. It is located next to the 18-hole Bukit Banang Golf and Country Club and is distinct as it emphasizes quality living set amidst natural surroundings.

Its development is architecturally attractive with beautifully landscaped terrain. There is also a 12-acre park and lake for family recreational purposes.

To date, over 3,000 units have been sold for a total sales value of about RM1.0 billion. This township is currently 85% developed with another 80 acres of undeveloped land. We are confident that future launches and sales at this township will continue to appeal and attract strong demand given the wide range of amenities, facilities and infrastructure already put in place or due to be put in place in the next few years.

c) Bandar Putera Indah, Batu Pahat

This 390 acre mixed development township is located in the vicinity of Tongkang Pecah, about 11km north-east of Batu Pahat town centre. This entire project will have a GDV of about RM1.1 billion.

The concept here emphasizes quality living set amidst natural surroundings with architecturally attractive designs and beautifully landscaped terrain.

Since its maiden launching in 2011, the take-up rate has been very encouraging. We will be rolling out more new phases soon. We are confident of this township's future contribution to the Group's earnings.

Chairman's Statement

(cont'd)

d) Elysia Park Residence, Medini, Iskandar Malaysia

This 7.81 acres high-end high-rise development is a joint venture between BCB Berhad (holding a 60% equity stake) and a developer from Hong Kong, China called United Harvest Group Company Limited.

This is a 129 years leasehold project consisting of 6, 44 storey tower blocks sitting on a 9 storey car park podium. It has a GDV of about RM1.3 billion and will be developed over 5 years. Phase 1 has 981 units sited in 3 tower blocks. There are eight types of unit layouts to choose from and they come in various designs and sizes ranging from 516 s.f. to 1,252 s.f.

This project is expected to generate considerable interest from locals as well as foreigners simply because Medini is a special economic zone; whereby foreigners are exempted from the buying and selling restrictions imposed elsewhere in the country. Phase 1 was officially launched on August 7, 2015.

Despite the "over-supply" fear syndrome for all development projects within Iskandar Malaysia and difficulties encountered by buyers in securing bank loans, the Group was fortunate as it managed to secure quite a number of foreign buyers. To-date about RM450 million in sales has been recorded.

Klang Valley

a) Concerto North Kiara, Kuala Lumpur

A 440 unit high-end condominium project sited on 5 acres of freehold land and comprising 3 tower blocks and a club house. This project is located in the vicinity of Mont' Kiara, Kuala Lumpur and has a GDV of about RM570 million. To-date about RM480 million worth of sales has been recorded.

It was officially launched on July 7, 2012 and completed in December 2015.

b) Home Tree at Kota Kemuning, Shah Alam, Selangor

A high-end gated and guarded community sited on 151 acres of land located along the Klang river and comprising about 200 units of high-end bungalows plus various other categories of houses and commercial properties. This project is located in Kota Kemuning and has a 3.5 km long river frontage. It was officially launched on June 22, 2013.

This development is a joint venture between BCB Berhad (holding a 70% stake) and Land Shine Limited, an affiliate of a reputable property developer in Xiamen, China. It will have a nature theme as it is fronting 3.5km of the Klang River. It will be designed to harmonize with nature and have club houses, jogging tracks, an esplanade and observation decks along the water front.

The whole development project will have a GDV of about RM1.8 billion and is targeted for completion in about 5 years time. Phase 1 has a GDV of about RM283 million. To-date, about RM265 million worth of properties in phase 1 has been sold. The entire Phase 2 has a GDV of RM600 million. However, only sub-phases 2A and 2B were launched on August 27, 2017.

Subsequent launches of other phases will take place soon.

Others

Existing townships with on-going developments are as follows:

- Taman Sri Kluang (Kluang, Johor)
- Taman Pulai Utama (Johor Bahru, Johor)
- Taman Megah (Pontian, Johor)

Project Management

On the project management front, the Group has earned a name for itself in Johor via its management of the vibrant Taman Saujana township in Kluang; which is offering gated security features.

a) Taman Saujana

This 250 acres township is the first in Kluang town to offer a residential gated security concept to homebuyers. A sophisticated security system involving Touch Card access and perimeter fencing are featured for the higher-end products of this township.

Construction

The Group's construction division continues to be the main contractor for the Group's various development projects. Consolidated revenue of this division was RM4.01 million during the financial year. Its main objective is to assist the Group in ensuring timely delivery of quality products at competitive pricing.

Chairman's Statement

(cont'd)

Shortage of labor and increasing cost of building materials remain a continuing source of concern for this division. To mitigate these issues, the Group has started sourcing certain materials from overseas while ensuring that product quality is not compromised.

Hotel

The Group's Prime City Hotel, a 212-room hotel located in the heart of Kluang has maintained its market position as the town's main avenue for the hosting of business and social functions.

However, consolidated revenue of this division fell to RM3.40 million during the financial year. The average occupancy rate also fell to about 26% - mainly caused by intense competition from the many new budget/boutique hotels, which opened the past few years.

In order to mitigate costs, the Group was forced to retrench the bulk of its staff force and has out-sourced the operations of its 2 restaurants and the new wing (with 87 rooms) to an operator. The Group has intention to lease out its main (old) wing (with 125 rooms) to another operator on condition that renovation works be undertaken by that operator on all its rooms at the main wing. Currently, negotiations are still on going. The Group acknowledges that in order for it to claw back market share, a major renovation work has to be undertaken for the hotel.

CORPORATE DEVELOPMENTS

Proposed Dividend

The Group is not proposing any dividend this year in spite of a set of good results, partly to conserve cash in the face of a rather subdued and challenging market.

Prospects

The property market is expected to remain flat for the whole of this year (2018).

Against this dim backdrop, the Group believes that good location, competitive pricing, attractive and practical designs, superior layouts and quality finishing will see it through this tough time. The Group will also continue its efforts in enhancing operational efficiency and effectiveness by putting in place stronger cost control measures.

Nevertheless, going forward, the Group is optimistic of a turnaround in year 2019.

Appreciation

On behalf of the Board of Directors, I would like to express our gratitude and appreciation to all our employees for their dedicated service and contribution to the success of the Group. To our shareholders, valued customers, business associates and Governmental authorities, I would like to convey our sincere thanks for their continued support and confidence in the Group.

Last but not least, my special thanks to my fellow Board members for their counsel, invaluable contributions and understanding in the past year and I look forward to their support in the future.

ASH'ARI BIN AYUB
Chairman



MANAGEMENT DISCUSSION AND ANALYSIS

1. Business Operations

The Malaysian property market for year 2018 remains sluggish as a result of a tight credit policy put in place by the previous government. While the new government is struggling to put in place proper governance and people friendly policies, the market situation is exacerbated by the external trade war between the United States of America and China.

As in the past, the residential sector continues to provide the main impetus for the property market. The commercial sector however has received a "jab in the arm" with the abolishment of the Goods and Services Tax. Its less burdensome replacement, the Sales and Service Tax has also placed many construction materials off its scope thus is added impetus for the construction and hence property industry. Against this backdrop, location and branding remain as key drivers of continued growth for most developers.

The Group is fortunate that its existing projects/undeveloped land banks are strategically located. The past 8 years saw the Group embarking on a brand building exercise in the country. The Group's philosophy is to provide good quality product designs and layouts at reasonable prices. In addition, the Group emphasizes conservation of the environment and strives to incorporate "Green" concepts into all its product designs.

Klang Valley

The Group has 2 high-end projects in the Klang Valley.

a) Concerto North Kiara

Is located on a 5 acres land in the vicinity of Mont' Kiara, Kuala Lumpur. It is a high-end condominium project offering private lift lobbies - representing a first of its kind (for condominium built-ups of less than 2,000 s.f. per unit) in the country. It is also the first condominium in the country incorporating 2 layers of concrete slabs per floor to eliminate water leaks and flushing sounds from upper floor units. It is reasonably priced at about RM700 per s.f.

Total GDV is about RM570 million. To-date about RM480 million worth of properties have been sold.

b) Home Tree

Is located on 151 acres of land in Kota Kemuning, Shah Alam, Selangor. It is a high-end landed mixed development project comprising 3 storey bungalows, shophouses as well as various types of houses. The whole project is gated and guarded.

Phase 1 (GDV RM283 million) comprising of 101 units of 3 storey bungalows is almost fully sold. It is a unique development offering "cul-de-sac" bungalows – American style and without front gates. It is reasonably priced at about RM500 per s.f. or RM2.7 million per unit.

Sub-phases 2A and 2B (GDV RM270 million) comprising of about 35 units of 3 storey bungalows and 78 units of 3 storey Semi-Ds was officially launched on August 27, 2017.

To-date, about RM85 million in sales have been recorded.

Total GDV for the entire land is about RM1.8 billion. To-date more than RM300 million worth of properties from both phases have been sold.

Johor

The Group has 3 main township projects in Batu Pahat collectively garnering about 60% share of the market. In addition, it is also the largest developer in Kluang. It also has various on-going projects in Johor Bahru.

a) Bandar Putera Indah

This 390 acres township is an up-coming satellite suburb of Batu Pahat town. With the gradual growth of Batu Pahat town now reaching its fringe, prices are expected to firm up in the future. Double storey terrace houses are reasonably priced below RM500,000 per unit.

Total GDV is about RM1.1 billion. To-date more than RM300 million worth of properties have been sold.

Management Discussion and Analysis

(cont'd)

b) Elysia Park Residence

Is located on a 7.81 acres land in Medini, Iskandar Malaysia and is wrapped around a park – hence its name. It is located right in front of the Gleneagles Hospital. It is also within walking distance to Legoland and commands a view of Singapore.

Medini, being designated a special economic zone by the government has a lot of incentives to offer to both developers as well as end-purchasers. In Medini, there are no restrictions on foreigners buying or re-selling properties. First tier end-purchasers are also exempted from the Real Property Gains Tax (RPGT) when they re-sell their properties.

This high-end project will have 6 tower blocks and a GDV of about RM1.3 billion. It will be developed over 6 years. Phase 1 comprising 3, 44 storey tower blocks with a GDV of about RM700 million was officially launched on August 7, 2015.

Total sales recorded to-date is about RM450 million.



2. Financial Performance

The Group's five years performance (as can be seen in the five years' financial highlight) has been quite satisfactory.

During the financial year, the Group posted a turnover of RM305.01 million compared with RM222.15 million achieved in the previous year. Group profit before tax increased to RM51.71 million compared with RM21.05 million achieved in the previous year while Group profit after tax increased to RM45.42 million compared with RM11.04 million achieved in the previous year.

Nevertheless, the Group's fundamentals remain strong as a result of strategic decisions made 8 years ago whereby quality lands were acquired in the Klang Valley at low prices and a major corporate rebranding exercise was carried out.

In the Klang Valley, the Group has sold more than RM800 million worth of properties from its 2 high-end projects over the past 6 years.

In Medini, the Group has sold about RM450 million worth of properties from its high-end condominium project called Elysia Park Residence. This is despite a weak sentiment on property developments within the Iskandar Malaysia region.

The Group foresees minimal risk in investing in Medini as the growth potential in Iskandar Malaysia is still generally strong. Any slowdown is anticipated to be short term in nature.

The Group is not proposing any dividend for financial year ended June 30, 2018 to conserve cash.

SUSTAINABILITY STATEMENT

The Group has incorporated corporate social responsibility (CSR) and sustainability into its business module and philosophy. It conducts its business in an ethical, responsible and sustainable manner. It also ensures that all its new projects and offices are designed/follow proper guidelines on sustainability issued by the various authorities' bodies. Areas of importance are as follows:

Environment

- The Group complies strictly with the rules and directives set by the authorities in regards to environmental safety and protection. All unwanted wastes, materials and by-products resulting from the construction sites of its various on-going projects are either recycled or properly disposed.
- Its Prime City Hotel in Kluang, Johor is also practicing recycling of daily waste materials.
- The Group also strives to build and sell more energy-efficient houses to its customers through innovative designs.
 - a) The Group has incorporated rain harvesting mechanisms in its high-end bungalows in its development at Home Tree, Kota Kemuning, Shah Alam, Selangor. This system collects rain water from the roof and channels it into a separate water tank for later use in gardening and out-doors washing. The Group is currently in the process of implementing this rain harvesting system into some of its projects in Batu Pahat, Johor.
 - b) Most of the houses in its various new projects are designed to let in more sunlight and air - with the intention of helping owners save on energy usage.
- Home Tree project in Shah Alam, Selangor is a 151 acres mixed development which is fronting 3.5km of the Klang River. The Group intends to beautify and clean up its stretch of the river as well as perform dredging works at its own expense. The Group will later build jogging track and an esplanade along its part of the river bank.
- For all its development projects, the Group will emphasize more on landscapes to promote better ambience and connection with nature.
- The Group has also "adopted" a 4.8 acres park, named Mahkota Park which is beside its 7.81 acres Elysia Park Residence project in Medini Iskandar Malaysia, Johor Bahru, Johor. As this park is hilly, the Group has spent a lot of time and resources to beautify and landscape it. A jogging track was added all the way to the summit. At the summit, the Group has spent more than RM2 million doing up an arch (with 4 elephant tusks holding up a crown) in conjunction with HRH Sultan Ibrahim Ismail Ibni Almarhum Sultan Iskandar's coronation. This attraction on the summit of the park will encourage more members of the public to use it. HRH Sultan Ibrahim Ismail Ibni Almarhum Sultan Iskandar had on 7th August 2015 formally officiated the opening of Mahkota Park to members of the public.

Maintenance of the park will be undertaken by the Group as part of its CSR.

- Investors Relations and Shareholders' value creation
 - a) The Group has in place a policy to regularly interact with its stakeholders – shareholders, bankers, business analysts, authorities, suppliers/contractors and the media.
 - b) These stakeholders are engaged via regular financial results updates at Bursa Malaysia, our official website (BCB Berhad) as well as on other Medias.
 - c) Stakeholders' complaints are also directed to the respective department heads for action to be taken within stipulated time frames.

Sustainability Statement

(cont'd)

Community

The Group believes in giving back to the community.

- Over the years, the Group has heeded the Government's call to build more affordable housing for the people. This is reflected in its townships which are all mixed development in nature, thus catering to all income groups.
- The Group also looks after the welfare of its home buyers by ensuring all its projects such as its flagship townships of Bandar Putera Perdana, Evergreen Heights and Bandar Putera Indah have safety features, adequate greens, proper landscaping and spacious recreational parks with facilities for family recreation, interaction and relaxation.
- During the year, the group made donations totaling about RM100,000.00 to various schools and charitable causes in sports, cultural and social welfare activities.

Employee Workplace

The Group believes its employees are the main driving force of its business.

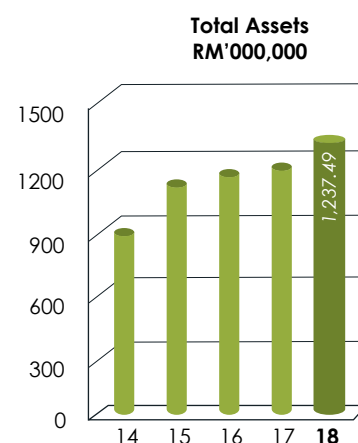
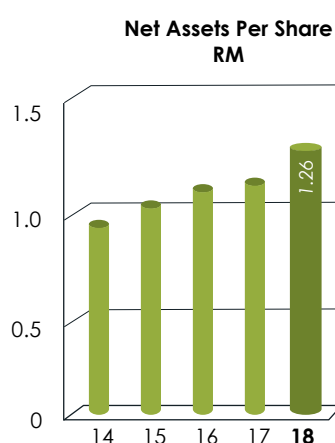
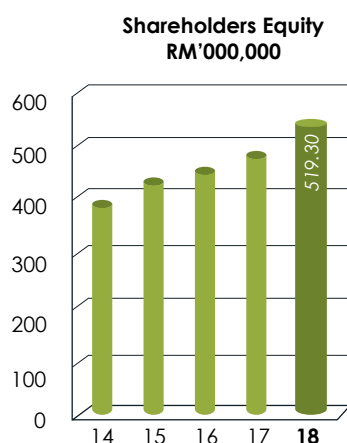
- The Group believes its human resources are an important asset and hence, constantly invest in its employees by sending them for relevant training courses and workshops to upgrade their skills and knowledge.
- The Board has a diversity policy in place and its members are of both genders, various age groups, ethnicity, education background and experiences.
- There is also a yearly employee appraisal system in place to motivate and reward its employees.
- The Group also ensures that its employees' health, welfare and safety are not compromised at the workplace. For the whole of financial year 2018, there has not been any mishap at the Group's various project sites.
- The Group also provides a harassment-free workplace regardless of race, sex and religion.

FIVE YEARS' FINANCIAL HIGHLIGHTS

Consolidated Statement of Financial Position as at 30 June for the financial year

	2014 RM '000	2015 RM '000	2016 RM '000	2017 RM '000	2018 RM '000
Share Capital	206,250	206,250	206,250	206,250	206,250
Treasury Shares	(3,117)	(3,119)	(3,121)	(3,167)	(3,167)
Non-Distributable Shares	6,788	6,788	6,788	6,788	6,788
Retained Earnings	174,336	202,250	227,931	237,728	267,022
Non-Controlling Interests	8,896	12,821	11,789	13,034	42,408
Shareholders' Equity	393,153	424,990	449,637	460,633	519,301
Represented by:					
Property, Plant and Equipment	65,521	66,278	62,797	60,987	57,633
Investment Properties	25,849	22,879	61,693	60,580	57,859
Land Held for Development	83,263	83,149	142,620	119,375	254,188
Other Non-Current Assets	-	-	1,447	2,961	2,337
Current Assets	718,626	908,916	876,899	925,005	865,479
Current Liabilities	(344,945)	(451,240)	(384,385)	(444,425)	(484,076)
	373,681	457,676	492,514	480,580	381,403
Non Current Liabilities	(155,161)	(204,992)	(311,434)	(263,850)	(234,119)
	393,153	424,990	449,637	460,633	519,301
Total Assets	893,259	1,081,222	1,145,456	1,168,908	1,237,496
Number of Ordinary Shares of RM 0.50 in Issue ('000)	412,500	412,500	412,500	412,500	412,500
Net Assets Per Share (RM) *	0.95	1.03	1.09	1.12	1.26

* The Net Assets Per Share of the Group is calculated based on the net assets value at the balance sheet date divided by the number of ordinary shares in issue at the balance sheet date. The comparatives have been restated to account for subdivision of every one (1) ordinary share of RM1.00 each into two (2) ordinary shares of RM0.50 each (Share Split Exercise) which was completed on 7 January 2016. Upon completion of the Share Split Exercise, the initial 206,250,000 ordinary shares of RM1.00 each were subdivided into 412,500,000 ordinary shares of RM0.50 each



Five Years' Financial Highlights

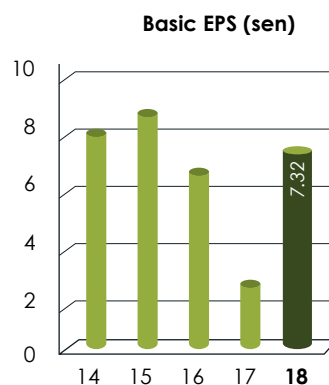
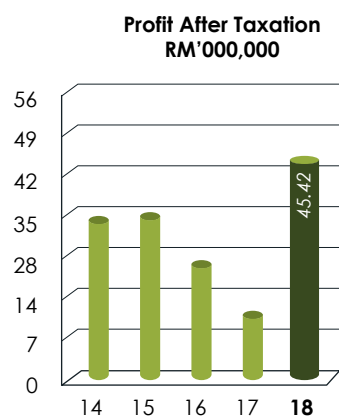
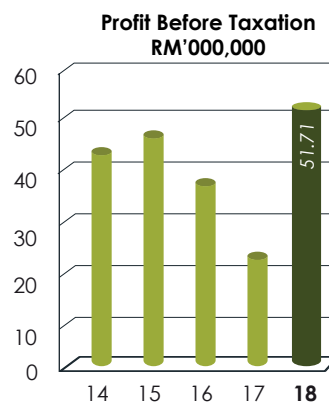
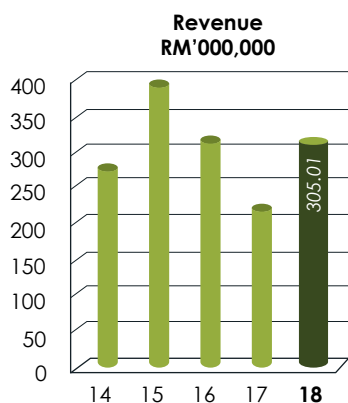
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Consolidated Statements of Profit or Loss and Other Comprehensive Income as at 30 June for the financial year

	2014 RM '000	2015 RM '000	2016 RM '000	2017 RM '000	2018 RM '000
Revenue	281,945	398,740	301,084	222,154	305,009
Profit Before Charging Depreciation and Interest Expenses	58,007	70,821	60,759	39,003	68,975
Depreciation	(2,769)	(3,232)	(3,457)	(3,428)	(3,250)
Interest Expenses	(11,431)	(19,471)	(19,381)	(14,525)	(14,019)
Profit Before Taxation	43,807	48,118	37,921	21,050	51,706
Taxation	(11,293)	(13,871)	(13,523)	(10,009)	(6,287)
Profit After Taxation	32,514	34,247	24,398	11,041	45,419
Adjusted Weighted Average Number of Shares in Issue **	400,468	400,464	400,462	400,361	400,359
Basic EPS (sen) ***	7.67	8.47	6.41	2.45	7.32

** The comparatives have been restated to account for the subdivision of every one (1) ordinary share of RM1.00 each into two (2) ordinary shares of RM0.50 each (share split) which was completed on 7 January 2016.

*** The Basic Earning Per Share is arrived by dividing the Group's profit attributable to shareholders by the weighted average number of ordinary shares (share split) in issue during the financial year. The comparatives have been restated to account for the subdivision of every one (1) ordinary share of RM1.00 into two (2) ordinary share of RM0.50 each, which was completed on 7 January 2016.



CORPORATE INFORMATION

BOARD OF DIRECTORS	Ash'ari Bin Ayub Tan Sri Dato' Tan Seng Leong Tan Sri Datuk Seri Ismail Bin Yusof Tan Lay Hiang Tan Lindy Tan Vin Sern Low Kok Yung Tan Kok Wee	Chairman Independent Non-Executive Director Group Managing Director Independent Non-Executive Director Executive Director Executive Director Executive Director Executive Director Independent Non-Executive Director
AUDIT COMMITTEE	Tan Sri Datuk Seri Ismail Bin Yusof Ash'ari Bin Ayub Tan Kok Wee	Chairman Member Member
NOMINATION & REMUNERATION COMMITTEE	Tan Sri Datuk Seri Ismail Bin Yusof Ash'ari Bin Ayub Tan Kok Wee	Chairman Member Member
COMPANY SECRETARIES	Ng Heng Hooi Wong Mee Kiat	(MAICSA No. 7048492) (MAICSA No. 7058813)
AUDITORS	BDO (AF 0206) Chartered Accountants	Level 8, BDO @ Menara CenTARa 360 Jalan Tuanku Abdul Rahman 50100 Kuala Lumpur Tel: 03-2616 2888 Fax: 03-2616 3190/3191
REGISTERED OFFICE		No. 4B, 2nd & 3rd Floor, Jalan Sentol South Wing - Kluang Parade 86000 Kluang, Johor Darul Ta'zim Tel: 07-776 0089 (5 lines) Fax: 07-772 0089
SHARE REGISTRAR	Tricor Investor & Issuing House Services Sdn Bhd	Unit 32-01, Level 32, Tower A Vertical Business Suite Avenue 3, Bangsar South No.8, Jalan Kerinchi 59200 Kuala Lumpur Tel: 03-2783 9299 Fax: 03-2783 9222
PRINCIPAL BANKERS	Malayan Banking Berhad United Overseas Bank (Malaysia) Berhad	
STOCK EXCHANGE LISTING	Main Market of Bursa Malaysia Securities Berhad Stock Number: BCB 6602	
CORPORATE WEBSITE	www.bcbbhd.com.my	

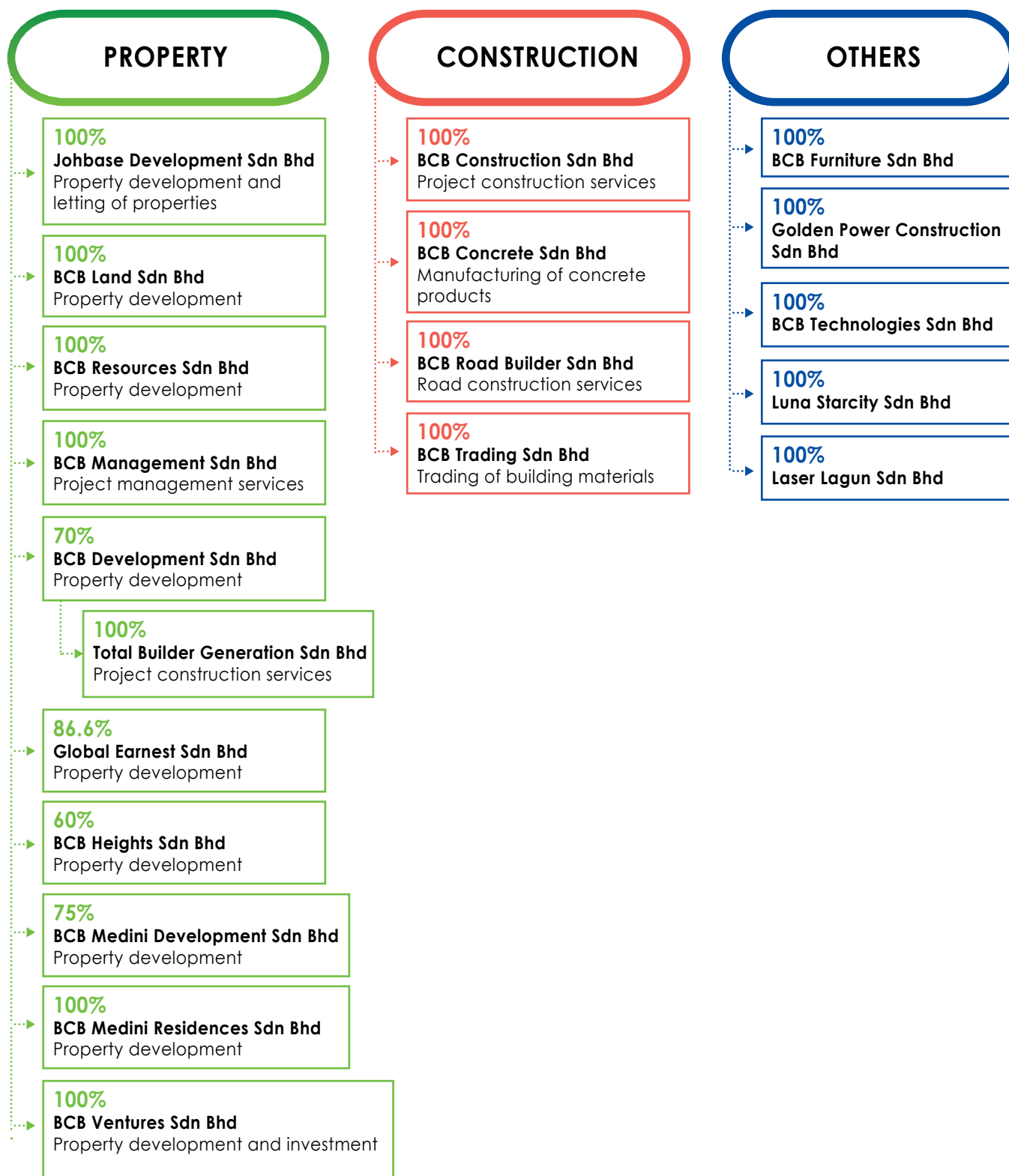
CORPORATE STRUCTURE



Building Communities & Beyond

BCB BERHAD (172003-W)

Investment holding, property development and hotel operations



BOARD OF DIRECTORS' PROFILE

ASH'ARI BIN AYUB

Chairman / Independent Non-Executive Director
Member of Audit Committee
Member of Nomination and Remuneration Committee

Ash'ari Bin Ayub, male, aged 76, a Malaysian, was appointed to the Board on 16 May 2001. He passed the professional examination of the Malaysian Association of Certified Public Accountants on 24 June 1967. He is a member of the Malaysian Institute of Accountants (MIA) and the Malaysian Institute of Certified Public Accountants (MICPA). He started his career with Coopers Brothers & Co in 1961 and served until 1970. Thereafter, he joined various organizations in government and private sector. He was a Senior Partner of Coopers & Lybrand, Kuala Lumpur (now known as PricewaterhouseCoopers) from 1974 to 1994. He also holds non-executive directorships in Globaltec Formation Berhad and Metrod Holdings Berhad.

He attended five (5) of five (5) Board Meetings held in the financial year ended 30 June 2018.

TAN SRI DATUK SERI ISMAIL BIN YUSOF

Independent Non-Executive Director
Chairman of Audit Committee
Chairman of Nomination and Remuneration Committee

Tan Sri Datuk Seri Ismail Bin Yusof, male, aged 74, a Malaysian, was appointed to the Board on 14 July 1998. He holds a Bachelor of Arts (Hons) from University of Malaya in 1967 and served in various capacities with the Government from 1967 to 1991. He was previously the Secretary of The Federal Territory Development Division in the Prime Minister's Department. Currently, he is a member of the Board of Trustees and the Executive Vice-Chairman of the Albukhary Foundation. He also holds non-executive directorships in Minho (M) Berhad, South Malaysia Industries Berhad and Utusan Melayu (Malaysia) Berhad.

He attended four (4) of five (5) Board Meetings held in the financial year ended 30 June 2018.

TAN SRI DATO' TAN SENG LEONG

Group Managing Director
Key Senior Management

Tan Sri Dato' Tan Seng Leong, male, aged 62, a Malaysian, was appointed to the Board on 9 November 1988. He is the founder of BCB as well as the Group Managing Director. He oversees the Group's operation and is hands on. He is an entrepreneur with considerable experience in the property development industry. He obtained his Diploma in Building Construction and Management (London) and Master of Business Administration in 1981 and 1992 respectively. In 1995, he obtained his Fellowship of International Institute of Business Management and Member of Institute of Management (United Kingdom). He was conferred a PhD in Property Development and Management (U.S.A.) in 1996.

He is also a director of BCB's subsidiaries and several private companies. He is deemed in conflict of interest with the Company by virtue of his interests and directorships in certain privately-owned companies which are also involved in property development and related activities. However, these privately-owned companies are not in direct competition with the business of the Company due to the different market segment and / or locality of developments.

He attended five (5) of five (5) Board Meetings held in the financial year ended 30 June 2018.

TAN LAY HIANG

Executive Director
Key Senior Management

Tan Lay Hiang, female, aged 51, a Malaysian, was appointed to the Board on 16 July 1994. She manages the sales, marketing and conveyance aspects of BCB's property development projects. Prior to joining BCB in 1989, she was attached to several other property development firms in Kluang. She also holds directorships in BCB's subsidiaries.

She attended three (3) of five (5) Board Meetings held in the financial year ended 30 June 2018.

Board of Directors' Profile

(cont'd)

TAN LINDY

Executive Director
Key Senior Management

Tan Lindy, female, aged 34, a Malaysian, was appointed to the Board on 22 May 2008. She is with BCB since 2005 and is responsible for the daily management and operations of BCB's Prime City Hotel in Kluang. She holds a Bachelor of Commerce from University of Melbourne, Australia. She also holds directorships in BCB's subsidiaries.

She is deemed in conflict of interest with the Company by virtue of her interests and directorships in certain privately-owned companies which are also involved in property development and related activities. However, these privately-owned companies are not in direct competition with the business of the Company due to the different market segment and / or locality of developments.

She attended five (5) of five (5) Board Meetings held in the financial year ended 30 June 2018.

LOW KOK YUNG

Executive Director
Key Senior Management

Low Kok Yung, male, aged 49, a Malaysian, was appointed to the Board on 1 February 2013 and he oversees the Group's financial matters. Prior to his appointment as Executive Director of BCB, he was the Group's Financial Controller. He graduated from Newcastle University, Australia with a Bachelor of Commerce degree (majoring in Accounting). He is a member of the Malaysian Institute of Accountants (MIA) and CPA, Australia. He has more than 20 years of experience in the accounting field. He also holds directorships in BCB's subsidiaries.

He attended five (5) of five (5) Board Meetings held in the financial year ended 30 June 2018.

TAN KOK WEE

Independent Non-Executive Director
Member of Audit Committee
Member of Nomination and Remuneration Committee

Tan Kok Wee, male, aged 42, a Malaysian, was appointed to the Board on 18 October 2018. He graduated from LaTrobe University, Australia with a Bachelor of Economics (Banking & Finance). He has also obtained a Postgraduate Diploma in Finance from University of Melbourne, Australia and Masters of Business (Banking & Finance) from Monash University, Australia.

He started his career with Fu Tai Umbrella Industries Sdn Bhd from 2000 to 2002 as a Financial Analyst. Thereafter, he joined OSK Securities Berhad as Business Development Executive until 2003, where he was exposed to various corporate finance assignments. Between 2003 to 2007, he was a Business Analyst at YanFull (Shanghai) Co. Ltd., a subsidiary of Golden Plus Holdings Berhad where he was involved in project management related to real estate housing development. He became director of Venture Consulting Pte. Ltd., a consulting firm providing accounting, corporate secretarial and tax services since 2007 until to date. He is also a Director of Singflux Technology Pte Ltd since 2014, a company that deals in waste recycling.

TAN VIN SERN

Executive Director
Key Senior Management

Tan Vin Sern, male, aged 35, a Malaysian, was appointed to the Board on 25 May 2010 and is responsible for the Group's property development projects in the southern (Johor state) region. He holds a Bachelor of Commerce (Accounting & Finance) from University of Melbourne, Australia. He is a member of the Malaysian Institute of Accountants (MIA) and CPA, Australia. He also holds directorships in BCB's subsidiaries.

He is deemed in conflict of interest with the Company by virtue of his interests and directorships in certain privately-owned companies which are also involved in property development and related activities. However, these privately-owned companies are not in direct competition with the business of the Company due to the different market segment and / or locality of developments.

He attended five (5) of five (5) Board Meetings held in the financial year ended 30 June 2018.

Notes:-

1. Tan Sri Dato' Tan Seng Leong and Tan Lay Hiang are siblings.
2. Tan Lindy and Tan Vin Sern are children of Tan Sri Dato' Tan Seng Leong.
3. Except as disclosed above, none of the other Directors has any family relationship with any Directors and / or major shareholders of the Company.
4. Except as disclosed above, none of the Directors hold any directorships in other public companies.
5. None of the Directors have any conflict of interest with the Company.
6. None of the Directors have been convicted for offences within the past 5 years other than traffic offences.
7. None of the Directors have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

AUDIT COMMITTEE REPORT

The Board of Directors ("Board") is pleased to present the report of the Audit Committee ("AC") for the financial year ended 30 June 2018.

MEMBERS

During the financial year 2018, the AC comprised of three (3) members, all of who are independent non-executive directors. The AC comprised of the following members:-

Chairman	:	Tan Sri Datuk Seri Ismail Bin Yusof (Independent Non-Executive Director)
Members	:	Ash'ari Bin Ayub (Independent Non-Executive Director)
		Abd Manap Bin Hussain (Independent Non-Executive Director)

Following the demise of Abd Manap Bin Hussain on 25 August 2018, the Board had on 18 October 2018 appointed Tan Kok Wee as an Independent Non-Executive Director and a member of the AC.

AUDIT COMMITTEE MEETINGS

The AC held five (5) meetings during the financial year ended 30 June 2018. Details of the attendance of the meeting by the Committee Members are set out in the Corporate Governance Overview Statement.

ACTIVITIES UNDERTAKEN BY THE AUDIT COMMITTEE

During the financial year, the activities of the AC included:

- (i.) reviewed the internal auditors' audit plan and programme for the year;
- (ii.) reviewed the internal audit plan, internal audit report and follow up report on the Group operations;
- (iii.) reviewed the external auditors' scope of work and audit plan for the financial year ended 30 June 2018;
- (iv.) reviewed the external auditors' reports, management letter and management's response;
- (v.) considered the re-appointment of the external auditors and make recommendation to the Board for approval;
- (vi.) reviewed the unaudited quarterly financial statements and the audited financial statements of the Company and the Group, upon being satisfied that inter alia, the financial reporting and the disclosure requirements of the relevant authorities had been complied with;
- (vii.) reviewed the related party transactions of a revenue or trading nature, and conflict of interest situation that may arise within the Group;
- (viii.) reviewed the proposal on renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature;
- (ix.) reviewed the Company's compliance, in particular the quarterly and year end financial statements with the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad and the applicable approved accounting standards issued by the Malaysian Accounting Standards Board;
- (x.) reviewed the Audit Committee Report for inclusion in the Annual Report; and
- (xi.) reviewed the report on the Statement on Risk Management and Internal Control for inclusion in the Annual Report.

Audit Committee Report

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INTERNAL AUDIT FUNCTION

The Board has outsourced its internal audit function to Messrs. TT Governance Sdn Bhd ("TTG"). Its principal responsibility is to provide independent assurance to, and assist, the Board in discharging its duties and responsibilities.

The annual internal audit plan is reviewed and approved by the Committee at the beginning of each financial year prior to their execution. TTG performs routine audit on and reviews all operating business units within the Group, with emphasis on principal risk areas. The audit adopts a risk-based approach towards planning and conduct of audits, guided by the risk management framework adopted.

The Committee is to:

- review the adequacy of the scope, functions and resources of internal audit department and that it has the necessary authority to carry out its work;
- review internal audit programmes; and
- consider major findings of internal audit investigations and management's response, and ensure that appropriate actions are taken on the recommendations of the internal audit functions.

Three (3) internal audit assignments were completed during the financial year on three (3) areas of the Group; namely

- (i.) Property Development (Versis Batu Pahat) – contract award, progress claim and procurement processing.
- (ii.) Construction Division (Versis Batu Pahat) – contract award, procurement of building material and goods receipts process.
- (iii.) Property Development (Elysia Park Residence, Medini) – contract award, progress claim and procurement processing.

In addition to that, the Internal Audit will also be reviewing procedures for the recurrent related party transactions.

Internal audit reports were issued to the AC and the Board and tabled at the AC's meetings. The Audit reports incorporated TTG's findings, recommendations for improvements and follow-up on the implementation of the recommendations and Management's improvement actions.

During the year, the costs incurred for the internal audit function was RM75,000.00

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of BCB Berhad ("Board") is committed to the implementation and maintenance of good corporate governance practices and procedures throughout the Group.

This statement sets out the principles of good corporate governance practiced by the Group and the extent to which the Group applied with the principles and standards of governance and behavior recommended in the Malaysia Code on Corporate Governance ("Code") throughout the financial year ended 30 June 2018.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Functions reserved for the Board and those delegated to Management

The Board has full and effective control over the business undertakings of the Company subject to the powers reserved for shareholders under the Company's Constitution, the Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") and other applicable laws. This includes responsibility for determining the Company's overall strategic direction as well as the approval of annual and interim results, specific items of investments and divestments, as well as the risk management framework and internal control policies and procedures for the Company.

The Managing Director is responsible for matters which are not specifically reserved for the Board or delegated to the Board committees such as the day-to-day management of the operations of the Company.

Roles and responsibilities

The Board's role and responsibilities are set out in the Company's Board Charter. The Board is led by the Chairman/ Group Managing Director and is supported by its Board Members with experience in a wide range of expertise and they collectively play an important role in the stewardship of the direction and operations of the Group.

The Board, in discharging its fiduciary and leadership functions, has overall responsibility for the Group strategic planning and direction, corporate policies formulation, as well as overseeing the Company's business conduct and ethics, corporate governance, investor relations, risk management and internal controls.

In carrying out its responsibilities, the Board has established dedicated Board Committees and functions, and conducts respective reviews. The Board ensures the senior management is of sufficient calibre to implement Board's strategies and corporate objectives, promote sustainability and safeguard the interest of the stakeholders of the Group.

While the day-to-day management of the operations of the Company is delegated to the Managing Director, the Board retains effective control over important policies and processes covering areas such as internal controls, risk management and the remuneration of executives and employees of the Company.

The Board has also delegated certain responsibilities to other Board committees, which operate within clearly defined terms of reference. Standing committees of the Board include the Audit Committee ("AC"), and Nomination & Remuneration Committee ("NRC"). The terms of reference of Board Committees detailing the responsibilities of each Committee and how they exercise their authority.

There is a clear division of responsibility between the Chairman and Managing Director to ensure a balance of power and authority. The principal duties of the Chairman are to conduct the meetings of the Board and shareholders and to facilitate constructive discussions at these meetings. The Managing Director is responsible for the day-to-day running of the businesses of the Group and to develop and implement strategies.

Roles of the Company Secretaries

The Company Secretaries play an advisory role to the Board in relation to the Company's compliances to relevant regulatory requirements, guidelines and legislation and are capable of carrying out their duties efficiently to ensure the effective functioning of the Board.

The Company Secretaries circulate relevant guidelines and updates on statutory and regulatory requirements from time to time for the Directors' reference. They also ensure that all Board and Board Committee meetings are properly convened and that deliberations, proceedings and resolutions are properly minuted and documented.

Corporate Governance Overview Statement

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Access to information and advice

Each Board member receives quarterly operating results, including a comprehensive review and analysis. Prior to each Board meeting, Directors are sent an agenda and a full set of Board papers for each agenda item to be discussed at the meeting. This is issued in sufficient time to enable the Directors to obtain further explanations, where necessary, in order to be sufficiently briefed before the meeting.

Directors have access to all information within the Company whether as full Board or in their individual capacity, in furtherance of their duties. Directors also have direct access to the advice and the services of internal and external legal advisers and the Company Secretaries who are responsible for ensuring that Board procedures are followed.

Formalise and review Board Charter

The Board has adopted a Board Charter which sets out the functions that are reserved for the Board. The Board Charter is available on the Company's website. The Board Charter is subject to an annual review and more frequently, if required, due to a change of law or of company policy that affects the Board Charter.

Code of Conduct

The Group's Codes of Conduct and Ethics govern the standards of conduct and behaviour expected from the Directors and the employees in all aspects of the Group's operations. To ensure its compliance with the Code of Conduct and Ethics, the Board and the Senior Management will ensure all level of officers are properly communicated and informed through emails, notice board or corporate website.

Whistle Blowing Policy

The Group has in place a Whistle Blowing Policy that sets out avenues where legitimate concerns can be objectively investigated and addressed. Employees of the Group are able to raise concerns about illegal, unethical or questionable practices in confidence and without the risk of reprisal.

Composition of the Board

The Board currently comprises eight (8) members, of whom three (3) are Independent Non-Executive Directors. The Board has within its members drawn from varied backgrounds, bringing in-depth and diversity in experience and perspectives to the Group's business operations. The Directors' profiles are set out under the section of Profile of Directors contained in this Annual Report.

One-third of the Board comprises Independent Directors as required by the Listing Requirements. The Company recognises the contribution of Independent Directors as vital to the development of the Company's strategies, the importance of representing the interest of public shareholders and providing a balanced and independent view to the Board. All Independent Directors are independent of management and free from any relationship that could interfere with their independent judgement.

Tenure of Independent Directors

The Company has implemented a cumulative nine (9) year term limit for Independent Directors. The Board has adopted Practice 4.2 of the Code to seek shareholders' approval in the event the Board desires to retain as an independent director, a person who has served in that capacity for more than nine (9) years. If the Board continues to retain the Independent Director after the twelfth (12th) year, the Board shall seek shareholders' approval annually through a two (2) tier voting process.

Following an assessment by the NRC and the Board, Tan Sri Datuk Seri Ismail Bin Yusof and En. Ash'ari Bin Ayub who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than twelve (12) years as at the end of the financial year under review, have been recommended by the Board to continue to act as Independent Non-Executive Directors, subject to shareholders' approval at the forthcoming Annual General Meeting of the Company, based on the following justifications:-

Corporate Governance Overview Statement

(cont'd)

- They fulfil the criteria under definition on independent director as stated in the Listing Requirements; and hence, they would be able to provide an element of objectivity, independent judgment and balance to the Board;
- Their experiences in the financial and other relevant sections enable them to provide the Board and Board Committees with pertinent expertise, skills and competence; and
- They have been with the Company for more than 12 years and therefore understand the Company's business operations which enable them to contribute actively and effectively during deliberations or discussions at Board and Board Committee meetings.

Appointments to the Board

Candidates for appointment to the Board and Senior Management are selected after taking into consideration the mix of skills, experience and strength that would be relevant for the effective discharge of the Board's responsibilities. For appointment as Director, potential candidates are first evaluated by the NRC and, if recommended by the NRC, subsequently, by the Board based on their respective profiles as well as their character, integrity, professionalism, independence and their ability to commit sufficient time and energy to the Company's matters. Selection of candidates to be considered for appointment as Directors is facilitated through recommendations from the existing Directors, management, major shareholders or independent sources.

The Company has sourced for the most suitable candidates from various sources such as suggestion of the existing Board and referrals from external sources to fill the casual vacancy arising from the demise of Encik Abd Manap Bin Hussain. Mr. Tan Kok Wee was appointed as the Independent Non-Executive Director upon evaluation by the Board on 18 October 2018.

Gender Diversity Policy

The Board acknowledges the recommendations of the Code on the establishment of a gender diversity policy. There is no plan by the Board to implement a gender diversity policy or target, as the Board adheres to the practice of non-discrimination of any form, whether based on age, race, religion or gender, throughout the Group. This includes the selection of Board members. The Company believes in, and provides equal opportunity to candidates with merit.

The Board is of the view that the suitability of a candidate for the Board is dependent on the candidate's competency, skills, experience, expertise, character, time commitment, integrity and other qualities in meeting the needs of the Company, regardless of gender.

Currently, there are two (2) female Directors which represents 25% of the Board composition.

Annual Assessment

The NRC annually reviews the size and composition of the Board and the Board Committees in order to ensure the Board and the Board Committees have the requisite competencies and capacity to effectively oversee the overall business and carry out their respective responsibilities. The NRC uses the Board and Board Committee Evaluation Form comprising questionnaires for the assessment. The effectiveness of the Board is assessed in the areas of the Board's responsibilities and composition, administration and conduct of meetings, communication and interaction with management and stakeholders and board engagement.

To assess the independence of the Independent Directors, each of the Independent Directors annually provides the NRC with their Self-Assessment Independence Checklist.

During the financial year, the NRC convened one (1) meeting with full attendance of its members and carried out the following activities:-

- (i) Reviewed and recommended the re-election of Members of the Board who are retiring at the AGM for shareholders' approval, pursuant to the Constitution of the Company;
- (ii) Assessed the annual effectiveness of the Board as a whole, the committees of the Board, the contribution of each individual director, including independent non-executive directors;
- (iii) Assessed the independence of independent directors and recommended their retention; and
- (iv) Reviewed the remuneration package of the Executive Directors.

Corporate Governance Overview Statement

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Meetings and Time Commitment

The Board usually meets at least four (4) times a year at quarterly intervals with additional meetings convened when necessary. During the financial year, the Board met on five (5) occasions; where it deliberated on matters such as the Group's financial results, strategic decisions, business plan, and strategic direction of the Group among others. Board meetings for each year are scheduled in advance before the end of the preceding year in order for Directors to plan their schedules. The Board is satisfied with the level of time commitment of the Directors from their attendance at the Meetings.

The record of the Directors' attendance at Board Meeting for the financial year ended 30 June 2018 is contained in the table below:-

Name of Director	Board Meeting	AC Meeting	NRC Meeting
Ash'ari Bin Ayub	5/5	5/5	1/1
Tan Sri Dato' Tan Seng Leong	5/5	-	-
Tan Sri Datuk Seri Ismail Bin Yusof	4/5	4/5	0/1
Tan Lay Hiang	3/5	-	-
Tan Vin Sern	5/5	-	-
Tan Lindy	5/5	-	-
Tan Vin Shyan*	3/5	-	-
Low Kok Yung	5/5	-	-
Abd Manap Bin Hussain	5/5	5/5	1/1

* resigned as Director on 28 May 2018

Directors' Training

The Directors also made time to attend appropriate external training programs to equip themselves further with the knowledge to discharge their duties more effectively and to keep abreast of developments on a continuous basis in compliance with Paragraph 15.08 of the Listing Requirements, the details of which are set out below:

Director	Course Name	Date	Organizer
Ash'ari Bin Ayub	MIA International Accountants Conference 2017	7 & 8.11.2017	MIA
	Malaysian Code of Corporate Governance	24.10.2017	Tricor
	Group Accounting MFRS 3 & 10	14 & 15.11.2017	MIA
	National Tax Conference	16.11.2017	LHDN
	Heightened Expectations of Directors Under the New Companies Act 2016	15.05.2018	MAICSA
Tan Sri Dato' Tan Seng Leong	Heightened Expectations of Directors Under the New Companies Act 2016	15.05.2018	MAICSA
Tan Sri Datuk Seri Ismail Bin Yusof	Key Changes in the Companies Act 2016	11.07.2017	South Malaysia Industries Berhad
	Heightened Expectations of Directors Under the New Companies Act 2016	15.05.2018	MAICSA

Corporate Governance Overview Statement

(cont'd)

Director	Course Name	Date	Organizer
Tan Lay Hiang	Heightened Expectations of Directors Under the New Companies Act 2016	15.05.2018	MAICSA
Tan Vin Sern	Heightened Expectations of Directors Under the New Companies Act 2016	15.05.2018	MAICSA
Tan Lindy	Heightened Expectations of Directors Under the New Companies Act 2016	15.05.2018	MAICSA
Low Kok Yung	Heightened Expectations of Directors Under the New Companies Act 2016	15.05.2018	MAICSA
Abd Manap Bin Hussain	Heightened Expectations of Directors Under the New Companies Act 2016	15.05.2018	MAICSA

Remuneration policy

The Company has established a formal Remuneration Policy and Procedures for Directors and Senior Management.

Remuneration policies and procedures

The NRC is responsible for implementing remuneration policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of Directors so as to ensure that the Company is able to attract and retain its Directors needed to run the Group successfully. The components of Directors' remuneration are structured so as to link rewards to corporate and individual performance in the case of Executive Directors. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the individual Non-Executive Director concerned.

In setting the basic salary for each Executive Director, the NRC takes into account the compensation practices of other companies and the performance of each individual director. Salaries are reviewed (although not necessarily increased) annually depending on the category of employment. Salaries are increased only where the Committee believes that adjustments are appropriate to reflect performance, increased responsibilities and/or market pressures.

The Board determines fees payable to all Directors subject to the approval of shareholders at each Annual General Meeting. The non-executive members of the Board receive a fixed base fee as consideration for their Board duties.

The remuneration of the Board is determined on the basis of standards in the market and reflects demands to the expected competencies and efforts in light of the scope of their work and the number of board and board committee meetings.

Corporate Governance Overview Statement

(cont'd)

Remuneration of Directors and Senior Management

The details of the Directors' remuneration of the Company for the financial year ended 30 June 2018 is as follows:

Company

	Salaries (RM)	Bonus (RM)	Fees (RM)	Other Benefits ¹ (RM)	Total (RM)
Executive Directors					
Tan Sri Dato' Tan Seng Leong	651,000	54,250	-	-	705,250
Tan Lay Hiang	162,000	13,500	-	-	175,500
Tan Vin Sern	126,000	10,500	-	-	136,500
Tan Lindy	360,000	30,000	-	-	390,000
Tan Vin Shyan*	326,538	30,000	-	-	356,538
Low Kok Yung	126,000	10,500	-	-	136,500
Non-Executive Directors					
Ash'ari Bin Ayub	-	-	76,000	-	76,000
Tan Sri Datuk Seri Ismail Bin Yusof	-	-	48,000	-	48,000
Abd Manap Bin Hussain	-	-	48,000	-	48,000

Group

	Salaries (RM)	Bonus (RM)	Fees (RM)	Other Benefits ¹ (RM)	Total (RM)
Executive Directors					
Tan Sri Dato' Tan Seng Leong	3,000,000	230,000	-	-	3,230,000
Tan Lay Hiang	360,000	30,000	-	-	390,000
Tan Vin Sern	660,000	45,000	-	-	705,000
Tan Lindy	456,000	30,000	-	-	486,000
Tan Vin Shyan*	470,538	30,000	156,000	-	656,538
Low Kok Yung	360,000	30,000	-	-	390,000
Non-Executive Directors					
Ash'ari Bin Ayub	-	-	76,000	-	76,000
Tan Sri Datuk Seri Ismail Bin Yusof	-	-	48,000	-	48,000
Abd Manap Bin Hussain	-	-	48,000	-	48,000

* resigned as Director on 28 May 2018

¹ Other benefits include meeting allowance, car and driver allowances and medical insurance coverage.

The Board has chosen to disclose the remuneration of the top (5) senior management personnel in bands instead of named basis as the Board is of the opinion that disclosure of the senior management personnel names and the various remuneration component would not be in the best interest of the Group due to confidentiality and sensitivity of each remuneration package.

Corporate Governance Overview Statement

(cont'd)

The number of top (5) senior management's remuneration for the financial year ended 30 June 2018 is as follows:-

Range of Remuneration	Number of Senior Management Staff
RM50,000 – RM500,000	2
RM500,001 – RM1,000,000	2
RM1,000,001 – RM3,300,000	1

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee Composition and Chairman

The AC consist of three (3) Independent Non-Executive Directors. The Chairman of the AC is Tan Sri Datuk Seri Ismail Bin Yusof whilst the Chairman of the Board is En. Ash'ari Bin Ayub. Having the position of Board Chairman and AC Chairman assumed by different individuals allows the Board to objectively review the AC's findings and recommendations.

Policy on appointment of a former key audit partner as AC member

The Company has incorporated a policy that requires a former key audit partner to observe a cooling-off period of at least two years before being appointed as a member of the AC. The policy is codified in the AC's terms of reference.

Suitability, Objectivity and Independence of External Auditors

The Board through the AC, maintains a formal and transparent professional relationship with the External Auditors, Messrs. BDO. The appointment of External Auditors is recommended by the AC which determines the remuneration of the External Auditors. The AC reviews the performance, suitability, independence and objectivity of the External Auditors annually before recommending them for re-appointment at the Annual General Meeting.

The AC also reviews the nature and fees of non-audit services provided by the External Auditors in assessing their independence. In accordance with the MIA By-Laws, BDO rotates its engaging partner once every 5 years to ensure objectivity, independence and integrity of the audit opinions.

The External Auditors also gave their assurance confirming their independence and objectivity throughout the conduct of the audit engagement and the internal processes undertaken by them to determine their independence.

All AC members are financially literate

All members of the AC are financially literate and are able to understand matters under the purview of the AC including financial reporting process. The Committee members possess the necessary qualification, knowledge, experience, expertise and skills which contributed to the overall effectiveness of the AC.

Risk Management and Internal Control Framework

The Board has established policies and procedures for the oversight and management of material business and financial risks as well as the monitoring of the internal controls that are in place.

The risk management policy sets out procedures which are designed to identify, assess, monitor and manage risk at each of the businesses of the Group. The risks covered in the procedures and reviewed by the internal audit group include operational, market (both business and finance risks), legal and credit risks. The Management and the Board also carry out a regular review of political, regulatory and economic risks in line with the Board's oversight of the strategic direction and position of the Group within the marketplace it operates.

Corporate Governance Overview Statement

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Internal Audit Function

The Group's internal audit function is outsourced to a professional service firm, TT Governance Sdn Bhd. The internal auditors perform its functions with impartiality, proficiency and due professional care. It undertakes regular monitoring of the Group's key controls and procedures, which is an integral part of the Group's system of internal control.

The internal audit reports are presented to the AC for its review and deliberation. The AC will be briefed on the progress made in respect of each recommendation, and of each corrective measure taken as recommended by the audit findings. The internal auditors report directly to the AC to ensure independency.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Communication with Stakeholders

The Company recognises the importance of effective and timely communication with shareholders and investors to keep them informed of the Group's latest financial performance and material business/corporate matters affecting the Company. Such information is available to shareholders and investors through the Annual Reports, the various disclosures and announcements made to Bursa Securities and the Company's website.

Conduct of General Meeting

The AGM provides the principal platform for dialogue and interactions with the shareholders. At every meeting, the Managing Director sets out the performance of the Group for the financial year then ended. Question and Answer session will then be convened wherein the Directors and the External Auditors will be available to answer to the queries raised by the shareholders.

The Twenty-Ninth AGM of the Company was held on 7 December 2017 while the Notice of Twenty-Ninth AGM of the Company was issued on 31 October 2017. The Notice of AGM was served more than a month, well in advance of the 21-days requirement under the Companies Act 2016. The Notice of general meeting also provides further explanation for the resolutions proposed along with any background information and reports or recommendation that are relevant, where required and necessary, to enable shareholders to make an informed decision in exercising their voting rights.

Leverage Technology to facilitate voting and remote shareholders participation

Shareholders will be provided with the sufficient notices of general meetings and accompanying explanatory material such as notes, Annual Report and/or Circular to make arrangements to attend the general meetings and exercise their rights. Shareholders are encouraged to appoint proxy/proxies to vote on their behalf if they are unable to attend the meeting.

The Company's Thirtieth AGM will be held at Prime City Hotel in the city of Kluang. This venue is easily accessible and it is familiar to most shareholders of the Company since past AGMs were held at the same venue.

The Company will explore the leverage of technology to enhance the quality of engagement with its shareholders and facilitate further participation by shareholders at AGMs of the Company where circumstances permit.

This Corporate Governance Overview Statement was approved by the Board of Directors on 18 October 2018.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

This statement is prepared in accordance with the requirement under Paragraph 15.26 (b) of Bursa Malaysia Securities Berhad's Main Market Listing Requirements ("Listing Requirements") and as guided by the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers". The Board of Directors of BCB is committed to the continuous improvement of internal controls and risk management practices within the Group to meet its corporate and business objectives.

RESPONSIBILITIES

The Board has overall responsibility for overseeing the Group's internal control and risk management systems and for reviewing their adequacy and effectiveness. This process lends support to the role of management of implementing the various policies on risk and control, which have been approved by the Board. Due to limitations that are inherent in any system of internal controls, these systems are designed to manage and mitigate, rather than eliminate, the respective inherent risks that exist in achieving the Group's business objectives. Therefore, such systems of internal controls and risk management can only provide reasonable, and not absolute, assurance against material misstatement or loss.

RISK MANAGEMENT FRAMEWORK

The Group has in place an on-going process for identifying, evaluating and managing the significant risks for the financial year under review and up to the date of approval of the Annual Report and financial statements. The Board has delegated its authority to the Audit Committee to review and determine the levels of different categories of risk; while Management and Heads of Divisions are delegated the responsibility to manage risks related to their respective division units. The process requires the Management and Division Heads to comprehensively identify and assess the relevant types of risks in terms of likelihood and magnitude of impact, as well as to identify and evaluate the adequacy and effectiveness of applying the mechanisms in place to manage and mitigate these risks. Key risks relating to the Group's operations are deliberated at the business units' and Company's monthly meetings attended by key management personnel and significant risks are communicated to the Board at their scheduled meetings.

The Audit Committee also has oversight on ensuring compliance with applicable laws, the Listing Requirements, terms and conditions of contracts to which the Group is a party and the conditions of business licenses held by the Group.

The Management is responsible for creating an awareness culture to ensure greater understanding of the importance of effective internal control and risk management systems and that its principles are embedded in key operational processes. This is undertaken through the Group's Code of Conduct, procedures and policies manuals, staff briefings, leadership by example and the Group's remuneration policies.

In light of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers issued on 31 December 2012, the Board will re-evaluate the existing risk management practices to ensure that it is appropriate and continues to remain relevant to the Group's requirements.

INTERNAL AUDIT FUNCTION

The Audit Committee evaluates the effectiveness of internal auditor in relation to their defined responsibilities. The independent internal audit function is outsourced to a professional service firm which carries out the internal audit reviews based on internal audit plans approved by the Audit Committee and consequentially, the Board of Directors. The internal audit plans are designed using a risk-based approach, based on the risks identified and assessed by the Management. The results of the audits are presented to the Audit Committee at their quarterly meetings.

Follow up reviews are also carried out to assess the status of implementation of management action plans, which are based on internal audit recommendations. The results of these follow up reviews are also highlighted to the Audit Committee at their quarterly meetings.

Statement on Risk Management and Internal Control

(cont'd)

OTHER KEY FEATURES OF THE INTERNAL CONTROLS

1. The Group's risk management principles and procedures are clearly documented. The Group's management operates a risk management process that identifies the key risks faced by the Group.
2. There is a comprehensive budgeting and forecasting system in place that is governed by the policies and guidelines of the Group. The financial results of the various business lines of the Group are reported monthly in the management reports where variances are analysed against respective budget and acted on in a timely manner. Where necessary, budgets are revised, taking into account any changes in business conditions.
3. The Group's Internal Auditors, reporting to the Audit Committee, performs reviews according to approved internal audit plan of business processes against documented and approved policies to assess the overall continuing effectiveness of internal controls and highlight any significant deviation from these policies that might enhance risks faced by the Group. The Audit Committee conducts annual reviews on the adequacy of the internal audit function's scope of work and resources.
4. The Audit Committee, on behalf of the Board, reviews and holds discussions with management according to approved internal audit plan on the action taken on internal control issues identified in reports prepared by the Internal Auditors, the External Auditors and the Management.
5. There is a clearly defined framework for appraising significant transactions that involve commitment of the Group's assets, such as the acquisition and disposal of any business, acceptance of projects, capital expenditure and approval of borrowings. Post implementation reviews are conducted and reported to the Board.
6. Policies and standard operating procedures and policies manuals are available physically and in soft copy to all employees and these also include the Group's reporting hierarchy.

REVIEW AND CONCLUSION

Throughout the financial year 2018, the business and operational risks of the Group were adequately and satisfactorily managed. Non-major internal control weaknesses identified have not resulted in any material loss that would require disclosure in the Group's financial statements.

Conclusion

Pursuant to paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the annual report for the financial year ended 30 June 2018. Their review is performed in accordance with Audit Assurance and Practice Guide 3 ("AAPG 3") issued by the Malaysian Institute of Accountants. The external auditors' procedures have been conducted to assess whether the Statement on Risk Management and Internal Control is supported by the documentation prepared by or for the Directors and that it is an appropriate reflection of the process adopted by the Directors in reviewing the adequacy and integrity of the risk management and internal control system of the Group.

AAPG 3 does not require the external auditors to consider whether this statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk and control procedures. Based on their procedures performed, the external auditors have reported to the Board that nothing has come to their attention which causes them to believe that this statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is factually inaccurate.

The Board has received assurance from the Managing Director and Finance Director that the Group's risk management and internal control system is operating adequately and effectively in all material aspects based on the risk management and internal control system of the Company.

The Board is of the view that the risk management and internal control system are operating satisfactorily and has not resulted in any significant breakdown or weaknesses that would cause any material loss to the Group for the financial year ended 30 June 2018.

This statement was made in accordance with a resolution of the Board of directors passed on 18 October 2018.

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DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2018.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, property development and hotel operations. The principal activities and the details of the subsidiaries are set out in Note 8 to the financial statements.

There have been no significant changes in the nature of these activities for the Group and the Company during the financial year.

RESULTS

	Group RM	Company RM
Profit/(Loss) for the financial year	45,418,933	(9,430,516)
Attributable to:		
Owners of the parent	29,294,402	(9,430,516)
Non-controlling interests	16,124,531	-
	45,418,933	(9,430,516)

DIVIDEND

No dividend has been proposed, declared or paid by the Company since the end of the previous financial year. The Directors do not recommend payment of any dividend in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

There were no new shares or debentures issued during the financial year.

TREASURY SHARES

During the financial year, the Company repurchased 2,000 (2017: 101,000) of its issued share capital from the open market on Bursa Malaysia Securities Berhad for RM890 (2017: RM45,802). The average price paid for the shares repurchased was RM0.45 (2017: RM0.46) per share. Details of the treasury shares are set out in Note 14 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

Directors' Report

(cont'd)

DIRECTORS

The Directors who held office during the financial year up to date of this report are:

Tan Sri Dato' Tan Seng Leong*
 Tan Lay Hiang*
 Tan Lindy*
 Ash'ari Bin Ayub
 Tan Sri Datuk Seri Ismail Bin Yusof
 Tan Vin Sern*
 Low Kok Yung*
 Tan Kok Wee (appointed on 18 October 2018)
 Abd Manap Bin Hussain (deceased on 25 August 2018)
 Tan Vin Shyan* (resigned on 28 May 2018)

* Directors of the Company and its subsidiaries

The Directors of the subsidiaries of the Company who held office during the financial year up to date of this report, excluding those who are listed above are:

Puan Sri Datin Lim Sui Yong
 Shi Zhongming
 Miao Weiwei
 He Jie
 Chan Wai Keung Barry
 Chan Wai Chung
 Kong Lee Kuan
 Lai Lucai

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 30 June 2018 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows.

	← Number of ordinary shares →			
	Balance as at 1.7.2017	Bought	Sold	Balance as at 30.6.2018
Shares in the Company				
Direct interest:				
Low Kok Yung	6,000	-	-	6,000
Indirect interest:				
Tan Sri Dato' Tan Seng Leong^	231,767,400	-	-	231,767,400

Directors' Report

(cont'd)

DIRECTORS' INTERESTS (cont'd)

	←	Number of ordinary shares		→
	Balance as at 1.7.2017	Bought	Sold	Balance as at 30.6.2018
<hr/>				
Shares in ultimate holding company, Evergreen Ratio Sdn. Bhd.				
Direct interests:				
Tan Sri Dato' Tan Seng Leong	700,000	-	-	700,000
Tan Lindy	50,000	-	-	50,000
Tan Vin Sern	100,000	-	-	100,000
Indirect interest:				
Tan Sri Dato' Tan Seng Leong [#]	50,000	-	-	50,000

[^] Deemed interest by virtue of his substantial shareholdings in the ultimate holding company, pursuant to Section 8(4) of the Companies Act 2016 in Malaysia.

[#] Deemed interest of virtue of shareholdings held by spouse, pursuant to Section 59(11)(c) of the Companies Act 2016 in Malaysia.

By virtue of their interests in the ordinary shares of the ultimate holding company, Tan Sri Dato' Tan Seng Leong is also deemed to be interested in the ordinary shares of all the subsidiaries to the extent that the Company has an interest.

None of the other Directors holding office at the end of the financial year held any interests in ordinary shares or debentures of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than certain Directors who received remunerations from the subsidiaries as Directors of the subsidiaries and the transactions entered into in the ordinary course of business with companies in which the Directors of the Company have substantial financial interests as disclosed in Note 29 to the financial statements.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' Report

(cont'd)

DIRECTORS' REMUNERATION

Fees and other benefits of the Directors who held office during the financial year ended 30 June 2018 are as follows:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Non-executive Directors:				
- fees	496,000	496,000	172,000	172,000
Executive Directors:				
- salaries and bonus	5,701,538	5,395,000	1,900,288	1,810,650
- defined contribution plan	1,000,935	952,444	361,055	346,133
- others	161,008	119,519	75,767	36,186
	6,863,481	6,466,963	2,337,110	2,192,969
	7,359,481	6,962,963	2,509,110	2,364,969

The estimated monetary value of benefits-in-kind paid to the Directors of the Group and of the Company during the financial year amounted to RM95,150 (2017: RM100,650) respectively.

INDEMNITY AND INSURANCE

The Group and the Company effected Directors' and officers' liability insurance during the financial year to protect the Directors and officers of the Group and the Company against potential costs and liabilities arising from claims brought against the Directors and officers. The total amount of insurance premium effected for any Director and officer of the Group and of the Company was RM19,371.

There were no indemnity or insurance affected for auditors of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

Directors' Report (cont'd)

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (cont'd)

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
 - (i) which would render the amount written off for bad debts or the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
 - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

ULTIMATE HOLDING COMPANY

The Directors regard Evergreen Ratio Sdn. Bhd., a company incorporated in Malaysia as the ultimate holding company.

Directors' Report

(cont'd)

AUDITORS

The auditors, BDO, have expressed their willingness to continue in office.

Auditors' remuneration of the Company and its subsidiaries for the financial year ended 30 June 2018 amounted to RM95,500 and RM134,500 respectively.

Signed on behalf of the Board in accordance with a resolution of the Directors.

Tan Sri Dato' Tan Seng Leong
Group Managing Director

Kluang, Johor Darul Ta'zim
18 October 2018

Low Kok Yung
Group Finance Director

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 40 to 97 have been drawn up in accordance with Financial Reporting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2018 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Tan Sri Dato' Tan Seng Leong
Group Managing Director

Low Kok Yung
Group Finance Director

Kluang, Johor Darul Ta'zim
18 October 2018

STATUTORY DECLARATION

I, Low Kok Yung, being the Director primarily responsible for the financial management of BCB Berhad, do solemnly and sincerely declare that the financial statements set out on pages 40 to 97 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the abovenamed)
at Kluang, Johor Darul Ta'zim)
this 18 October 2018)

Low Kok Yung
CA 12915

Before me:

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BCB BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of BCB Berhad, which comprise the statements of financial position as at 30 June 2018 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 40 to 97.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2018, and of their financial performance and their cash flows for the financial year then ended in accordance with Financial Reporting Standards ('FRS') and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ('ISAs'). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ('By-Laws') and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Revenue and cost of sales recognition for property development

Revenue from property development of the Group and of the Company for the financial year ended 30 June 2018 amounted to RM247.3 million and RM26.0 million respectively as disclosed in Note 20 to the financial statements. Cost of sales from property development of the Group and of the Company for the financial year ended 30 June 2018 amounted to RM152.1 million and RM23.5 million respectively as disclosed in Note 21 to the financial statements.

The Group and the Company recognised revenue and costs from property development based on the stage of completion determined by reference to architect certifications of work performed to date.

Significant management judgement and estimates are involved in estimating the total property development including obligation to contract variations, claims and cost contingencies.

Independent Auditors' Report

To the Members of Bcb Berhad (cont'd)

Key Audit Matters (cont'd)

(a) Revenue and cost of sales recognition for property development (cont'd)

Audit response

Our audit procedures included the following:

- (i) Obtained an understanding of the related controls over the revenue process in relation to the recognition of revenue and costs;
- (ii) Verified the stage of completion to architect's certifications and progress billings issued to ascertain the appropriateness of the revenue and costs recognised;
- (iii) Compared prior contract budgets to actual outcomes to assess reliability of management's budgeting process; and
- (iv) Inquired and inspected correspondences from external technical experts and sub-contractors in relation to variations and claims to corroborate key judgement applied by management.

(b) Recoverability of trade receivables

As at 30 June 2018, trade receivables of the Group and of the Company that were past due but not impaired amounted to RM48.7 million and RM18.2 million respectively. The details of trade receivables and credit risk have been disclosed in Note 12 to the financial statements.

Management recognised allowances for impairment losses on trade receivables based on specific known facts or circumstances on customers' abilities to pay.

The determination of whether trade receivables are realisable involves significant management judgement.

Audit response

Our audit procedures included the following:

- (i) Obtained an understanding of the credit process operated by management over the recoverability of trade receivables of the Group and of the Company;
- (ii) Assessed recoverability of debts that were past due but not impaired with reference to the past historical repayment trends, customers credit profiles, cash received subsequent to year end and including discussion with management to enquire the status of attempts by management to recoup the amounts outstanding; and
- (iii) Inspected relevant correspondences and reports which supported management's assessment that property buyers are able to secure loans subsequent to the end of the reporting period.

Independent Auditors' Report

To the Members of Bcb Berhad (cont'd)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with FRSS and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit 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 internal control of the Group and of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Independent Auditors' Report

To the Members of Bcb Berhad (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO

AF : 0206

Chartered Accountants

Koo Swee Lin

03281/08/2020 J

Chartered Accountant

18 October 2018

Kuala Lumpur

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2018

		Group		Company	
	Note	2018 RM	2017 RM	2018 RM	2017 RM
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	5	57,632,831	60,986,597	50,594,031	52,585,090
Investment properties	6	57,858,914	60,580,418	7,300,000	7,300,000
Land held for property development	7	254,188,012	119,374,684	20,285,039	14,480,379
Investments in subsidiaries	8	-	-	147,300,087	57,550,013
Deferred tax assets	9	2,337,196	2,960,814	1,940,782	2,609,132
		372,016,953	243,902,513	227,419,939	134,524,614
CURRENT ASSETS					
Property development costs	10	615,232,514	675,098,407	101,261,087	106,884,718
Inventories	11	108,962,381	123,086,107	90,289,022	111,274,868
Trade and other receivables	12	108,274,292	96,295,600	51,682,992	197,097,123
Current tax assets		10,772,398	7,935,564	5,649,039	3,603,662
Cash and bank balances	13	22,237,617	22,589,219	2,590,343	2,224,608
		865,479,202	925,004,897	251,472,483	421,084,979
TOTAL ASSETS		1,237,496,155	1,168,907,410	478,892,422	555,609,593
EQUITY AND LIABILITIES					
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT					
Share capital	14	206,250,000	206,250,000	206,250,000	206,250,000
Treasury shares	14	(3,167,695)	(3,166,805)	(3,167,695)	(3,166,805)
Revaluation reserve	15	6,788,088	6,788,088	6,788,088	6,788,088
Retained earnings		267,022,151	237,727,749	89,471,840	98,902,356
		476,892,544	447,599,032	299,342,233	308,773,639
Non-controlling interests	8(d)	42,408,185	13,033,629	-	-
TOTAL EQUITY		519,300,729	460,632,661	299,342,233	308,773,639

Statements of Financial Position

As at 30 June 2018 (cont'd)

			Group		Company
	Note	2018 RM	2017 RM	2018 RM	2017 RM
LIABILITIES					
NON-CURRENT LIABILITIES					
Borrowings	16	234,118,703	263,849,984	21,948,770	34,449,544
CURRENT LIABILITIES					
Borrowings	16	243,397,553	211,321,174	71,680,299	69,532,869
Trade and other payables	18	239,624,916	230,795,693	85,921,120	142,853,541
Current tax liabilities		1,054,254	2,307,898	-	-
		484,076,723	444,424,765	157,601,419	212,386,410
TOTAL LIABILITIES		718,195,426	708,274,749	179,550,189	246,835,954
TOTAL EQUITY AND LIABILITIES		1,237,496,155	1,168,907,410	478,892,422	555,609,593

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

		Group		Company	
	Note	2018 RM	2017 RM	2018 RM	2017 RM
Revenue	20	305,009,185	222,153,915	67,691,086	49,055,566
Cost of sales	21	(174,104,497)	(133,625,780)	(46,371,404)	(30,349,610)
Gross profit		130,904,688	88,528,135	21,319,682	18,705,956
Other operating income		2,391,868	3,860,596	2,497,008	1,946,594
Administrative expenses		(38,712,146)	(43,429,989)	(19,243,088)	(21,951,487)
Marketing and selling expenses		(22,358,580)	(9,695,934)	(1,873,112)	(2,771,631)
Other operating expenses		(6,713,797)	(4,126,439)	(618,901)	(540,600)
Finance income	22	212,450	439,032	97,914	194,842
Finance costs	22	(14,018,694)	(14,524,613)	(11,025,109)	(11,354,128)
Profit/(Loss) before tax	24	51,705,789	21,050,788	(8,845,606)	(15,770,454)
Taxation	25	(6,286,856)	(10,009,182)	(584,910)	1,734,269
Profit/(Loss) for the financial year		45,418,933	11,041,606	(9,430,516)	(14,036,185)
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income/(loss)		45,418,933	11,041,606	(9,430,516)	(14,036,185)
Profit/(Loss) attributable to:					
Owners of the parent		29,294,402	9,796,753	(9,430,516)	(14,036,185)
Non-controlling interests	8(d)	16,124,531	1,244,853	-	-
		45,418,933	11,041,606	(9,430,516)	(14,036,185)
Total comprehensive income/(loss) attributable to:					
Owners of the parent		29,294,402	9,796,753	(9,430,516)	(14,036,185)
Non-controlling interests		16,124,531	1,244,853	-	-
		45,418,933	11,041,606	(9,430,516)	(14,036,185)
Earnings per share attributable to owners of the parent (sen)					
- Basic and diluted	26	7.32	2.45		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

Group	Note	Non-distributable			Distributable			Total equity RM
		Share capital RM	Treasury shares RM	Revaluation reserve RM	Retained earnings RM	attributable to owners of the parent RM	Non-controlling interests RM	
Balance as at 1 July 2016		206,250,000	(3,121,003)	6,788,088	227,930,996	437,848,081	11,788,776	449,636,857
Profit for the financial year		-	-	-	9,796,753	9,796,753	1,244,853	11,041,606
Other comprehensive income, net of tax		-	-	-	-	-	-	-
Total comprehensive income		-	-	-	9,796,753	9,796,753	1,244,853	11,041,606
Transactions with owners								
Purchase of treasury shares	14	-	(45,802)	-	-	(45,802)	-	(45,802)
Total transaction with owners		-	(45,802)	-	-	(45,802)	-	(45,802)
Balance as at 30 June 2017		206,250,000	(3,166,805)	6,788,088	237,727,749	447,599,032	13,033,629	460,632,661
Balance as at 1 July 2017		206,250,000	(3,166,805)	6,788,088	237,727,749	447,599,032	13,033,629	460,632,661
Profit for the financial year		-	-	-	29,294,402	29,294,402	16,124,531	45,418,933
Other comprehensive income, net of tax		-	-	-	-	-	-	-
Total comprehensive income		-	-	-	29,294,402	29,294,402	16,124,531	45,418,933
Transactions with owners								
Issuance of shares in subsidiaries	8	-	-	-	-	-	13,250,025	13,250,025
Purchase of treasury shares	14	-	(890)	-	-	(890)	-	(890)
Total transactions with owners		-	(890)	-	-	(890)	13,250,025	13,249,135
Balance as at 30 June 2018		206,250,000	(3,167,695)	6,788,088	267,022,151	476,892,544	42,408,185	519,300,729

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

Company	Note	Non-distributable			Distributable	Total equity RM
		Share capital RM	Treasury shares RM	Revaluation reserve RM	Retained earnings RM	
Balance as at 1 July 2016		206,250,000	(3,121,003)	6,788,088	112,938,541	322,855,626
Loss for the financial year		-	-	-	(14,036,185)	(14,036,185)
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive loss		-	-	-	(14,036,185)	(14,036,185)
Transaction with owners						
Purchase of treasury shares	14	-	(45,802)	-	-	(45,802)
Total transaction with owners		-	(45,802)	-	-	(45,802)
Balance as at 30 June 2017		206,250,000	(3,166,805)	6,788,088	98,902,356	308,773,639
Balance as at 1 July 2017		206,250,000	(3,166,805)	6,788,088	98,902,356	308,773,639
Loss for the financial year		-	-	-	(9,430,516)	(9,430,516)
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive loss		-	-	-	(9,430,516)	(9,430,516)
Transaction with owners						
Purchase of treasury shares	14	-	(890)	-	-	(890)
Total transaction with owners		-	(890)	-	-	(890)
Balance as at 30 June 2018		206,250,000	(3,167,695)	6,788,088	89,471,840	299,342,233

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

		Group		Company	
	Note	2018 RM	2017 RM	2018 RM	2017 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before tax		51,705,789	21,050,788	(8,845,606)	(15,770,454)
Adjustments :					
Bad debts written off	12(e)	991,034	614,325	59,766	556,028
Depreciation of property, plant and equipment	5	3,250,439	3,427,641	2,129,399	2,368,067
Fair value adjustment on investment properties	6	(115,185)	(611,002)	-	-
Loss/(Gain) on disposals of:					
- property, plant and equipment		82,654	(554,639)	-	-
- investment properties		(257,511)	(120,428)	-	-
Inventories written off	11(c)	-	635	-	-
Impairment losses on					
- trade receivables	12(h)	258,793	-	208,939	-
- other receivables	12(h)	1,856,833	-	316,316	-
- amounts due from subsidiaries	12(h)	-	-	-	402,561
Finance income	22	(212,450)	(439,032)	(97,914)	(194,842)
Finance costs	22	14,018,694	14,524,613	11,025,109	11,354,128
Property, plant and equipment written off	5	2,646	2,945	-	-
Write back of other payables		(266,933)	(9,450)	(387,464)	(1,082)
Operating profit/(loss) before working capital changes		71,314,803	37,886,396	4,408,545	(1,285,594)
Working capital changes:					
Property development costs		(49,749,069)	(7,501,091)	(1,841,067)	8,560,260
Inventories		25,869,096	5,140,590	22,645,884	4,860,682
Trade and other receivables		(15,085,352)	(17,395,256)	79,829,110	(6,017,858)
Trade and other payables		9,096,156	11,237,356	(56,544,957)	5,935,945
Cash generated from operations		41,445,634	29,367,995	48,497,515	12,053,435
Tax paid		(10,100,216)	(17,533,861)	(1,961,937)	(4,709,226)
Tax refunded		346,500	362,458	-	-
Net cash from operating activities		31,691,918	12,196,592	46,535,578	7,344,209

Statements of Cash Flows

For the Financial Year Ended 30 June 2018 (cont'd)

		Group		Company	
	Note	2018 RM	2017 RM	2018 RM	2017 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Additions to land held for property development	7	(36,943,736)	(1,193,591)	-	(146,010)
Acquisition of additional proportionate interest in subsidiaries	8	-	-	(24,750,074)	(1)
Interest received		212,450	439,032	97,914	194,842
Proceeds from disposals of:					
- property, plant and equipment		492,193	993,299	-	-
- investment properties		3,094,200	1,844,000	-	-
Purchase of property, plant and equipment	5(e)	(305,166)	(1,019,624)	(138,340)	(292,612)
Net cash (used in)/from investing activities		(33,450,059)	1,063,116	(24,790,500)	(243,781)
CASH FLOWS FROM FINANCING ACTIVITIES					
Deposits lifted from licensed banks		760,775	4,586,151	200,000	1,733,949
Interest paid		(14,018,694)	(14,524,613)	(11,025,109)	(11,354,128)
(Repayments)/Drawdowns of borrowings		(4,937,603)	7,256,424	(7,870,252)	3,986,913
Ordinary share capital contributed by non-controlling interests of subsidiaries	8	13,250,025	-	-	-
Purchase of treasury shares	14	(890)	(45,802)	(890)	(45,802)
Repayments of hire purchase creditors		(651,661)	(669,112)	(264,754)	(300,335)
Net cash used in financing activities		(5,598,048)	(3,396,952)	(18,961,005)	(5,979,403)
Net (decrease)/increase in cash and cash equivalents		(7,356,189)	9,862,756	2,784,073	1,121,025
Cash and cash equivalents at beginning of financial year		(26,887,703)	(36,750,459)	(44,542,071)	(45,663,096)
Cash and cash equivalents at end of financial year	13(e)	(34,243,892)	(26,887,703)	(41,757,998)	(44,542,071)

Statements of Cash Flows

For the Financial Year Ended 30 June 2018 (cont'd)

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

		Group
		Hire purchase creditors RM
	Note	Borrowings* RM
At 1 July 2017		424,841,757
Cash flows		(4,937,603)
Non-cash flows:		
- Purchase of property, plant and equipment	5(e)	-
At 30 June 2018		419,904,154

		Company
		Hire purchase creditors RM
At 1 July 2017		56,953,387
Cash flows		(7,870,252)
At 30 June 2018		49,083,135

* Net of bank overdrafts and hire purchase creditors

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

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2018

1. CORPORATE INFORMATION

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

The principal place of business and the registered office of the Company are located at No. 4B, 2nd & 3rd Floor, Jalan Sentol, South Wing - Kluang Parade, 86000, Kluang, Johor.

The ultimate holding company of the Company is Evergreen Ratio Sdn. Bhd., a company incorporated and domiciled in Malaysia.

The consolidated financial statements for the financial year ended 30 June 2018 comprise the financial statements of the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia ('RM'), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution of the Directors on 18 October 2018.

2. PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, property development and hotel operations. The principal activities of the subsidiaries are set out in Note 8 to the financial statements.

There have been no significant changes in the nature of these activities for the Group and the Company during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ('FRSs') and the provisions of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The accounting policies adopted are consistent with those of the previous financial year. The new FRSs and Amendments to FRSs adopted during the financial year are set out in Note 32(a) to the financial statements.

Notes to the Financial Statements

30 June 2018 (cont'd)

4. OPERATING SEGMENTS

BCB Berhad and its subsidiaries are principally engaged in investment holding, property development and management activities, construction and related activities and hotel operations.

BCB Berhad has arrived at three (3) reportable segments that are organised and managed separately according to the nature of products and services, specific expertise and technologies requirements, which requires different business and marketing strategies. The reportable segments are summarised as follows:

(a) Property development and management services

Development and property management of residential and commercial properties.

(b) Construction and related activities

Securing and carrying out construction contracts.

(c) Hotel operations

Provision of hotel services as well as food and beverages services.

(d) Others

Dormant companies.

Segment performance is evaluated based on operating profit, excluding non-recurring losses.

Inter-segment revenue is priced along the same lines as sales to external customers and conditions and is eliminated on the consolidated financial statements. These policies have been applied constantly throughout the current and previous financial years.

The Group does not have significant reliance on a single major customer, with whom the Group transacted ten (10) percent or more of its revenue during the financial year.

No geographical segment information is presented as the operations of the Group and the location of the customers are principally in Malaysia.

Segment assets exclude tax assets and assets used primarily for corporate purposes. Segment liabilities exclude tax liabilities.

Notes to the Financial Statements

30 June 2018 (cont'd)

4. OPERATING SEGMENTS (cont'd)

The following table provides an analysis of the revenue, results, assets, liabilities and other information by business segment of the Group:

2018	Property development and management activities RM	Construction and related activities RM	Hotel operations RM	Others RM	Total RM
Revenue					
Total revenue	296,596,543	49,456,354	4,352,620	-	350,405,517
Inter-segment revenue	-	(45,396,332)	-	-	(45,396,332)
Revenue from external customers	296,596,543	4,060,022	4,352,620	-	305,009,185
Results					
Finance income	212,450	-	-	-	212,450
Finance costs	(12,423,119)	(1,574,868)	(20,707)	-	(14,018,694)
Net finance costs	(12,210,669)	(1,574,868)	(20,707)	-	(13,806,244)
Depreciation of property, plant and equipment	1,434,866	415,381	1,395,928	4,264	3,250,439
Segment profit/(loss) before income tax	49,468,178	3,854,500	(1,582,290)	(34,599)	51,705,789
Tax expense	(6,104,394)	(182,462)	-	-	(6,286,856)
Other non-cash items:					
Additions to non-current assets other than financial instruments and deferred tax assets	37,122,699	167,090	243,298	-	37,533,087
Bad debts written off	883,539	107,495	-	-	991,034
Fair value adjustments on investment properties	-	(115,185)	-	-	(115,185)
(Gain)/Loss on disposal on: - investment properties	(30,000)	(227,511)	-	-	(257,511)
- property, plant and equipment	(472)	83,126	-	-	82,654
Impairment losses on: - trade receivables	258,793	-	-	-	258,793
- other receivables	1,856,833	-	-	-	1,856,833
Property, plant and equipment written off	2,150	496	-	-	2,646
Write back of other payables	(266,933)	-	-	-	(266,933)
Segment assets	1,151,886,601	37,286,267	35,210,736	2,957	1,224,386,561
Segment liabilities	634,587,401	81,426,658	1,116,858	10,255	717,141,172

Notes to the Financial Statements

30 June 2018 (cont'd)

4. OPERATING SEGMENTS (cont'd)

The following table provides an analysis of the revenue, results, assets, liabilities and other information by business segment of the Group (cont'd):

2017	Property development and management activities RM	Construction and related activities RM	Hotel operations RM	Others RM	Total RM
Revenue					
Total revenue	210,098,260	46,043,446	7,190,427	-	263,332,133
Inter-segment revenue	-	(41,178,218)	-	-	(41,178,218)
Revenue from external customers	210,098,260	4,865,228	7,190,427	-	222,153,915
Results					
Finance income	439,032	-	-	-	439,032
Finance costs	(13,161,911)	(1,322,634)	(40,068)	-	(14,524,613)
Net finance costs	(12,722,879)	(1,322,634)	(40,068)	-	(14,085,581)
Depreciation of property, plant and equipment	1,575,308	452,141	1,395,928	4,264	3,427,641
Segment profit/(loss) before income tax	26,241,647	(3,144,996)	(2,015,322)	(30,541)	21,050,788
Tax expense	(10,049,347)	40,165	-	-	(10,009,182)
Other non-cash items:					
Additions to non-current assets other than financial instruments and deferred tax assets	2,496,889	1,123,030	243,298	-	3,863,217
Bad debts written off	611,190	45	-	3,090	614,325
Fair value adjustments on investment properties	-	(611,002)	-	-	(611,002)
Gain on disposal of: - investment properties	-	(120,428)	-	-	(120,428)
- property, plant and equipment	-	(554,639)	-	-	(554,639)
Inventories written off	-	635	-	-	635
Property, plant and equipment written off	2,944	1	-	-	2,945
Write back of other payables	(9,450)	-	-	-	(9,450)
Segment assets	1,076,171,753	46,619,017	35,210,736	9,526	1,158,011,032
Segment liabilities	605,778,434	99,059,984	1,116,858	11,575	705,966,851

Notes to the Financial Statements

30 June 2018 (cont'd)

4. OPERATING SEGMENTS (cont'd)

Reconciliations of reportable segment assets and liabilities to the corresponding amounts of the Group are as follows:

	2018 RM	2017 RM
Assets		
Total assets for reportable segments	1,224,386,561	1,158,011,032
Tax assets	13,109,594	10,896,378
Assets of the Group per consolidated statement of financial position	1,237,496,155	1,168,907,410
Liabilities		
Total liabilities for reportable segments	717,141,172	705,966,851
Tax liabilities	1,054,254	2,307,898
Liabilities of the Group per consolidated statement of financial position	718,195,426	708,274,749

30 June 2018 (cont'd)

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Notes to the Financial Statements

30 June 2018 (cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

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Notes to the Financial Statements

30 June 2018 (cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company 2018	Balance as at 1.7.2017 RM	Additions RM	Depreciation charge for the financial year RM	Balance as at 30.6.2018 RM
Carrying amount				
Freehold land	1,920,056	-	-	1,920,056
Leasehold land	2,764,395	-	(36,374)	2,728,021
Hotel properties, at valuation	36,486,336	-	(532,049)	35,954,287
Buildings	6,238,706	-	(243,250)	5,995,456
Motor vehicles	800,793	-	(365,250)	435,543
Renovation	1,865,432	43,332	(319,718)	1,589,046
Furniture, fittings and office equipment	2,509,372	95,008	(632,758)	1,971,622
	52,585,090	138,340	(2,129,399)	50,594,031
At 30.6.2018				
	Cost RM	Valuation RM	Accumulated depreciation RM	Carrying amount RM
Freehold land	1,920,056	-	-	1,920,056
Leasehold land	3,164,506	-	(436,485)	2,728,021
Hotel properties, at valuation	-	40,997,058	(5,042,771)	35,954,287
Buildings	9,365,084	-	(3,369,628)	5,995,456
Plant and machinery	1,172,082	-	(1,172,082)	-
Motor vehicles	3,925,854	-	(3,490,311)	435,543
Renovation	8,487,039	-	(6,897,993)	1,589,046
Furniture, fittings and office equipment	15,422,026	-	(13,450,404)	1,971,622
	43,456,647	40,997,058	(33,859,674)	50,594,031

Notes to the Financial Statements

30 June 2018 (cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company 2017	Balance as at 1.7.2016 RM	Additions RM	Depreciation charge for the financial year RM	Balance as at 30.6.2017 RM
Carrying amount				
Freehold land	1,920,056	-	-	1,920,056
Leasehold land	2,800,768	-	(36,373)	2,764,395
Hotel properties, at valuation	37,018,385	-	(532,049)	36,486,336
Buildings	6,481,956	-	(243,250)	6,238,706
Motor vehicles	1,258,611	-	(457,818)	800,793
Renovation	2,240,540	42,460	(417,568)	1,865,432
Furniture, fittings and office equipment	2,940,229	250,152	(681,009)	2,509,372
	54,660,545	292,612	(2,368,067)	52,585,090
At 30.6.2017				
	Cost RM	Valuation RM	Accumulated depreciation RM	Carrying amount RM
Freehold land	1,920,056	-	-	1,920,056
Leasehold land	3,164,506	-	(400,111)	2,764,395
Hotel properties, at valuation	-	40,997,058	(4,510,722)	36,486,336
Buildings	9,365,084	-	(3,126,378)	6,238,706
Plant and machinery	1,172,082	-	(1,172,082)	-
Motor vehicles	3,925,854	-	(3,125,061)	800,793
Renovation	8,443,706	-	(6,578,274)	1,865,432
Furniture, fittings and office equipment	15,327,019	-	(12,817,647)	2,509,372
	43,318,307	40,997,058	(31,730,275)	52,585,090

Notes to the Financial Statements

30 June 2018 (cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

- (a) All items of property, plant and equipment are initially measured at cost. After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.
- (b) Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The estimated useful lives represent common life expectancies applied in the industry within which the Group operates. The estimated useful periods and principal annual depreciation rates are as follows:

Leasehold land	87 years
Hotel properties	50 - 87 years
Buildings	50 years
Plant and machinery	20%
Motor vehicles	20%
Renovation	15%
Furniture, fittings and office equipment	10% to 20%

Freehold land has unlimited useful life and is not depreciated.

Hotel properties of the Group and of the Company were revalued by the Directors based on a valuation exercise carried out in June 2018 by an independent professional valuer using the open market value basis.

- (c) Had the revalued assets been carried at cost less accumulated depreciation, the carrying amount would have been:

	Group and Company	
	2018	2017
	RM	RM
Hotel properties	17,903,487	18,139,060

- (d) The fair value of hotel properties (at valuation) of the Group and of the Company are categorised as follows:

Hotel properties	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
Group and Company				
2018	-	35,954,287	-	35,954,287
2017	-	36,486,336	-	36,486,336

- (i) There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the financial years ended 30 June 2018 and 30 June 2017.
- (ii) Level 2 fair value of hotel properties (at valuation) was determined by an independent qualified valuer using the comparison method that makes reference to recent market value of a similar property in the vicinity on a price per square feet basis.
- (iii) The fair value measurements of the hotel properties (at valuation) were based on the highest and best use which did not differ from their actual use.

Notes to the Financial Statements

30 June 2018 (cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

- (e) The Group and the Company have assessed and classified leasehold land of the Group and of the Company as finance leases based on the extent to which risks and rewards incidental to ownership of the land resides with the Group and the Company arising from the lease term. Consequently, the Group and the Company have classified leasehold land as finance leases in accordance with FRS 117 Leases.
- (f) During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Purchase of property, plant and equipment	474,166	2,058,624	138,340	292,612
Financed by hire purchase and lease arrangements	(169,000)	(1,039,000)	-	-
Cash payments on purchase of property, plant and equipment	305,166	1,019,624	138,340	292,612

- (g) The carrying amount of the property, plant and equipment of the Group and of the Company under hire purchase and lease agreements at the end of the reporting period are as follows:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Motor vehicles	1,585,964	2,234,906	434,875	768,943
Furniture, fittings and office equipment	-	39,616	-	39,616
	1,585,964	2,274,522	434,875	808,559

- (h) The carrying amount of property, plant and equipment that were charged to financial institutions as securities for bank borrowings granted to the Group and the Company as disclosed in Note 16 to the financial statements are as follows:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Carrying amounts				
Freehold land	3,160,056	3,160,056	1,920,056	1,920,056
Buildings	6,457,833	6,688,066	5,769,965	5,981,157
Hotel properties including leasehold land	38,629,776	39,224,465	38,629,776	39,224,465
	48,247,665	49,072,587	46,319,797	47,125,678

Notes to the Financial Statements

30 June 2018 (cont'd)

6. INVESTMENT PROPERTIES

(a) The details of the investment properties are as follows:

		Group		Company	
	Note	2018 RM	2017 RM	2018 RM	2017 RM
At beginning of financial year		60,580,418	61,692,988	7,300,000	7,300,000
Fair value adjustments		115,185	611,002	-	-
Disposals		(2,836,689)	(1,723,572)	-	-
At end of financial year		57,858,914	60,580,418	7,300,000	7,300,000
Investment properties pledged as security for borrowings	16	35,628,914	35,560,000	7,300,000	7,300,000

- (b) The investment properties consist of freehold land, leasehold land and buildings which reflect rental income from current leases.
- (c) Investment properties are initially measured at costs, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value which reflects market conditions at the end of the reporting period and changes in fair value are included in profit or loss.
- (d) The fair value of investment properties of the Group and of the Company are categorised as follows:

Land and buildings	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group				
2018	-	57,858,914	-	57,858,914
2017	-	60,580,418	-	60,580,418
Company				
2018	-	7,300,000	-	7,300,000
2017	-	7,300,000	-	7,300,000

- (i) There were no transfers between Level 1, Level 2, and Level 3 fair value measurements during the financial year ended 30 June 2018 and 30 June 2017.
- (ii) Investment properties at Level 2 fair value measurements are based on the comparison method which refers to recent market transactions of similar properties within the vicinities.
- (iii) The fair value measurement of the investment properties are based on the highest and best use which does not differ from its actual use.
- (e) The leasehold land and buildings have remaining lease periods of 85 years and 75 years (2017: 86 years and 76 years) respectively.

Notes to the Financial Statements

30 June 2018 (cont'd)

6. INVESTMENT PROPERTIES (cont'd)

- (f) Income and direct operating expenses arising from investment properties generating rental income during the financial year are as follows:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Rental income	7,117,840	7,424,871	2,081,201	2,291,264
Repair and maintenance	4,915,024	4,856,958	-	-
Quit rent and assessment	463,758	477,962	203,765	196,279

7. LAND HELD FOR PROPERTY DEVELOPMENT

		Group		Company	
	Note	2018 RM	2017 RM	2018 RM	2017 RM
Freehold land including improvements, at cost:					
At beginning of financial year		119,374,684	142,620,031	14,480,379	13,143,352
Additions		36,943,736	1,193,591	-	146,010
Transfer to property development costs	10	(3,180,856)	(26,580,439)	-	-
Transfer from property development costs	10	101,050,448	2,141,501	5,804,660	1,191,017
At end of financial year		254,188,012	119,374,684	20,285,039	14,480,379
Carrying amount of land held for property development pledged as security for borrowings	16	176,648,037	75,127,752	564,319	564,319

Land held for property development is stated at cost less impairment losses, if any. Such land is classified as non-current asset when no significant development work has been carried out or where development activities are not expected to be completed within the normal operating cycle.

8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2018 RM	2017 RM
Unquoted shares, at cost	87,300,087	62,550,013
Equity loan	65,000,000	-
	152,300,087	62,550,013
Less: Impairment losses	(5,000,000)	(5,000,000)
	147,300,087	57,550,013

Notes to the Financial Statements

30 June 2018 (cont'd)

8. INVESTMENTS IN SUBSIDIARIES (cont'd)

- (a) Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any. Non-controlling interests are measured at their proportionate share of the net assets of subsidiaries, unless another measurement basis is required by FRSSs.
- (b) The advances to subsidiaries are deemed by the Company as a capital contribution as it is considered as a long term investment which are unsecured, interest free and settlement is neither planned nor likely to occur in the foreseeable future.
- (c) Details of subsidiaries are as follows:

Name of company	Interest in equity held by				Principal activities
	Company		Subsidiaries		
	2018 %	2017 %	2018 %	2017 %	
Subsidiaries					
BCB Concrete Sdn. Bhd.	100%	100%	-	-	Manufacturing of concrete products
BCB Construction Sdn. Bhd.	100%	100%	-	-	Provision of project construction services
BCB Furniture Sdn. Bhd.	100%	100%	-	-	Dormant
BCB Land Sdn. Bhd.	100%	100%	-	-	Property development
BCB Management Sdn. Bhd.	100%	100%	-	-	Provision of project management services
BCB Medini Residences Sdn. Bhd.	100%	100%	-	-	Property development
BCB Resources Sdn. Bhd.	100%	100%	-	-	Property development
BCB Road Builder Sdn. Bhd.	100%	100%	-	-	Provision of road construction services
BCB Technologies Sdn. Bhd.	100%	100%	-	-	Dormant
BCB Trading Sdn. Bhd.	100%	100%	-	-	Trading of building materials
Golden Power Construction Sdn. Bhd.	100%	100%	-	-	Dormant
Johbase Development Sdn. Bhd.	100%	100%	-	-	Property development and letting of properties
Laser Lagun Sdn. Bhd.	100%	100%	-	-	Dormant
Luna Starcity Sdn. Bhd.	100%	100%	-	-	Dormant
Global Earnest Sdn. Bhd.	86.6%	86.6%	-	-	Property development and letting of properties
BCB Medini Development Sdn. Bhd.	75%	75%	-	-	Property development
BCB Development Sdn. Bhd.	70%	70%	-	-	Property development
BCB Heights Sdn. Bhd.	60%	60%	-	-	Property development
BCB Ventures Sdn. Bhd.	75%	75%	-	-	Property development and investment
Subsidiary of BCB Development Sdn. Bhd.					
Total Builder Generation Sdn. Bhd.	-	-	100%	100%	Provision of project construction services

All subsidiaries are audited by BDO.

Notes to the Financial Statements

30 June 2018 (cont'd)

8. INVESTMENTS IN SUBSIDIARIES (cont'd)

(d) The subsidiaries of the Group that have material non-controlling interests ('NCI') are as follows:

	BCB Development Sdn. Bhd.	BCB Heights Sdn. Bhd.	BCB Medini Development Sdn. Bhd.	BCB Ventures Sdn. Bhd.	Global Earnest Sdn. Bhd.	Total Builder Generation Sdn. Bhd.
2018						
NCI percentage of ownership and voting interest	30.00%	40.00%	25.00%	25.00%	13.40%	30.00%
Carrying amount of NCI (RM)	11,534,363	19,486,270	3,662,218	(2,462)	7,444,540	283,256
						42,408,185
(Loss)/Profit allocated to NCI (RM)	(111,281)	14,664,168	717,093	(2,487)	126,240	730,798
						16,124,531
2017						
NCI percentage of ownership and voting interest	30.00%	40.00%	25.00%	-	13.40%	30.00%
Carrying amount of NCI (RM)	11,645,644	(5,177,898)	(304,875)	-	7,318,300	(447,542)
						13,033,629
Profit/(Loss) allocated to NCI (RM)	4,549,389	(2,317,457)	(334,014)	-	(245,664)	(407,401)
						1,244,853

Notes to the Financial Statements

30 June 2018 (cont'd)

8. INVESTMENTS IN SUBSIDIARIES (cont'd)

- (e) The summarised financial information before intra-group elimination of the subsidiaries that have material NCI as at the end of each reporting period are as follows:

2018	BCB Development Sdn. Bhd. RM	BCB Heights Development Sdn. Bhd. RM	BCB Medini Sdn. Bhd. RM	BCB Ventures Sdn. Bhd. RM	Global Earnest Sdn. Bhd. RM	Total Builder Generation Sdn. Bhd. RM
Assets and liabilities						
Non-current assets	1,334,981	76,473,578	57,084,891	-	29,630,659	967,032
Current assets	219,120,764	219,851,426	24,236,737	25	34,678,682	11,699,076
Non-current liabilities	(47,908,349)	(110,340,266)	(26,892,323)	-	(4,722)	-
Current liabilities	(134,099,522)	(137,269,063)	(39,780,432)	(9,874)	(8,748,355)	(11,721,923)
Net assets/(liabilities)	38,447,874	48,715,675	14,648,873	(9,849)	55,556,264	944,185
Results						
Revenue	16,760,286	107,071,786	10,304,743	-	13,915,654	754,425
(Loss)/Profit for the financial year	(370,937)	36,660,421	2,868,371	(9,949)	942,087	2,435,992
Total comprehensive (loss)/income	(370,937)	36,660,421	2,868,371	(9,949)	942,087	2,435,992
Cash flows (used in)/from						
- operating activities	(22,097,827)	(866,171)	(886,746)	(75)	(1,176,496)	(2,349,382)
- investing activities	8,838,525	(5,031,065)	(6,534,129)	100	6,442,499	2,326,127
- financing activities	4,036,993	7,299,381	8,889,612	-	(5,622,802)	-
Net (decrease)/increase in cash and cash equivalents	(9,222,309)	1,402,145	1,468,737	25	(356,799)	(23,255)

Notes to the Financial Statements

30 June 2018 (cont'd)

8. INVESTMENTS IN SUBSIDIARIES (cont'd)

- (e) The summarised financial information before intra-group elimination of the subsidiaries that have material NCI as at the end of each reporting period are as follows (cont'd):

	BCB Development Sdn. Bhd. RM	BCB Heights Sdn. Bhd. RM	BCB Medini Development Sdn. Bhd. RM	Global Earnest Sdn. Bhd. RM	Total Builder Generation Sdn. Bhd. RM
2017					
Assets and liabilities					
Non-current assets	1,545,018	1,505,561	39,453,631	27,114,353	1,327,583
Current assets	183,421,812	222,041,516	33,090,405	49,833,521	13,861,540
Non-current liabilities	(30,805,282)	(108,779,701)	(36,142,737)	(32,650)	-
Current liabilities	(115,342,737)	(127,712,122)	(37,624,907)	(22,301,047)	(16,680,930)
Net assets/(liabilities)	38,818,811	(12,944,746)	(1,223,608)	54,614,177	(1,491,807)
Results					
Revenue	51,854,148	29,267,282	-	9,475,715	-
Profit/(Loss) for the financial year	15,164,631	(5,793,643)	(1,336,056)	(1,833,315)	(1,358,005)
Total comprehensive income/(loss)	15,164,631	(5,793,643)	(1,336,056)	(1,833,315)	(1,358,005)
Cash flows from/(used in):					
- operating activities	9,608,163	(22,859,228)	11,283,110	5,517,482	(8,195,946)
- investing activities	117,143	4,054,852	(10,475,286)	(193,901)	8,224,387
- financing activities	(9,175,951)	21,501,366	-	(5,365,837)	-
Net increase/(decrease) in cash and cash equivalents	549,355	2,696,990	807,824	(42,256)	28,441

Notes to the Financial Statements

30 June 2018 (cont'd)

8. INVESTMENTS IN SUBSIDIARIES (cont'd)

- (f) On 29 June 2018, BCB Heights Sdn. Bhd. ('BHSB') increased its issued and paid-up share capital by 25,000,000. The Company increased its investment by subscribing an additional 15,000,000 shares, representing 60% of the issued and paid-up share capital of BHSB amounting to RM15,000,000. The remaining 10,000,000 shares were subscribed by the non-controlling interest at RM10,000,000. The shareholding interest in BHSB remained the same as in previous financial year.
- (g) On 29 June 2018, BCB Medini Development Sdn. Bhd. ('BMDSB') increased its issued and paid-up share capital by 13,000,000. The Company increased its investment by subscribing an additional 9,750,000 shares, representing 75% of the issued and paid-up share capital of BMDSB amounting to RM9,750,000. The remaining 3,250,000 shares were subscribed by the non-controlling interest at RM3,250,000. The shareholding interest in BMDSB remained the same as in previous financial year.
- (h) In the previous financial year, the Company incorporated a 75% owned subsidiary, BCB Ventures Sdn. Bhd. ('BVSB'), a private limited company with paid-up capital of RM1 represented by one (1) ordinary share.

During the financial year, BVSB increased its share capital from RM1 to RM100 vide the allotment of additional 74 and 25 new ordinary shares to the Company and non-controlling interest respectively.

9. DEFERRED TAX

- (a) The deferred tax assets and liabilities are made up of the following:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Balance as at 1 July	2,960,814	1,446,700	2,609,132	1,155,248
Recognised in profit or loss (Note 25)	(623,618)	1,514,114	(668,350)	1,453,884
Balance as at 30 June	2,337,196	2,960,814	1,940,782	2,609,132
Presented after appropriate offsetting:				
Deferred tax assets	4,912,896	5,027,816	4,873,021	5,027,816
Offset against deferred tax liabilities	(2,575,700)	(2,067,002)	(2,932,239)	(2,418,684)
Net deferred tax assets	2,337,196	2,960,814	1,940,782	2,609,132
Deferred tax liabilities	(2,575,700)	(2,067,002)	(2,932,239)	(2,418,684)
Offset against deferred tax assets	2,575,700	2,067,002	2,932,239	2,418,684
Net deferred tax liabilities	-	-	-	-

Notes to the Financial Statements

30 June 2018 (cont'd)

9. DEFERRED TAX (cont'd)

- (b) The components of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax assets

	Group Unabsorbed capital allowances RM	Company Unabsorbed capital allowances RM
At 1 July 2017	5,027,816	5,027,816
Recognised in profit or loss	(114,920)	(154,795)
At 30 June 2018	4,912,896	4,873,021
At 1 July 2016	4,124,180	4,124,180
Recognised in profit or loss	903,636	903,636
At 30 June 2017	5,027,816	5,027,816

Deferred tax liabilities

	Group Property, plant and equipment RM	Company Property, plant and equipment RM
At 1 July 2017	(2,067,002)	(2,418,684)
Recognised in profit or loss	(508,698)	(513,555)
At 30 June 2018	(2,575,700)	(2,932,239)
At 1 July 2016	(2,677,480)	(2,968,932)
Recognised in profit or loss	610,478	550,248
At 30 June 2017	(2,067,002)	(2,418,684)

Deferred tax assets are recognised for unabsorbed capital allowances to the extent that it is probable that future taxable profits would be available against which the losses and capital allowances could be utilised. Management judgement is required to determine the amount of deferred tax assets that could be recognised, based on the likely timing and extent of future taxable profits together with future tax planning strategies.

Notes to the Financial Statements

30 June 2018 (cont'd)

9. DEFERRED TAX (cont'd)

- (c) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group	
	2018 RM	2017 RM
Unutilised tax losses	18,746,760	23,147,679
Unabsorbed capital allowances	328,924	824,903
	19,075,684	23,972,582

Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that future taxable profits of certain subsidiaries would be available against which the deductible temporary differences could be utilised.

These temporary differences do not expire under the current tax legislation.

10. PROPERTY DEVELOPMENT COSTS

Group 2018	Note	Freehold land RM	Development costs RM	Accumulated cost charged to profit or loss RM	Total RM
At cost					
At beginning of financial year		383,393,129	950,365,343	(658,660,065)	675,098,407
Cost incurred during the financial year		-	201,802,592	-	201,802,592
Transfer from land held for property development	7	1,602,277	1,578,579	-	3,180,856
Transfer to land held for property development	7	(82,421,779)	(18,628,669)	-	(101,050,448)
Transfer to inventories		(713,161)	(11,032,209)	-	(11,745,370)
Reversal of completed projects		(10,809,907)	(173,218,487)	184,028,394	-
Cost recognised in profit or loss during the year	21	-	-	(152,053,523)	(152,053,523)
At end of financial year		291,050,559	950,867,149	(626,685,194)	615,232,514

Notes to the Financial Statements

30 June 2018 (cont'd)

10. PROPERTY DEVELOPMENT COSTS (cont'd)

Group 2017	Note	Freehold land RM	Development costs RM	Accumulated cost charged to profit or loss RM	Total RM
At cost					
At beginning of financial year		416,598,209	1,227,124,443	(902,408,228)	741,314,424
Cost incurred during the financial year		605,615	131,513,515	-	132,119,130
Transfer from land held for property development	7	23,163,249	3,417,190	-	26,580,439
Transfer to land held for property development	7	(519,785)	(1,787,953)	166,237	(2,141,501)
Transfer to inventories		-	(98,156,046)	-	(98,156,046)
Reversal of completed projects		(56,454,159)	(311,745,806)	368,199,965	-
Cost recognised in profit or loss during the year	21	-	-	(124,618,039)	(124,618,039)
At end of financial year		383,393,129	950,365,343	(658,660,065)	675,098,407

Company 2018	Note	Freehold land RM	Development costs RM	Accumulated cost charged to profit or loss RM	Total RM
At cost					
At beginning of financial year		49,433,285	102,997,908	(45,546,475)	106,884,718
Cost incurred during the financial year		-	25,366,932	-	25,366,932
Transfer to inventories		(101,578)	(1,558,460)	-	(1,660,038)
Transfer to land held for property development	7	(1,615,025)	(4,189,635)	-	(5,804,660)
Reversal of completed projects		(1,976,617)	(29,818,254)	31,794,871	-
Cost recognised in profit or loss during the year	21	-	-	(23,525,865)	(23,525,865)
At end of financial year		45,740,065	92,798,491	(37,277,469)	101,261,087

Notes to the Financial Statements

30 June 2018 (cont'd)

10. PROPERTY DEVELOPMENT COSTS (cont'd)

Company 2017	Note	Freehold land RM	Development costs RM	Accumulated cost charged to profit or loss RM	Total RM
At cost					
At beginning of financial year		102,995,871	470,352,392	(360,035,660)	213,312,603
Cost incurred during the financial year		10,000	14,890,857	-	14,900,857
Transfer to inventories		-	(96,676,608)	-	(96,676,608)
Transfer to land held for property development	7	(178,785)	1,519,451	(2,531,683)	(1,191,017)
Reversal of completed projects		(53,393,801)	(287,088,184)	340,481,985	-
Cost recognised in profit or loss during the year	21	-	-	(23,461,117)	(23,461,117)
At end of financial year		49,433,285	102,997,908	(45,546,475)	106,884,718

- (a) The portion of property development costs where significant development work has been undertaken and which is expected to be completed within the normal operating cycle is considered as a current asset.
- (b) The freehold land held under development of the Group and of the Company with carrying amount of RM259,904,895 (2017: RM337,192,692) and RM39,013,432 (2017: RM39,313,867) respectively were charged to financial institutions for credit facilities granted to the Group and the Company respectively as disclosed in Note 16 to the financial statements.
- (c) Borrowing costs capitalised during the financial year for property development activities of the Group and of the Company amounted to RM15,828,151 (2017: RM20,284,272) and RM1,378,921 (2017: RM1,121,486) respectively at interest rates ranging from 5.3% to 6.3% (2017: 5.1% to 6.1%) per annum.

Notes to the Financial Statements

30 June 2018 (cont'd)

11. INVENTORIES

At cost	Note	Group		Company	
		2018 RM	2017 RM	2018 RM	2017 RM
Completed development properties		108,127,990	122,069,900	90,140,838	111,004,109
Food and beverages		4,306	99,459	4,306	99,459
Consumable stocks		830,085	916,748	143,878	171,300
		108,962,381	123,086,107	90,289,022	111,274,868
Inventories pledged as securities for borrowings	16	63,604,938	77,824,051	61,931,194	77,824,051

- (a) Inventories are stated at the lower of cost and net realisable value.
- (b) Cost of completed development properties comprises proportionate land and development expenditure and is determined on the specific identification basis. Costs of food and beverages and consumable stocks are determined on a weighted average basis and first-in, first-out basis respectively.
- (c) In the previous financial year, the Group had written off inventories amounted to RM635.
- (d) During the financial year, inventories of the Group and of the Company recognised as cost of sales amounted to RM26,160,500 (2017: RM5,024,972) and RM22,523,309 (2017: RM4,777,553) respectively.

12. TRADE AND OTHER RECEIVABLES

		Group	Company	
Note	2018 RM	2017 RM	2018 RM	2017 RM
Trade receivables				
Third parties	63,793,998	46,542,015	11,364,656	20,314,803
Related parties	9,205,886	7,490,780	911,153	-
Amount due from ultimate holding company	2,068,725	852,675	-	-
Amount due from a subsidiary	-	-	13,421,102	69,623,120
	75,068,609	54,885,470	25,696,911	89,937,923
Less:				
Impairment losses on third parties	(258,793)	-	(208,939)	-
	74,809,816	54,885,470	25,487,972	89,937,923
Amounts due from customers for contract works	19	17,317,100	19,543,686	-
	92,126,916	74,429,156	25,487,972	89,937,923

Notes to the Financial Statements

30 June 2018 (cont'd)

12. TRADE AND OTHER RECEIVABLES (cont'd)

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Other receivables				
Third parties	12,559,900	11,911,728	2,082,280	3,133,133
Deposits	3,960,834	8,165,820	1,512,473	1,827,753
Amounts due from subsidiaries	-	-	23,068,121	102,433,531
	16,520,734	20,077,548	26,662,874	107,394,417
Less:				
Impairment losses on:-				
- third parties	(1,856,833)	-	(316,316)	-
- amounts due from subsidiaries	-	-	(299,774)	(402,561)
Loans and receivables	106,790,817	94,506,704	51,534,756	196,929,779
Prepayments	1,483,475	1,788,896	148,236	167,344
	108,274,292	96,295,600	51,682,992	197,097,123

- (a) Financial assets classified as loans and receivables are measured at amortised cost using the effective interest method.
- (b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group and the Company range from 14 to 90 days (2017: 14 to 90 days). They are recognised at their original invoiced amounts, which represent their fair value on initial recognition.
- (c) Non-trade balances due from subsidiaries represent advances and payments on behalf, which are unsecured, interest free and repayable on demand in cash and cash equivalents except for an amount of RM4,830,449 (2017: RM5,838,469), which bears interest ranging from 7.77% (2017: 7.54%) per annum.
- (d) Included in trade receivables of the Group are retention sums for contract works. The retention sums are unsecured, interest free and are expected to be collected as follows:

	Group	
	2018 RM	2017 RM
Repayable as follows:		
Within one (1) year	2,840,803	966,544
More than one (1) year	305,475	2,818,634
	3,146,278	3,785,178

- (e) During the financial year, the Group and the Company have written off bad debts of RM991,034 (2017: RM614,325) and RM59,766 (2017: RM556,028) respectively against trade and other receivables and amounts due from subsidiaries.

Notes to the Financial Statements

30 June 2018 (cont'd)

12. TRADE AND OTHER RECEIVABLES (cont'd)

- (f) Trade and other receivables are denominated in RM.
- (g) The ageing analysis of trade receivables (excluding amounts due from customers for contract works) of the Group and of the Company are as follows:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Neither past due nor impaired	26,113,020	23,918,870	7,286,890	9,957,822
Past due but not impaired				
1 to 30 days	7,496,095	6,699,483	1,342,121	1,867,853
31 to 60 days	5,759,489	3,545,872	1,184,949	271,283
61 days to 120 days	17,596,276	5,849,437	1,182,941	3,106,976
Over 120 days	17,844,936	14,871,808	14,491,071	74,733,989
	48,696,796	30,966,600	18,201,082	79,980,101
Past due and impaired	258,793	-	208,939	-
	75,068,609	54,885,470	25,696,911	89,937,923

Trade receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company.

None of the trade receivables of the Group and of the Company that are neither past due nor impaired have been renegotiated during the financial year.

Trade receivables that are past due but not impaired

Trade receivables of the Group and of the Company that are past due but not impaired arose from customers with healthy business relationships, and the Group and the Company are of the view that these balances are recoverable based on historical receipts.

Trade receivables that are past due but not impaired are unsecured in nature.

Trade receivables that past due and impaired

Trade receivables of the Group and the Company that are past due and impaired at the end of the reporting period have been individually impaired.

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to those debtors that exhibit significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

The Group and the Company make impairment of receivables based on an assessment of the recoverability of receivables. Impairment is applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. The Group and the Company specifically analyse historical bad debts, customer concentration, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the impairment of receivables. Where the expectations differ from the original estimates, the differences would impact the carrying amount of receivables.

Notes to the Financial Statements

30 June 2018 (cont'd)

12. TRADE AND OTHER RECEIVABLES (cont'd)

(h) The reconciliation of movements in the impairment losses during the financial year is as follows:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Trade receivables				
At beginning of financial year	-	-	-	-
Additions	258,793	-	208,939	-
At end of financial year	258,793	-	208,939	-
Other receivables				
At beginning of financial year	-	-	-	-
Additions	1,856,833	-	316,316	-
At end of financial year	1,856,833	-	316,316	-
Amounts due from subsidiaries				
At beginning of financial year			402,561	-
Additions			-	402,561
Bad debts written off			(102,787)	-
At end of financial year			299,774	402,561

- (i) The Group determines concentration of credit risk by identifying and monitoring any significant long outstanding balance owing by any major customer or counter party on an on-going basis.

The Group does not have any significant concentration of credit risk as at the end of the reporting period.

The Company has no significant concentration of credit risks except for the amounts due from subsidiaries constituting 71% (2017: 87%) of total receivables of the Company.

- (j) The interest rate profile of the amount due from a subsidiary as at the end of each reporting period are as follows:

	Company	
	2018 RM	2017 RM
Floating rate	4,830,449	5,838,469

Notes to the Financial Statements

30 June 2018 (cont'd)

12. TRADE AND OTHER RECEIVABLES (cont'd)

- (j) The interest rate profile of the amount due from a subsidiary as at the end of each reporting period are as follows (cont'd):

Sensitivity analysis of interest rates for the floating rate instruments at the end of the reporting period, assuming all other variables remain constant is as follows:

	Company	
	2018 RM	2017 RM
Effects of 100 basis points changes to loss after tax		
- Increase by 1% (2017: 1%)	(36,711)	(44,372)
- Decrease by 1% (2017: 1%)	36,711	44,372

13. CASH AND BANK BALANCES

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Cash and bank balances	21,872,617	21,463,444	2,390,343	1,824,608
Deposits with licensed banks	365,000	1,125,775	200,000	400,000
	22,237,617	22,589,219	2,590,343	2,224,608

- (a) The weighted average effective interest rate of deposits with licensed banks of the Group and of the Company is 1.55% (2017: 2.9%) per annum respectively.

Sensitivity analysis for fixed rate deposits at the end of the reporting period is not presented as fixed rate instruments are not affected by changes in interest rate.

- (b) Deposits with licensed banks of the Group and of the Company were pledged as securities for credit facilities granted to the Group and to the Company as disclosed in Note 16 to the financial statements.
- (c) Included in cash and bank balances of the Group and of the Company are amounts of RM8,276,926 (2017: RM9,198,364) and RM901,867 (2017: RM1,980,390) respectively held under Housing Development Account pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966, as amended by the Housing Developers (Housing Development Account) (Amendment) Regulations, 2015.
- (d) Cash and bank balances are denominated in RM.

Notes to the Financial Statements

30 June 2018 (cont'd)

13. CASH AND BANK BALANCES (cont'd)

- (e) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the reporting period:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Cash and bank balances	21,872,617	21,463,444	2,390,343	1,824,608
Deposits with licensed banks	365,000	1,125,775	200,000	400,000
Bank overdrafts included in borrowings (Note 16)	(56,116,509)	(48,351,147)	(44,148,341)	(46,366,679)
	(33,878,892)	(25,761,928)	(41,557,998)	(44,142,071)
Less:				
Deposits pledged to licensed banks	(365,000)	(1,125,775)	(200,000)	(400,000)
	(34,243,892)	(26,887,703)	(41,757,998)	(44,542,071)

14. SHARE CAPITAL

	Group and Company			
	2018		2017	
	Number of shares	RM	Number of shares	RM
Issued and fully paid up ordinary shares	412,500,000	206,250,000	412,500,000	206,250,000

- (a) The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.
- (b) At the end of the reporting period, the number of outstanding shares in issue after setting off treasury shares against equity is 400,358,800 (2017: 400,360,800).

Treasury shares

The shareholders of the Company have approved the plan for the Company to repurchase up to 10% of the issued and paid-up share capital of the Company ('Share Buy Back'). The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the Share Buy Back can be applied in the best interests of the Company and its shareholders.

At the end of the reporting period, a total of 12,141,200 (2017: 12,139,200) treasury shares at cost of RM3,167,695 (2017: RM3,166,805) were held by the Company in accordance with Section 127 of the Companies Act 2016 in Malaysia.

During the financial year, the Company repurchased 2,000 (2017: 101,000) of its issued share capital from the open market on Bursa Malaysia Securities Berhad for RM890 (2017: RM45,802). The average price paid for the shares repurchased was RM0.45 (2017: RM0.46) per share. The Share Buy Back transactions were financed by internally generated funds. The shares bought back are being held as treasury shares and treated in accordance with the requirement of Section 127 of the Companies Act 2016 in Malaysia. The Company has the right to reissue these shares at a later date. As treasury shares, the rights attached to voting, dividends and participation in other distributions are suspended. None of the treasury shares repurchased had been sold as at 30 June 2018.

Notes to the Financial Statements

30 June 2018 (cont'd)

15. REVALUATION RESERVE

	Group and Company 2018 RM	2017 RM
Hotel properties		
At 1 July/30 June	6,788,088	6,788,088

16. BORROWINGS

	Note	Group 2018 RM	2017 RM	Company 2018 RM	2017 RM
Current liabilities					
Bridging loans		10,799,915	13,916,293	-	-
Term loans		126,964,505	91,213,980	10,694,786	6,958,436
Hire purchase creditors	17	618,734	632,754	229,172	264,754
Revolving credits		37,224,890	46,920,000	9,920,000	9,920,000
Bankers' acceptances		11,673,000	10,287,000	6,688,000	6,023,000
Bank overdrafts	13(e)	56,116,509	48,351,147	44,148,341	46,366,679
		243,397,553	211,321,174	71,680,299	69,532,869
Non-current liabilities					
Bridging loans		26,650,285	18,180,144	5,470,144	5,470,144
Term loans		206,591,559	244,324,340	16,310,205	28,581,807
Hire purchase creditors	17	876,859	1,345,500	168,421	397,593
		234,118,703	263,849,984	21,948,770	34,449,544
Total					
Bridging loans		37,450,200	32,096,437	5,470,144	5,470,144
Term loans		333,556,064	335,538,320	27,004,991	35,540,243
Hire purchase creditors	17	1,495,593	1,978,254	397,593	662,347
Revolving credits		37,224,890	46,920,000	9,920,000	9,920,000
Bankers' acceptances		11,673,000	10,287,000	6,688,000	6,023,000
Bank overdrafts	13(e)	56,116,509	48,351,147	44,148,341	46,366,679
		477,516,256	475,171,158	93,629,069	103,982,413

Notes to the Financial Statements

30 June 2018 (cont'd)

16. BORROWINGS (cont'd)

(a) Bridging loans of the Group and of the Company are secured by the following:

- (i) Certain development properties as disclosed in Note 7 and Note 10(b) to the financial statements; and
- (ii) Inventories as disclosed in Note 11 to the financial statements.

(b) Term loans of the Group and of the Company are secured by the following:

- (i) Certain investment properties as disclosed in Note 6(a) to the financial statements;
- (ii) Deposits with licensed banks as disclosed in Note 13(b) to the financial statements;
- (iii) Inventories as disclosed in Note 11 to the financial statements; and
- (iv) Land and buildings as disclosed in Note 5(h) to the financial statements.

In addition, the term loans of the Group and of the Company are jointly and severally guaranteed by certain Directors of the Company.

(c) Other short-term borrowings of the Group and of the Company are secured by the followings:

- (i) Investment properties as disclosed in Note 6(a) to the financial statements;
- (ii) Hotel properties and certain freehold land and buildings as disclosed in Note 5(h) to the financial statements; and
- (iii) Certain development properties as disclosed in Note 7 and Note 10(b) to the financial statements.
- (iv) Certain property, plant and equipment as disclosed in Note 5(g) to the financial statements.

In addition, the other short term borrowings are personally guaranteed by certain Directors of the Company.

(d) The bridging loans and term loans are repayable by way of fixed monthly instalments or on redemption of titles of properties sold, whichever is earlier. The repayment terms for the bridging loans and term loans are as follows:

Group	On demand or within one (1) year RM	One (1) to five (5) years RM	Over five (5) years RM	Total RM
2018				
Term loan	126,964,505	206,215,822	375,737	333,556,064
Bridging loan	10,799,915	26,650,285	-	37,450,200
	137,764,420	232,866,107	375,737	371,006,264
2017				
Term loan	91,213,980	243,843,539	480,801	335,538,320
Bridging loan	13,916,293	18,180,144	-	32,096,437
	105,130,273	262,023,683	480,801	367,634,757

Notes to the Financial Statements

30 June 2018 (cont'd)

16. BORROWINGS (cont'd)

- (d) The bridging loans and term loans are repayable by way of fixed monthly instalments or on redemption of titles of properties sold, whichever is earlier. The repayment terms for the bridging loans and term loans are as follows (cont'd):

Company	On demand or within one (1) year RM	One (1) to five (5) years RM	Over five (5) years RM	Total RM
2018				
Term loan	10,694,786	16,310,205	-	27,004,991
Bridging loan	-	5,470,144	-	5,470,144
	10,694,786	21,780,349	-	32,475,135
2017				
Term loan	6,958,436	28,581,807	-	35,540,243
Bridging loan	-	5,470,144	-	5,470,144
	6,958,436	34,051,951	-	41,010,387

- (e) The interest rate profile of the borrowings as at the end of each reporting period are as follows:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Fixed rate	1,495,593	1,978,254	397,593	662,347
Floating rate	476,020,663	473,192,904	93,231,476	103,320,066
	477,516,256	475,171,158	93,629,069	103,982,413

Sensitivity analysis for fixed rate borrowings as at the end of the reporting period is not presented as fixed rate instruments are not affected by change in interest rates. Sensitivity analysis of interest rates for the floating rate instruments at the end of the reporting period, assuming all other variables remain constant is as follows:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Effects of 100 basis points changes to profit/(loss) after tax				
- Increase by 1% (2017: 1%)	(3,617,757)	(3,596,266)	708,559	785,233
- Decrease by 1% (2017: 1%)	3,617,757	3,596,266	(708,559)	(785,233)

Notes to the Financial Statements

30 June 2018 (cont'd)

16. BORROWINGS (cont'd)

- (f) The weighted average effective interest rates of the borrowings as at the end of each reporting period are as follows:

	Group		Company	
	2018	2017	2018	2017
	%	%	%	%
Bridging loans	6.3	5.7	5.9	5.9
Term loans	6.0	6.0	6.8	6.8
Hire purchase creditors	6.3	6.2	4.9	4.9
Revolving credits	6.0	6.1	6.3	6.6
Bankers' acceptances	4.9	5.0	4.7	5.0
Bank overdrafts	8.5	8.1	8.3	8.0

- (g) Fair value of borrowings

(i) Financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value

The carrying amounts of the borrowings are reasonable approximation of fair values due to the insignificant impact of discounting.

(ii) Hire purchase creditors

The fair values of hire purchase creditors are estimated by discounting expected future cash flows at market incremental lending rate for similar type of instruments available to the Group at the end of the reporting period.

	2018		2017	
	Carrying amount	Level 2 Fair value	Carrying amount	Level 2 Fair value
	RM	RM	RM	RM
Hire-purchase creditors				
Group	1,495,593	1,417,614	1,978,254	1,874,567
Company	397,593	390,260	662,347	635,252

- (h) Borrowings are denominated in RM.

Notes to the Financial Statements

30 June 2018 (cont'd)

16. BORROWINGS (cont'd)

- (i) The table below summarises the maturity profile of the borrowings as at the end of each reporting period based on contractual undiscounted repayment obligations:

Group 2018	On demand or within one (1) year RM	One (1) to five (5) years RM	Over five (5) years RM	Total RM
Bridging loans	12,949,200	28,159,823	-	41,109,023
Term loans	143,990,218	223,597,283	514,205	368,101,706
Hire purchase creditors	676,343	924,655	-	1,600,998
Revolving credits	37,224,890	-	-	37,224,890
Bankers' acceptances	11,673,000	-	-	11,673,000
Bank overdrafts	56,116,509	-	-	56,116,509
Total undiscounted financial liabilities	262,630,160	252,681,761	514,205	515,826,126

2017

Bridging loans	15,860,907	19,515,275	-	35,376,182
Term loans	107,726,403	261,458,904	641,934	369,827,241
Hire purchase creditors	716,620	1,436,026	-	2,152,646
Revolving credits	46,920,000	-	-	46,920,000
Bankers' acceptances	10,287,000	-	-	10,287,000
Bank overdrafts	48,351,147	-	-	48,351,147
Total undiscounted financial liabilities	229,862,077	282,410,205	641,934	512,914,216

Company 2018

Bridging loan	334,226	6,232,328	-	6,566,554
Term loans	12,037,889	18,135,444	-	30,173,333
Hire purchase creditors	241,920	171,360	-	413,280
Revolving credits	9,920,000	-	-	9,920,000
Bankers' acceptances	6,688,000	-	-	6,688,000
Bank overdrafts	44,148,341	-	-	44,148,341
Total undiscounted financial liabilities	73,370,376	24,539,132	-	97,909,508

2017

Bridging loan	323,832	6,479,227	-	6,803,059
Term loans	9,167,885	31,654,481	-	40,822,366
Hire purchase creditors	293,242	413,280	-	706,522
Revolving credits	9,920,000	-	-	9,920,000
Bankers' acceptances	6,023,000	-	-	6,023,000
Bank overdrafts	46,366,679	-	-	46,366,679
Total undiscounted financial liabilities	72,094,638	38,546,988	-	110,641,626

Notes to the Financial Statements

30 June 2018 (cont'd)

17. HIRE PURCHASE CREDITORS

		Group	Company
Note	2018 RM	2017 RM	2018 RM
2017 RM			
Minimum hire purchase payments:			
- not later than one (1) year	676,343	716,620	241,920
- later than one (1) year not later than five (5) years	924,655	1,436,026	171,360
Total minimum hire purchase payments	1,600,998	2,152,646	413,280
Less: Future finance charges	(105,405)	(174,392)	(15,687)
Present value of hire purchase payments	1,495,593	1,978,254	397,593
Repayable as follows:			
Current liabilities:			
- not later than one (1) year	16	618,734	632,754
Non-current liabilities:			
- later than one (1) year not later than five (5) years	16	876,859	1,345,500
	16	1,495,593	1,978,254
			397,593
			662,347

18. TRADE AND OTHER PAYABLES

		Group		Company	
	Note	2018 RM	2017 RM	2018 RM	2017 RM
Trade payables					
Third parties		93,250,280	76,208,401	10,187,937	11,561,015
Amounts due to customers for contract works	19	7,746,436	17,260,716	-	-
		100,996,716	93,469,117	10,187,937	11,561,015
Other payables					
Amounts due to Directors		-	1,608,035	-	-
Amounts due to subsidiaries		-	-	41,009,612	83,016,782
Third parties		21,594,603	15,944,188	1,555,634	2,215,432
Accruals		15,778,455	16,726,812	3,671,598	4,926,438
Related parties					
- Interest bearing		20,597,754	17,946,096	20,597,754	17,946,096
- Non-interest bearing		43,410,414	57,455,996	970,728	314,150
Deposits received		37,246,974	27,645,449	7,927,857	22,873,628
		138,628,200	137,326,576	75,733,183	131,292,526
		239,624,916	230,795,693	85,921,120	142,853,541

Notes to the Financial Statements

30 June 2018 (cont'd)

18. TRADE AND OTHER PAYABLES (cont'd)

- (a) Trade and other payables are classified as other financial liabilities, and measured at amortised cost using the effective interest method.
- (b) Trade payables are non-interest bearing and the normal credit terms granted to the Group and the Company range from 30 to 150 days (2017: 30 to 150 days).
- (c) Included in trade payables of the Group and of the Company are retention sums for contract works. The retention sums are unsecured, interest free and are expected to be payable as follows:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Within one (1) year	19,155,163	15,259,820	1,600,437	8,313,531
More than one (1) year	6,042,403	9,506,414	2,054,411	819,393
	25,197,566	24,766,234	3,654,848	9,132,924

- (d) In the previous financial year, amounts due to Directors were unsecured, interest free and payable upon demand in cash and cash equivalents.
- (e) Amounts due to related parties of the Group and of the Company are unsecured, interest free and payable upon demand in cash and cash equivalents except for advances of RM20,597,754 (2017: RM17,946,096) and RM20,597,754 (2017: RM17,946,096) respectively which bear interest at rate of 5.1% (2017: 5.1%) per annum.
- (f) Amounts due to subsidiaries are interest free, unsecured and payable on demand in cash and cash equivalents except for a total amount of RM52,293,240 (2017: RM69,086,760), which bears interest ranging from 3.7% to 6.36% (2017: 6.0% to 6.14%) per annum.
- (g) Trade and other payables are denominated in RM.
- (h) The maturity profile of the trade and other payables (excluding amounts due to contract customers and retention sums for contract works) of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations are payable on demand or within one (1) year.
- (i) Sensitivity analysis for fixed rate profile of amount due to related party at the end of the reporting period is not presented as fixed rate instruments are not affected by change in interest rates.
- (j) The interest rate profile of the amounts due to subsidiaries as at the end of each reporting period are as follows:

	Company	
	2018 RM	2017 RM
Floating rate	52,293,240	69,086,760

Notes to the Financial Statements

30 June 2018 (cont'd)

18. TRADE AND OTHER PAYABLES (cont'd)

- (j) The interest rate profile of the amounts due to subsidiaries as at the end of each reporting period are as follows (cont'd):

Sensitivity analysis of interest rates for the floating rate instruments at the end of the reporting period, assuming all other variables remain constant is as follows:

	Company	
	2018	2017
	RM	RM
<hr/>		
Effects of 100 basis points changes to loss after tax		
- Increase by 1% (2017: 1%)	397,429	525,059
- Decrease by 1% (2017: 1%)	(397,429)	(525,059)
	<hr/>	

19. AMOUNTS DUE FROM/(TO) CUSTOMERS FOR CONTRACT WORKS

		Group	
	Note	2018 RM	2017 RM
<hr/>			
Aggregate costs incurred to date		653,856,814	605,207,172
Add: Attributable profits		47,993,870	40,702,427
		<hr/>	<hr/>
		701,850,684	645,909,599
Less: Progress billings		(692,280,020)	(643,626,629)
		<hr/>	<hr/>
		9,570,664	2,282,970
		<hr/>	<hr/>
Represented by:			
Amounts due from contract customers for contract works	12	17,317,100	19,543,686
Amounts due to contract customers for contract works	18	(7,746,436)	(17,260,716)
		<hr/>	<hr/>
		9,570,664	2,282,970
		<hr/>	<hr/>

Included in amounts due from/(to) customers for contract works of the Group are amounts due from related parties of RM3,555,320 (2017: RM708,569) and amounts due to related parties of RM304,893 (2017: RM549,094).

Notes to the Financial Statements

30 June 2018 (cont'd)

20. REVENUE

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Property development	247,328,638	192,908,762	25,964,407	30,203,418
Completed properties	43,145,617	10,760,615	36,241,483	10,325,615
Hotel operations	3,403,995	6,235,269	3,403,995	6,235,269
Construction contracts	4,011,482	4,823,228	-	-
Rental income	7,117,840	7,424,871	2,081,201	2,291,264
Sales of goods	1,613	1,170	-	-
	305,009,185	222,153,915	67,691,086	49,055,566

(a) Property development

Property development revenue is recognised in respect of all development units that have been sold. Revenue recognition commences when the sale of the development unit is effected, upon the commencement of development and construction activities and when the financial outcome can be reliably estimated. The attributable portion of property development cost is recognised as an expense in the period in which the related revenue is recognised. The amount of such revenue and expenses recognised is determined by reference to the stage of completion of development activity at the end of the reporting period. The stage of completion is measured by reference to the value of work certified to date as a percentage of the total value of projects.

When the financial outcome of a development activity cannot be reliably estimated, the property development revenue is recognised only to the extent of property development costs incurred that is probable to be recoverable and the property development costs on the development units sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project is recognised as an expense immediately, including costs to be incurred over the defects liability period.

(b) Completed properties

Sale of completed property units is recognised when the risks and rewards associated with ownership transfers to the property purchasers.

(c) Hotel operations income

Hotel operations income comprises letting of hotel rooms, sales of food and beverages and other hotel related income, and is recognised upon delivery of products, customer acceptance and performance of services, net of goods and services tax and discounts.

(d) Construction contracts

Profit from contract works are recognised on a percentage of completion method. Percentage of completion is measured by reference to the survey of work performed.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

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

Notes to the Financial Statements

30 June 2018 (cont'd)

20. REVENUE (cont'd)

(e) Rental income

Rental income is accounted for on a straight line basis over the lease term of an ongoing lease. The aggregate cost of incentives provided to the lessee is recognised as reduction of rental income over the lease term on a straight line basis.

(f) Sale of goods

Revenue from sale of goods is recognised when significant risk and rewards of ownership of the goods has been transferred to the customer and where the Group retains neither continuing managerial involvement over the goods, which coincides with delivery of goods and acceptance by customers.

21. COST OF SALES

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Property development costs (Note 10)	152,053,523	124,618,039	23,525,865	23,461,117
Property development cost of completed properties under recognised	-	532,569	-	532,569
Cost of completed properties sold (Note 11)	26,160,500	5,024,972	22,523,309	4,777,553
Hotel operations costs	322,230	1,578,371	322,230	1,578,371
Construction contract costs	(4,577,617)	1,871,589	-	-
Cost of goods sold	145,861	240	-	-
	174,104,497	133,625,780	46,371,404	30,349,610

Notes to the Financial Statements

30 June 2018 (cont'd)

22. FINANCE INCOME AND COSTS

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Finance income				
Interest income on:				
- intercompany loan	-	-	80,452	86,986
- deposits with licensed banks	212,450	439,032	17,462	107,856
	212,450	439,032	97,914	194,842
Finance costs				
Interest expense on:				
- term loans	5,719,926	5,605,992	1,173,995	1,542,286
- hire purchase creditors	87,766	92,726	26,708	40,668
- revolving credits	2,516,282	2,223,629	620,816	258,415
- short term borrowings	326,540	920,275	-	7,209
- bank overdrafts	3,783,493	4,297,660	3,621,119	4,083,719
- intercompany loan	-	-	4,423,625	4,195,811
- related party loan	1,008,693	893,201	1,008,693	893,201
- others	575,994	491,130	150,153	332,819
	14,018,694	14,524,613	11,025,109	11,354,128

Interest income is recognised as it accrues, using the effective interest method.

23. EMPLOYEE BENEFITS

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Wages, salaries and bonus	17,311,744	17,861,367	6,871,702	7,887,717
Defined contribution plan	2,424,758	2,377,182	984,596	1,051,677
Other employee benefits	2,442,034	2,917,151	822,173	1,623,036
	22,178,536	23,155,700	8,678,471	10,562,430

Included in the employee benefits of the Group and of the Company are Directors' remuneration amounting to RM6,863,481 (2017: RM6,466,963) and RM2,337,110 (2017: RM2,192,969) respectively.

Notes to the Financial Statements

30 June 2018 (cont'd)

24. PROFIT/(LOSS) BEFORE TAX

Other than those disclosed elsewhere in the financial statements, profit/(loss) before tax is arrived at:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
After charging:				
Rental expense of:				
- equipment	564,000	775,340	306,600	-
- premises	1,590	3,480	-	-
And crediting:				
(Loss)/Gain on disposals of:				
- property, plant and equipment	(82,654)	554,639	-	-
- investment properties	257,511	120,428	-	-
Rental income of premises	533,207	179,250	-	-
Write back of other payables	266,933	-	387,464	-

(a) Net gains and losses arising from financial instruments:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Net gains/(losses) on:				
Loans and receivables	212,450	439,032	97,914	194,842
Financial liabilities at amortised cost	(14,018,694)	(14,524,613)	(11,025,109)	(11,354,128)
	(13,806,244)	(14,085,581)	(10,927,195)	(11,159,286)

Notes to the Financial Statements

30 June 2018 (cont'd)

25. TAXATION

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Current year tax expense based on profit for the financial year	5,751,021	11,292,782	-	83,440
(Over)/Underprovision in prior year	(87,783)	230,514	(83,440)	(363,825)
	5,663,238	11,523,296	(83,440)	(280,385)
Deferred tax (Note 9)				
- Relating to origination and reversal of temporary differences	(214,128)	(1,699,573)	(143,022)	(1,696,634)
- Underprovision in prior year	837,746	185,459	811,372	242,750
	623,618	(1,514,114)	668,350	(1,453,884)
	6,286,856	10,009,182	584,910	(1,734,269)

- (a) Malaysian income tax is calculated at the statutory tax rate of 24% (2017: 24%) of the estimated taxable profit for the fiscal year.
- (b) Numerical reconciliation of taxation applicable to profit/(loss) before taxation at the statutory tax rate applicable to the Group and the Company are as follows:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Tax at Malaysian statutory tax rate of 24% (2017: 24%)	12,409,389	5,052,189	(2,122,945)	(3,784,909)
Real property gains tax	-	83,440	-	83,440
Non-allowable expenses	4,563,955	3,561,729	2,003,422	2,136,714
Non-taxable income	(366,909)	(1,350,956)	(23,499)	(48,439)
Tax incentives	(9,894,286)	-	-	-
Utilisation of deferred tax previously not recognised	(1,175,256)	-	-	-
Deferred tax assets not recognised	-	2,246,807	-	-
(Over)/Under provision in prior year				
- income tax	(87,783)	230,514	(83,440)	(363,825)
- deferred tax	837,746	185,459	811,372	242,750
	6,286,856	10,009,182	584,910	(1,734,269)

Notes to the Financial Statements

30 June 2018 (cont'd)

26. EARNINGS PER SHARE

(a) Basic

The basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity owners of the parent by the weighted average number of ordinary shares in issue (after adjusting for treasury shares) during the financial year.

	Group	
	2018	2017
Profit attributable to owners of the parent (RM)	29,294,402	9,796,753
Weighted average number of ordinary shares in issue	400,358,800	400,360,800
	2018	2017
	Sen	Sen
Basic earnings per ordinary share attributable to the equity owners of the parent	7.32	2.45

(b) Diluted

Diluted earnings per ordinary share equals basic earnings per ordinary share as there are no potential dilutive ordinary shares.

27. COMMITMENTS

(a) Operating lease commitments

The Group and the Company as lessor

The Group and the Company has also entered into various non-cancellable operating lease agreements on properties with third parties.

The future minimum lease payments receivable under the above non-cancellable operating leases as at the reporting date but not recognised as receivables, are as follows:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Not later than one (1) year	5,564,643	2,746,464	1,983,069	1,889,682
Later than one (1) year and not later than five (5) years	3,984,446	1,782,747	1,081,789	1,705,027
Later than five (5) years	7,115	-	-	-
	9,556,204	4,529,211	3,064,858	3,594,709

Notes to the Financial Statements

30 June 2018 (cont'd)

27. COMMITMENTS (cont'd)

(b) Capital commitments

	Group	
	2018 RM	2017 RM
Approved and contracted for		
Capital and other expenditure relating to:		
- purchase of freehold land	-	31,140,717

28. CONTINGENT LIABILITIES

	Company	
	2018 RM	2017 RM
Unsecured		
Corporate guarantees for trade credits granted to subsidiaries		
- Limit of guarantee	61,100,000	68,750,000
- Amount utilised	1,941,305	1,277,510
Secured		
Corporate guarantees for borrowing facilities granted by financial institutions to subsidiaries		
- Limit of guarantee	792,570,000	798,043,000
- Amount utilised	372,509,604	337,317,804

- (a) A contingent liability is a possible obligation that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources would be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

Corporate guarantees for trade credits and borrowing facilities granted to subsidiaries are financial guarantee contracts designated as insurance contracts as defined in FRS 4 *Insurance Contracts*.

The Directors are of the view that the fair value of such corporate guarantees given by the Company is negligible as the chances of the financial institutions to call upon the corporate guarantees are remote.

- (b) The maturity profile of the contingent liabilities of the Company at the end of the reporting period based on contractual undiscounted repayment obligations are payable on demand or within one (1) year.

Notes to the Financial Statements

30 June 2018 (cont'd)

29. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identities of related parties

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.

Related party relationships exist between the Company and its subsidiaries and between the Company and its ultimate holding company.

In addition, the Company also has related party relationships with the following parties:

Identities of related parties	Relationship with the Group
Ju-Ichi Enterprise Sdn. Bhd. ('JIE')	A related party by virtue of the directorship of certain Directors of the Company, Tan Sri Dato' Tan Seng Leong and Tan Lindy.
Ibzi Development (Johor) Sdn. Bhd. ('IBZ')	A related party by virtue of the directorship of certain Directors of the Company, Tan Sri Dato' Tan Seng Leong and Tan Vin Sern.
Marvel Plus Development Sdn. Bhd. ('MPD')	A related party by virtue of the directorship of certain Directors of the Company, Tan Lindy, Tan Vin Sern and Tan Sri Dato' Tan Seng Leong's spouse, namely Puan Sri Datin Lim Sui Yong in MPD. Both Puan Sri Datin Lim Sui Yong and Tan Vin Sern are also major shareholders in MPD.

(b) Significant related party transactions

In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Company	
	2018 RM	2017 RM
(i) Transactions with subsidiaries		
Progress billings by a subsidiary:		
- BCB Construction Sdn. Bhd.	19,455,301	7,950,868
Intercompany interest receivable from a subsidiary:		
- Johbase Development Sdn. Bhd.	80,452	93,972
Intercompany interest payable to subsidiaries:		
- BCB Land Sdn. Bhd.	3,531,829	3,363,123
- BCB Development Sdn. Bhd.	306,327	6,986
- Global Earnest Sdn. Bhd.	585,469	825,702

Notes to the Financial Statements

30 June 2018 (cont'd)

29. SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

(b) Significant related party transactions (cont'd)

(i) Transactions with subsidiaries (cont'd)

	Company	
	2018 RM	2017 RM
Management fees receivable from subsidiaries:		
- BCB Construction Sdn. Bhd.	360,000	360,000
- Johbase Development Sdn. Bhd.	240,000	240,000
- BCB Resources Sdn. Bhd.	840,000	840,000
Rental expenses from a subsidiary:		
- BCB Construction Sdn. Bhd.	12,000	12,000

(ii) Transactions with related parties

	Group and Company	
	2018 RM	2017 RM
Office rental paid to JIE	300,000	300,000
Interest payable to JIE	1,008,693	893,201

	Group	
	2018 RM	2017 RM
Hiring of machineries from MPD	7,093	219,963
Construction contracts:		
- IBZ	-	115,826
- JIE	636,000	-
- MPD	3,375,483	4,707,402
Progress billings to:		
- ultimate holding company	2,801,350	2,413,513
- related parties	6,223,483	3,147,186
- Directors	10,650,260	2,415,067
Rental income from MPD	11,000	-
Sales of goods to MPD	1,613	-

Notes to the Financial Statements

30 June 2018 (cont'd)

29. SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

(b) Significant related party transactions (cont'd)

The related party transactions described above were carried out on mutually agreed terms and are not materially different from those obtainable from transactions with unrelated parties.

Information regarding outstanding balances with related parties as at 30 June 2018 are disclosed in Note 12, Note 18 and Note 19 to the financial statements.

30. CAPITAL MANAGEMENT

The primary objective of the capital management of the Group is to ensure that the Group would be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The overall strategy of the Group remains unchanged from financial year ended 30 June 2017.

The Group and the Company are not subject to any externally imposed capital requirements of the financial instruments other than prescribed gearing ratio and tangible net worth of the Group imposed by financial institutions.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group regularly reviews the gearing ratio to ensure they are at acceptable levels and within industry norms. The Group includes within net debt, borrowings less cash and bank balances. Capital represents equity attributable to the owners of the parent. A detailed calculation of the net debt is shown below:

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Borrowings	477,516,256	475,171,158	93,629,069	103,982,413
Less:				
Cash and bank balances	(22,237,617)	(22,589,219)	(2,590,343)	(2,224,608)
Net debt	455,278,639	452,581,939	91,038,726	101,757,805
Total capital	476,892,544	447,599,032	299,342,233	308,773,639
Net debt	455,278,639	452,581,939	91,038,726	101,757,805
	932,171,183	900,180,971	390,380,959	410,531,444
Gearing ratio	49%	50%	23%	25%

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity equal to or not less than the 25% of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40,000,000. The Group has complied with this requirement for the financial year ended 30 June 2018.

Notes to the Financial Statements

30 June 2018 (cont'd)

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management objective of the Group is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in interest rates and the unpredictability of the financial markets.

The Group operates within an established risk management framework and clearly defined guidelines that are regularly reviewed by the Board of Directors. Financial risk management is carried out through risk review, internal control systems and adherence to the Group financial risk management policies. The Group is exposed mainly to credit risk, liquidity and cash flow risk as well as interest rate risk. Information on the management of the related exposures is detailed below.

(a) Credit risk

Credit risk is the risk of potential financial loss to the Group arising from the failure of a counterparty to fulfill its obligations under a contractual agreement and include settlement/clearing risk, concentration risk, credit assessment risk, recovery risk and credit-related liquidity risk.

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

The primary exposure of the Group to credit risk arises through its trade receivables.

The trading terms of the Group with its customers are mainly on credit. The credit period generally ranges from 14 days to a period of three (3) months. The Group seeks to maintain strict control over its outstanding receivables to minimise its credit risk. Overdue balances are reviewed regularly by senior management.

Exposure to credit risk

At the end of each reporting period, the maximum exposure to credit risk of the Group and of the Company is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Information regarding credit exposure for trade and other receivables is disclosed in Note 12 to the financial statements.

(b) Liquidity and cash flow risk

Liquidity risk is the risk that the Group is unable to service its cash obligations in the future. To mitigate this risk, the management measures and forecasts its cash commitments, monitors and maintain a level of cash and cash equivalents and credit facilities deemed adequate to finance the operations and developments activities of the Group.

The analysis of financial instruments by remaining contractual maturities have been disclosed in Note 16 and Note 18 to the financial statements.

Notes to the Financial Statements

30 June 2018 (cont'd)

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The exposure of the Group and of the Company to interest rate risk relates primarily to their interest-bearing borrowings on fixed and floating rates. The Group and the Company do not use derivative financial instruments to hedge this risk.

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Note 12, Note 13, Note 16 and Note 18 to the financial statements.

32. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs

(a) New FRSs adopted during the financial year

The Group and the Company adopted the following Amendments of the FRS Framework that were issued by the Malaysian Accounting Standards Board ('MASB') during the financial year:

Title	Effective Date
Amendments to FRS 112 <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
Amendments to FRS 107 <i>Disclosure Initiative</i>	1 January 2017
Amendments to FRS 12 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2017

There is no material impact upon the adoption of these Amendments during the financial year except for the adoption of the Amendments to FRS 107 requires entity to provide disclosures that enable users of the financial statements to evaluate changes in liabilities arising from financing activities, including both arising from cash flows and non-cash changes. On initial application of these Amendments, entities are not required to provide comparative information for preceding periods.

(b) New FRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2018

The following are Standards and Amendments of the FRS Framework that have been issued by the MASB but have not been early adopted by the Group and the Company:

Title	Effective Date
FRS 9 <i>Financial Instruments (IFRS as issued by IASB in July 2014)</i>	1 January 2018
Amendments to FRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to FRS 1 <i>Annual Improvements to FRS Standards 2014 - 2016 Cycle</i>	See FRS 1 Paragraphs 9AD and 39ADAA
Amendments to FRS 128 <i>Annual Improvements to FRS Standards 2014 - 2016 Cycle</i>	See FRS 128 Paragraphs 45E and 45EAA
Amendments to FRS 140 <i>Transfers of Investment Property</i>	See FRS 140 Paragraphs 85G and 85GAA

Notes to the Financial Statements

30 June 2018 (cont'd)

32. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs (cont'd)

(b) New FRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2018 (cont'd)

The following are Standards and Amendments of the FRS Framework that have been issued by the MASB but have not been early adopted by the Group and the Company (cont'd):

Title	Effective Date
IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	See IC Interpretation 22 Paragraphs A1 and A1AA
Amendments to FRS 4 <i>Applying FRS 9 Financial Instruments with FRS 4 Insurance Contracts</i>	See FRS 4 Paragraphs 46, 47AA and 48
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	See IC Interpretation 23 Paragraphs B1 and B1AA
Amendments to FRS 10 and FRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The above Standards and Amendments shall be superseded upon adoption of the MFRS Framework on 1 July 2018.

(c) New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2018

Malaysian Financial Reporting Standards

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ('MFRS Framework').

The MFRS Framework shall be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 *Agriculture* (MFRS 141) and IC Interpretation 15 *Agreements for Construction of Real Estate* (IC 15), including its parent, significant investor and venturer (herein referred to as 'Transitioning Entities').

Transitioning Entities are allowed to defer adoption of the new MFRS Framework. Consequently, adoption of the MFRS Framework by Transitioning Entities would be mandatory for annual periods beginning on or after 1 January 2018.

The Group and the Company fall within the scope definition of Transitioning Entities and accordingly, would be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the financial year ending 30 June 2019. In presenting its first MFRS financial statements, the Group and the Company would be required to adjust the comparative financial statements prepared under the FRS to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition would be made, retrospectively, against opening retained earnings. The Group and the Company would adopt the MFRS Framework during the financial year beginning on 1 July 2018.

Notes to the Financial Statements

30 June 2018 (cont'd)

32. ADOPTION OF NEW FRSS AND AMENDMENTS TO FRSS (cont'd)

(c) New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2018 (cont'd)

Malaysian Financial Reporting Standards (cont'd)

The following are Standards and Amendments of the MFRS Framework that have been issued by the MASB but have not been early adopted by the Group and the Company (cont'd):

Title	Effective Date
Amendments to MFRS 1 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
Clarification to MFRS 15	1 January 2018
MFRS 9 <i>Financial Instruments (IFRS as issued by IASB in July 2014)</i>	1 January 2018
Amendments to MFRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to MFRS 128 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
Amendments to MFRS 140 <i>Transfers of Investment Property</i>	1 January 2018
Amendments to MFRS 4 <i>Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	See MFRS 4 Paragraphs 46 and 48
MFRS 16 <i>Leases</i>	1 January 2019
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 128 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 3 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 11 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 112 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 123 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 119 <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019
Amendments to <i>References to the Conceptual Framework in MFRS Standards</i>	1 January 2020
MFRS 17 <i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable in future financial years.

ADDITIONAL CORPORATE DISCLOSURE

AUDIT AND NON-AUDIT FEES

During the financial year ended 30 June 2018, the amount of audit fees paid or payable to the External Auditors on the Company and Group basis were RM90,000 and RM221,500 respectively.

During the financial year ended 30 June 2018, the amount of non-audit fees paid or payable to the External Auditors, or a firm or corporation affiliated to the Auditors' firm on the Company and Group basis were RM5,500 and RM8,500 respectively.

MATERIAL CONTRACTS

There were no material contracts entered into by the Company and/or its subsidiaries, involving Directors' and major shareholders' interest, either still subsisting at the end of the financial year, or entered into since the end of the previous financial year.

RECURRENT RELATED PARTY TRANSACTION ("RRPT") OF REVENUE NATURE FOR THE YEAR ENDED 30 JUNE 2018

The details of the RRPTs were disclosed in Note 29 of the Financial Statements for the financial period ended 30 June 2018 on page 91 to 93.

DIRECTORS' RESPONSIBILITIES STATEMENTS IN RELATION TO THE FINANCIAL STATEMENTS

This statement is prepared as required by the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and the Company as at the end of each financial year, and of the results and cash flows of the Group and of the Company for that year then ended.

The Directors consider that in preparing the financial statements:

- The Group and the Company have used appropriate accounting policies and are consistently applied;
- Reasonable and prudent judgments and estimates were made; and
- All applicable approved accounting standards in Malaysia have been adhered to.

The Directors are responsible for ensuring that the Company maintains accounting records that disclose with reasonable accuracy the financial position of the Group and of the Company, and that the financial statements comply with the requirements of the Companies Act 2016.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities.

SHAREHOLDINGS STATISTICS

AS AT 28 SEPTEMBER 2018

Issued share capital	:	412,500,000 (inclusive of 12,142,200 as Treasury Shares)
Types of shares	:	Ordinary shares
No. of shareholders	:	2,469
Voting rights	:	One vote per ordinary share

Analysis of Shareholdings By Range Groups

	No. of Shares	% Over Total Shares	No. of Holders	% Over Total Shareholders
less than 100 shares	111	0.000	6	0.243
100 to 1,000 shares	42,527	0.011	66	2.673
1,001 to 10,000 shares	7,992,062	1.996	1,696	68.692
10,001 to 100,000 shares	17,975,900	4.490	611	24.747
100,001 to less than 5% of issued shares	103,970,800	25.969	88	3.564
5% and above of issued shares	270,376,400	67.534	2	0.081
Total	400,357,800	100.000	2,469	100.000

List of Thirty Largest Shareholders as at 28 September 2018 (as per Record of Depositors)

No.	Name	Shares Held	%
1.	Evergreen Ratio Sdn Bhd	231,767,400	57.890
2.	Effective Strategy Sdn Bhd	38,609,000	9.643
3.	Tho Siu Chu	14,903,000	3.722
4.	Tan Chin Ee	14,843,000	3.707
5.	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lim Boon Seng (M14)	11,525,800	2.878
6.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chew Siow Geok	8,081,300	2.018
7.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Haven Venture Sdn Bhd (REM 646-Margin)	7,060,500	1.763
8.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lasercoin (M) Sdn Bhd (REM 646-Margin)	5,921,800	1.479
9.	Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (KNGA SML CAP FD)	4,163,400	1.039
10.	Puncak Angkasa Sdn Bhd	4,000,000	0.999
11.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lim Boon Seng (1301002)	2,827,000	0.706
12.	Citigroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Suriani Abdul Aziz (471789)	2,303,000	0.575

Shareholdings Statistics

As At 28 September 2018 (cont'd)

No.	Name	Shares Held	%
13.	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Chin Ee (M14)	2,108,000	0.526
14.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chew Siow Geok (8041848)	2,061,000	0.514
15.	Maybank Nominees (Tempatan) Sdn Bhd Etiqa Life Insurance Berhad (Annuity)	1,794,000	0.448
16.	Maybank Nominees (Tempatan) Sdn Bhd Etiqa General Insurance Berhad (Shareholders)	1,650,000	0.412
17.	Lim Pei Tiam @ Liam Ahat Kiat	1,299,200	0.324
18.	Maybank Nominees (Tempatan) Sdn Bhd Etiqa Life Insurance Berhad (Life PAR 2-EQ)	1,162,000	0.290
19.	Tng Kee Meng	1,000,000	0.249
20.	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Commerce Trustee Berhad For Kenanga Growth Opportunities Fund (50154 TR01)	836,600	0.208
21.	Johore Tenggara Oil Palm Berhad	668,000	0.166
22.	Lim Pay Kaon	600,000	0.149
23.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Woon Teik (REM 663)	573,800	0.143
24.	Maybank Nominees (Tempatan) Sdn Bhd Etiqa General Insurance Berhad (General)	519,200	0.129
25.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Cheong Swee Yong (8077787)	514,000	0.128
26.	Tan Kee Hwee	508,000	0.126
27.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account – Ambank (M) Berhad For Chew Siow Geok (Smart)	471,800	0.117
28.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chin Kiam Hsung	460,400	0.114
29.	Teh Bee Gaik	455,400	0.113
30.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Liew Kok Tze	426,000	0.106

Shareholdings Statistics

As At 28 September 2018 (cont'd)

Substantial Shareholders as at 28 September 2018 (as per Register of Substantial Shareholders)

Name of Substantial Shareholders	No. of Shares Held		% of Issued Share Capital	
	Direct	Indirect	Direct	Indirect
1. Evergreen Ratio Sdn Bhd	231,767,400	-	57.89	-
2. Tan Sri Dato' Tan Seng Leong	-	231,767,400 ⁽ⁱ⁾	-	57.89
3. Puan Sri Datin Lim Sui Yong	-	231,767,400 ⁽ⁱ⁾	-	57.89
4. Effective Strategy Sdn Bhd	38,609,000	-	9.64	-
5. Chan Toong Kit	-	38,609,000 ⁽ⁱⁱ⁾	-	9.64
6. Chong Shiung Foh	-	38,609,000 ⁽ⁱⁱ⁾	-	9.64

Notes:-

(i) Deemed interested by virtue of their shareholdings in Evergreen Ratio Sdn Bhd pursuant to Section 8(4) of the Companies Act 2016 ("the Act").

(ii) Deemed interested by virtue of their shareholdings in Effective Strategy Sdn Bhd pursuant to Section 8(4) of the Act.

Directors' Shareholdings as at 28 September 2018 (as per Register of Directors' Shareholdings)

Shareholdings in the name of the Director	Direct	Number of ordinary shares		
		%	Indirect	%
1. Tan Sri Dato' Tan Seng Leong	-	-	231,767,400 ⁽ⁱ⁾	57.89
2. Low Kok Yung	6,000	0.00	-	-

Notes:-

(i) Deemed interested by virtue of his shareholdings in Evergreen Ratio Sdn Bhd pursuant to Section 8(4) of the Act.

LIST OF LANDED PROPERTIES

The details of the BCB Group's properties as at 30 June 2018 are as follows:

Location	Description	Tenure	Age of building	Size (acre)	Net book value/Cost as at 30 June 2018 RM'000	Date of acquisition/ revaluation*
KLUANG, JOHOR						
PTB 8370 No. 20, Jalan Bakawali, 86000 Kluang, Johor.	16 storey hotel	Leasehold (expiring 10.11.2093)	21 years	0.35	27,411	23/3/2009 *
PTB 8370 No. 20, Jalan Bakawali, 86000 Kluang, Johor.	Boutique hotel / bistro	Leasehold (expiring 10.11.2093)	21 years	0.23	18,518	15/5/2013 *
PTD 49840 No. 1, Jalan 6, Taman Sri Kluang, 86000 Kluang, Johor.	Single storey hypermarket	Freehold	18 years	1.44	3,877	21/8/2014 *
PTD 49657 - 49667 No. 54-56, Jalan 2, PTD 49770 - 49780 No. 49-59, Jalan 2, Taman Sri Kluang, 86000 Kluang, Johor.	22 units shop	Freehold	18 years	0.84	1,083	27/6/1998
PTD 50048 - 50049 No. 31-33, Jalan 20, Taman Sri Kluang, 86000 Kluang, Johor.	2 units industry factory	Freehold	16.5 years	2.181	2,334	6/4/2012 *
PTD 65377, 75581 - 75584 PTD 75598, 75599, 75600, 75601 Mukim of Kluang District of Kluang, Johor	1 units of shop lot & 8 units of residential Taman Saujana	Freehold	7 years	0.76	5,541	23/3/2012
Lot 6806 & 6808 Mukim of Kluang District of Kluang, Johor	Being developed as Taman Sri Kluang	Freehold	N/A	25.91	20,172	12/1/1996
Lot 1574 Mukim of Kluang District of Kluang, Johor	Proposed residential & commercial development	Freehold	N/A	17.97	564	25/1/1991
Lot 321 & Lot 440 Mukim of Kluang District of Kluang, Johor	Being developed as Taman Kluang Baru 2	Freehold	N/A	1.03	950	29/12/1999
Lot 482 & 484 Mukim of Kluang District of Kluang, Johor	Being developed as Jobhase City Square Commercial Lot	Freehold	N/A	0.39	20,078	15/4/1993

List of Landed Properties (cont'd)

The details of the BCB Group's properties as at 30 June 2018 are as follows: (cont'd)

Location	Description	Tenure	Age of building	Size (acre)	Net book value/Cost as at 30 June 2018 RM'000	Date of acquisition/ revaluation*
BATU PAHAT, JOHOR						
Lot 4091 Mukim of Simpang Kanan, District of Batu Pahat, Johor	Being developed as Taman Bukit Perdana II	Freehold	N/A	11.64	21,153	7/12/1994
Lot 559, 2954-2959, 2656 & 2660 Mukim of Simpang Kanan, District of Batu Pahat, Johor	Being developed as Taman Bukit Perdana III	Freehold	N/A	18.54	5,196	7/12/1994
Lot 2664-2666 Mukim of Simpang Kanan, District of Batu Pahat, Johor	Being developed as Taman Bukit Perdana II	Freehold	N/A	21.04	5,805	27/6/1994
Lot 3131 Mukim of Simpang Kanan, District of Batu Pahat, Johor	Proposed residential development	Freehold	N/A	4.05	259	6/9/1994
Lot 8096 Mukim of Sri Gading District of Batu Pahat, Johor	Proposed residential development	Freehold	N/A	2	642	13/12/2006
Lot 8097 Mukim of Sri Gading District of Batu Pahat, Johor	Proposed residential development	Freehold	N/A	2	648	13/12/2006
Lot 708 Mukim of Sri Gading District of Batu Pahat, Johor	Proposed residential development	Freehold	N/A	3	870	13/12/2006
Lot 4852 - 4861 (Master Title) PTD 41078 - PTD 41089 (New Title) Mukim of Simpang Kanan, District of Batu Pahat, Johor	Proposed residential development	Freehold	N/A	2.18	4,392	2/12/1993
HS(D) 23056-23076, 23081-23087 & 23181 Mukim of Simpang Kanan, District of Batu Pahat, Johor	Proposed residential development	Freehold	N/A	72.11	9,502	27/5/2009 *
HS(D) 23287, 23308-23337, 23526-23540, 23551-23565, 23581-23596, 23371-23388, 23464-23474, 23485-23525, 23566-23580, 36168, 36169, 36165, 36166 Mukim of Simpang Kanan, District of Batu Pahat, Johor	Being developed as Evergreen Heights	Freehold	N/A	88.416	57,300	6/2/2002 *

List of Landed Properties (cont'd)

The details of the BCB Group's properties as at 30 June 2018 are as follows: (cont'd)

Location	Description	Tenure	Age of building	Size (acre)	Net book value/Cost as at 30 June 2018 RM'000	Date of acquisition/ revaluation*
BATU PAHAT, JOHOR						
Lot 4207 Mukim of Simpang Kanan, District of Batu Pahat, Johor	Proposed residential & commercial development	Freehold	N/A	35	5,915	23/9/2003
H.S.(D) 43069-43075 PTD 18607-18613, Mukim of Linau, District of Batu Pahat, Johor	Being developed as Bandar Putera Indah	Freehold	N/A	138.6	94,280	28/9/2009 *
Lot 375 Jalan Bakau Condong Mukim Bandar Penggaram District of Batu Pahat, Johor	Proposed commercial development	Freehold	N/A	9.9	42,808	28/4/2015
Lot 1098, 1099, 1104, 1105, 1100, 3034 Mukim of Simpang Kanan, District of Batu Pahat, Johor	Proposed residential & commercial development	Freehold	N/A	46.725	36,929	27/3/2017
PONTIAN, JOHOR						
Lot 4681, Mukim of Pontian District of Pontian, Johor	Being developed as Taman Megah	Freehold	N/A	8.96	9,678	17/11/1994
JOHOR BAHRU, JOHOR						
Lot 2896 Taman Pulai Utama Mukim of Pulai, District of Johor Bahru, Johor	Being developed as Taman Pulai Utama	Freehold	N/A	15.72	19,239	30/10/2008
Shopping Complex - U Mall Taman Pulai Utama Mukim of Pulai, District of Johor Bahru, Johor	Shopping Complex Taman Pulai Utama	Freehold	10 year	3.35	27,000	25/9/2016
PTD 102775, 141053 Mukim of Pulai, District of Johor Bahru, Johor	2 units of Shop Offices	Freehold	10 year	0.09	1,329	02/01/2009 & 16/3/2009
Plot No. A45-1, A45-2, A45-3 A46-1, A46-2, A46-3, A46-4 Mukim Pulai, Daerah Johor Bahru, Medini Zone A	Proposed residential development	Leasehold (expiring 14.02.2137)	N/A	7.81	255,149	6/12/2013

List of Landed Properties (cont'd)

The details of the BCB Group's properties as at 30 June 2018 are as follows: (cont'd)

Location	Description	Tenure	Age of building	Size (acre)	Net book value/Cost as at 30 June 2018 RM'000	Date of acquisition/ revaluation*
JOHOR BAHRU, JOHOR						
Plot C1, HS(D) 537374 PTD 199638 Mukim Pulai, Daerah Johor Bahru, Medini Zone C	Proposed residential & commercial development	Leasehold (expiring 14.02.2107)	N/A	22.01	70,221	1/10/2015
SEREMBAN, NEGERI SEMBILAN						
Lot 5527 Mukim of Rantau, District of Seremban, Negeri Sembilan	Being developed as Taman Seremban Jaya	Freehold	N/A	1.0	1,191	15/7/1994
KUALA LUMPUR						
Lot 9933 (Geran 6497) Lorong Awan Jawa Taman Yarl Mukim Petaling, Distric of Kuala Lumpur	Proposed residential development	Freehold	N/A	0.4	6,889	4/2/2010
Lot 73478 & Lot 73479 (H.S(D) 69603 & 69604) Mukim Klang, Selangor Darul Ehsan	Proposed residential & commercial development	Leasehold (expiring 18.04.2101)	N/A	151.27	204,874	11/3/2011
					981,797	

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirtieth (30th) Annual General Meeting of the Company will be held at Prime City Hotel, Venus Room, 6th Floor, 20, Jalan Bakawali, 86000 Kluang, Johor Darul Ta'zim on Wednesday, 5 December 2018 at 10.30 a.m. to transact the following businesses:

AGENDA

As Ordinary Business

- | | | |
|----|--|---|
| 1. | To receive the Audited Financial Statements for the financial year ended 30 June 2018 and the Reports of the Directors and Auditors thereon. | (Please refer to Explanatory Note 1) |
| 2. | To re-elect the following Directors who retire by rotation pursuant to Article 105 of the Company's Constitution: | |
| | (a) Ms. Tan Lay Hiang | Resolution 1 |
| | (b) Mr. Tan Vin Sern | Resolution 2 |
| 3. | To elect Mr. Tan Kok Wee as Director who retires pursuant to Article 112 of the Company's Constitution. | Resolution 3 |
| 4. | To approve the payment of Directors' fees of up to RM180,000.00 and benefits of up to RM20,000.00 from 6 December 2018 until the next Annual General Meeting of the Company. | Resolution 4 |
| 5. | To re-appoint Messrs BDO as the Auditors of the Company and authorise the Directors to determine their remuneration. | Resolution 5 |

As Special Business

To consider and if thought fit, to pass the following Ordinary Resolutions, with or without modifications:-

- | | | |
|----|---|---------------------|
| 6. | CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR | |
| | (a) "THAT approval be and is hereby given to Tan Sri Datuk Seri Ismail Bin Yusof, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years, to continue to act as an Independent Non-Executive Director of the Company." | Resolution 6 |
| | (b) "THAT approval be and is hereby given to En. Ash'ari Bin Ayub, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years, to continue to act as an Independent Non-Executive Director of the Company." | Resolution 7 |
| 7. | AUTHORITY TO ISSUE SHARES | |
| | "THAT subject always to the Companies Act 2016, the Constitution of the Company and approvals from Bursa Malaysia Securities Berhad and any other governmental/regulatory bodies, where such approval is necessary, authority be and is hereby given to the Directors pursuant to Section 75 and Section 76 of the Companies Act 2016 to issue not more than ten per centum (10%) of the total issued share capital of the Company at any time upon any such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force until the conclusion of the next Annual General Meeting of the Company and that the Directors be and are hereby further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof." | Resolution 8 |

Notice of Annual General Meeting (cont'd)

8. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

Resolution 9

"THAT subject to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), approval be and is hereby given to the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with the related parties ("Recurrent Related Party Transactions") as set out in Section 2.1.5 of the Circular to the Shareholders dated 31 October 2018 ("the Circular") which are necessary for the day-to-day operations and carried out in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

THAT such approval shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless the authority is renewed by a resolution passed at the said AGM;
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is the earlier;

AND THAT the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary (including executing such documents as may be required) to give effect to the Recurrent Related Party Transactions contemplated and/or authorised by this Ordinary Resolution;

AND THAT, the estimates given of the Recurrent Related Party Transactions specified in Section 2.1.5 of the Circular being provisional in nature, the Directors and/or any of them be and are hereby authorised to agree to the actual amount or amounts thereof provided always that such amount or amounts comply with the procedures set out in Section 2.1.8 of the Circular."

9. **PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK**

Resolution 10

"THAT subject always to compliance with the Companies Act 2016 ("Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") or any other regulatory authorities and all other applicable rules, regulations, guidelines or approval for the time being in force or as may be amended from time to time, the Directors be and are hereby authorised to make purchases of ordinary shares in the Company's issued share capital as may be determined by the Directors from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company, provided that:

- (i) the aggregate number of ordinary shares which may be purchased and/or held by the Company as treasury shares shall not exceed ten per centum (10%) of the total issued share capital of the Company for the time being;

Notice of Annual General Meeting (cont'd)

- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing its shares shall not exceed the total retained earnings of the Company at the time of the said purchase(s); and
- (iii) the authority conferred by this resolution shall commence immediately upon the passing of this ordinary resolution and shall continue to be in force until:
 - (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
 - (b) the expiration of the period within which the next AGM after that date is required by law to be held; or
 - (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever is earlier;

AND THAT upon completion of the purchase by the Company of its own shares, the Directors be and are hereby authorised to deal with the shares purchased in their absolute discretion in the following manner:

- (i) cancel all the shares so purchased; and/or
- (ii) retain the shares so purchased in treasury for distribution as dividend to the shareholders or resell on the market of Bursa Securities; and/or
- (iii) retain part thereof as treasury shares and cancel the remainder;

and in any other manner as prescribed by the Act, rules and regulations made pursuant to the Act and the Main Market Listing Requirements of Bursa Securities and any other relevant authorities for the time being in force;

AND THAT authority be and is hereby given to the Directors and/or anyone of them to complete and do all such acts and things as they may consider necessary or expedient in the best interest of the Company, including executing all such documents as may be required or necessary and with full powers to assent to any modifications, variations and/or amendments as the Directors in their discretion deem fit and expedient to give effect to the aforesaid purchase(s) contemplated and/or authorised by this Ordinary Resolution."

To consider and if thought fit, to pass the following Special Resolution, with or without modifications:-

10. PROPOSED ADOPTION OF THE NEW CONSTITUTION OF THE COMPANY

"THAT approval be given to revoke the existing Constitution (previously referred to as the Memorandum and Articles of Association) of the Company with immediate effect and in place thereof, the proposed new Constitution of the Company, as set out in Part C of the Circular to Shareholders dated 31 October 2018, be adopted as the Constitution of the Company AND THAT the Directors of the Company be authorised to assent to any modification, variation and/or amendment as may be required by the relevant authorities and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing."

Resolution 11

Notice of Annual General Meeting (cont'd)

11. To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

NG HENG HOOI (MAICSA 7048492)
WONG MEE KIAT (MAICSA 7058813)
Secretaries

Kluang, Johor
 31 October 2018

Notes:

- (i) For the purpose of determining a member who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 72(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 28 November 2018. Only depositor whose name appears on the Record of Depositors as at 28 November 2018 shall be entitled to attend this meeting or appoint proxies to attend and/or votes on his/her behalf.
- (ii) A member shall be entitled to appoint not more than two (2) proxies to attend and vote in his stead and where a member appoints more than one (1) proxy to attend and vote at the same meeting, such appointment shall be invalid unless the member specified the proportions of his shareholdings to be represented by each proxy.
- (iii) A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation.
- (iv) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (v) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
- (vi) The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Registered Office of the Company at No. 4B, 2nd & 3rd Floor, Jalan Sentol, South Wing - Kluang Parade, 86000 Kluang, Johor Darul Ta'zim, not less than forty-eight (48) hours before the time appointed for holding the meeting, or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
- (vii) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to a vote by way of a poll.

Explanatory Note on Ordinary and Special Business:

1. Item 1 of the Agenda

This agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. Item 4 of the Agenda

Pursuant to Section 230(1) of the Companies Act 2016, fees and benefits payable to the Directors of the Company will have to be approved by the shareholders at a general meeting. The Company is requesting shareholders' approval for the payment of fees and benefits for the period commencing 6 December 2018 up till the next AGM of the Company in 2019. The benefits comprises allowance and benefits-in-kind.

Notice of Annual General Meeting (cont'd)

3. Item 6 of the Agenda

The Nomination and Remuneration Committee has assessed the independence of the Directors namely Tan Sri Datuk Seri Ismail Bin Yusof and En. Ash'ari Bin Ayub, who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than twelve (12) years, and recommended them to continue act as Independent Non-Executive Directors of the Company based on the following justifications:

- They fulfil the criteria under definition on independent director as stated in the Listing Requirements; and hence, they would be able to provide an element of objectivity, independent judgment and balance to the Board;
- Their experiences in the financial and other relevant sections enable them to provide the Board and Board Committees with pertinent expertise, skills and competence; and
- They have been with the Company for more than 12 years and therefore understand the Company's business operations which enable them to contribute actively and effectively during deliberations or discussions at Board and Board Committee meetings.

The Proposed Resolution 6 and 7, if passed, will enable Tan Sri Datuk Seri Ismail Bin Yusof and En. Ash'ari Bin Ayub to continue in office as Independent Non-Executive Directors of the Company. Pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance, the Company would be seeking the shareholders' approval through a two-tier voting process.

4. Item 7 of the Agenda

The proposed Ordinary Resolution 8, if passed, will authorise the Directors to issue not more than ten per centum (10%) of the total issued share capital of the Company subject to the approvals of all relevant governmental/regulatory bodies.

This is the renewal of the mandate obtained from the members at the last Annual General Meeting ("the previous mandate"). The previous mandate was not utilized and accordingly no proceeds were raised.

The purpose of the renewal of the mandate is for further possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of borrowings and/or acquisitions.

5. Item 8 of the Agenda

The proposed Ordinary Resolution 9, if passed, will enable the Company and/or its subsidiary companies to enter into recurrent transactions involving the interest of Related Parties, which are necessary for the Group's day-to-day operations and undertaken at arm's length, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company. For more information, please refer to the Circular to Shareholders dated 31 October 2018.

6. Item 9 of the Agenda

The proposed Ordinary Resolution 10, if passed, will empower the Directors to purchase the Company's shares of up to ten per centum (10%) of the total issued share capital of the Company by utilising the funds allocated which shall not exceed the total retained earnings of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company. For more information, please refer to the Circular to Shareholders dated 31 October 2018.

7. Item 10 of the Agenda

The proposed Resolution 11, if passed, will bring the new Company's Constitution in line with the enforcement of Companies Act 2016 and the amended Listing Requirements of Bursa Securities, which will enhance the Company's administrative efficiency. The proposed new Constitution is set out in Part C of the Circular to Shareholders dated 31 October 2018.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Mr. Tan Kok Wee, who was appointed to the Board of Directors on 18 October 2018 is standing for election pursuant to Article 112 of the Constitution of the Company at the Thirtieth Annual General Meeting. His profile can be found on page 15 of the 2018 Annual Report.

BCB BERHAD (172003-W)

(Incorporated in Malaysia)

PROXY FORM

No. of ordinary shares held

CDS Account No. of

I/We _____ Tel. No.: _____

(Full name in block and NRIC No./Company No.)

of _____

(Address)

being a member/members of **BCB Berhad**, hereby appoint :-

Full Name (in Block)	NRIC/Passport/Company No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Full Name (in Block)	NRIC/Passport/Company No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the 30th Annual General Meeting of the Company to be held at Prime City Hotel, Venus Room, 6th Floor, 20, Jalan Bakawali, 86000 Kluang, Johor Darul Ta'zim on Wednesday, 5 December 2018 at 10.30 a.m. and at any adjournment thereof. My/our proxy is to vote as indicated below:-

ITEM	AGENDA	RESOLUTION	FOR	AGAINST
1.	Re-election of Director – Ms. Tan Lay Hiang	Ordinary Resolution 1		
2.	Re-election of Director – Mr. Tan Vin Sern	Ordinary Resolution 2		
3.	Election of Director – Mr. Tan Kok Wee	Ordinary Resolution 3		
4.	Payment of Directors' Fees and benefits	Ordinary Resolution 4		
5.	Re-appointment of Auditors	Ordinary Resolution 5		
6.	Continuing in office as Independent Non-Executive Director -Tan Sri Datuk Seri Ismail Bin Yusof	Ordinary Resolution 6		
7.	Continuing in office as Independent Non-Executive Director – En. Ash'ari Bin Ayub	Ordinary Resolution 7		
8.	Authority to issue shares	Ordinary Resolution 8		
9.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a revenue or trading nature	Ordinary Resolution 9		
10.	Proposed Renewal of Authority for Share Buy-back	Ordinary Resolution 10		
11.	Proposed Adoption of the New Constitution	Special Resolution		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy may vote or abstain as he thinks fit.

Signed this _____ day of _____, 2018.

Signature of Shareholding(s)/Common Seal

Notes:

- For the purpose of determining a member who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 72(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 28 November 2018. Only depositor whose name appears on the Record of Depositors as at 28 November 2018 shall be entitled to attend this meeting or appoint proxies to attend and/or votes on his/her behalf.
- A member shall be entitled to appoint not more than two (2) proxies to attend and vote in his stead and where a member appoints more than one (1) proxy to attend and vote at the same meeting, such appointment shall be invalid unless the member specified the proportions of his shareholdings to be represented by each proxy.
- A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
- The instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Registered Office of the Company at No. 4B, 2nd & 3rd Floor, Jalan Sentol, South Wing - Kluang Parade, 86000 Kluang, Johor Darul Ta'zim, not less than forty-eight (48) hours before the time appointed for holding the meeting, or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

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AFFIX
STAMP
HERE

The Company Secretary

BCB BERHAD (172003-W)
(Incorporated in Malaysia)

No. 4B, 2nd & 3rd Floor, Jalan Sentol,
South Wing – Kluang Parade,
86000 Kluang,
Johor Darul Ta'zim

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BCB BERHAD (172003-W)

www.bcbbhd.com.my

REGISTERED OFFICE

No. 4B, 2nd & 3rd Floor, Jalan Sentol
South Wing - Kluang Parade
86000 Kluang, Johor
Tel: 07-776 0089
Fax: 07-772 0089

KUALA LUMPUR BRANCH

B-01-02 & B-01-03 Concerto North Kiara
No. 1, Jalan Dutamas Orkid,
51200 Kuala Lumpur
Tel: 03-8605 3678 / 03-8605 3680
Fax: 03-8605 3679