

Hometree Kota Kemuning



Versis Batu Pahat



Concerto North Kiara



# 2021

– ANNUAL REPORT –

Bandar Putera Indah Batu Pahat



Elysia Park Residence Medini



Building Communities & Beyond

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## CHAIRMAN'S STATEMENT

**Dear Shareholders,**

### Overview

It is an honour to address you as BCB Berhad's Chairman.

Coming on board amidst a pandemic, the roadmap ahead must take into consideration the challenges and opportunities which will shape our priorities. Building upon the successes of the Group will take a combination of rigorous operational efficiencies and strict financial management. This, without losing the vision, innovation and style that BCB is known and valued for.

The past 18 months will undoubtedly be marked as one of the most difficult periods in current times, with the Covid-19 pandemic causing unprecedented disruptions and turbulence to the lives and businesses around the world. In Malaysia, the property market is expected to see a mixed performance for the duration of the year due to prevailing uncertainties. However, consumer confidence in the property sector is expected to improve by the end of 2021, underpinned by the ramped-up vaccination programme rollout and current low interest rate environment.





# CHAIRMAN'S STATEMENT

(cont'd)

## FINANCIAL REVIEW

Against this backdrop, it has been a difficult year again for the Group's business segments and this is reflected in the financial performance for the year 2021. During the financial year, the Group posted a turnover of RM198.83 million compared with RM253.98 million achieved in the previous year. Group profit after tax decreased from RM14.28 million to RM13.39 million.

### Review of Operations

During the Financial Year 2021, the Group had successfully delivered Phases 2B and 2C of Home Tree @ Kota Kemuning, Versis @ Batu Pahat as well as Phase 4B and Phase 6A of Bandar Putera Indah.

In the Klang Valley, the Group had launched Phase 2D of Home Tree @ Kota Kemuning during the financial year with a combined GDV of RM138 million comprising 66 units of 2 storey semi-detached houses.

During the financial year, the Group had also launched its flagship development Bandar Putera Indah, Phase 6B with GDV of RM23 million in August 2020 as well as Taman Evergreen Heights, Phases 11A with GDV of RM38.8 million in January of 2021.

The above projects are strategically sited close to public amenities and they continue to provide value to homebuyers in terms of better/attractive design, quality finishes, superb landscaping, excellent infrastructures, and competitive pricing.

In responses to the current challenging market, the Group has ensured the marketability of its product by exploring digital platforms and social media to reach out prospective buyers. With these, the Group expects the above newly launched projects in addition to existing projects will contribute generously to its earnings in the near term.

## CORPORATE DEVELOPMENTS

### Proposed Dividend

For the financial year ended 30 June 2021, the Group does not recommend any dividend in view of the current challenging time.

## The Year Ahead

As we look ahead to what will be another challenging year, we are heartened that Malaysia has started taking steps in its own economic recovery following the ramping up vaccination efforts initiated by the COVID-19 National Immunisation Programme. The Government is gradually opening up more sectors to individuals who have been fully vaccinated in an effort to rebuild parts of the economy that have been shut due to the Covid-19 outbreak. Although standard operating procedures such as physical distancing are still in effect, we have seen a return in economic activity and will continue to leverage on domestic demand to drive revenue while we manage our cost base to align to the new operating environment.

The property market is anticipated to be constrained by the uncertain economic outlook weighing on consumer sentiment due to COVID-19 and the lockdowns in various stages globally. However, the Group is positive about the PEMERKASA PLUS stimulus plan announced by the Government in June 2021 which has extended the Home Ownership Campaign and stamp duty exemption from 31 May 2021 to 31 December 2021. In addition, the lowering of the Overnight Policy Rate to a historic low of 1.75% to help stimulate the economy is likely to give the property market a boost as buyers and investors look to take advantage of the lower interest rates.

In closing, I would like to express my gratitude to all our management team and staff for their commitment and hard work in ensuring that the Group remained operationally ready during the MCO period and prepared to face the challenging times ahead.

For the foundation laid to date, let me put on record my appreciation to the immediate past Board Chairman and Audit Committee and Nomination and Remuneration Committee Chairperson for their long service, dedication and guidance. Their collective contributions have helped steer the Company to achieve its business objectives within clear corporate governance parameters.

Finally, I would like to thank all our stakeholders for their continued support of the Group. I also look forward to the Group and management aggressively driving the vision and mission, to deliver on our goals, aspirations and to cement our reputation as a developer that delivers quality, experience and value to our stakeholders.

**TAN SRI DR. ALI BIN HAMSA**  
CHAIRMAN

# MANAGEMENT DISCUSSION AND ANALYSIS

As we enter the second year of fighting the pandemic, we have adjusted to the new norms, changing the way we do business. The financial year 2021 was challenging, with the continued impact of movement restrictions weighing heavily on our prospects. Such restrictions have brought a significant impact to the property sector and the economy as the demand and supply of goods and services were severely affected.

Against this backdrop, the planned marketing activities were forced to shift from traditional platform to digital and social media platform to reach a larger pool of audience and gather feedbacks from new sales launch. Also, the progress of the construction work for on-going projects were monitored closely to pick up the delay caused by the MCO.

## 1. Financial Performance

During the financial year 2021 ("FY2021"), the Group registered a decrease of 22% revenue from RM253.98 million in FY2020 to RM198.83 million this year. The fluctuation on the above was largely due to the impact arose from overall slow progress of construction work coupled with limited new launches during the financial year. The major contributors to the Group's revenue this year include Phase 2 Broadleaf @ HomeTree at Kota Kemuning, Versis and Bandar Putera Indah at Batu Pahat. In line with the lower revenue, profit before tax also registered a drop of 30% from RM29.87 million to RM20.93 million.

Looking at the financial position, the Group's balance sheet remains sturdy on the back of an increase in net assets, the Group's current ratio remains healthy at 1.40 times as at FY2021 compared to 1.34 registered in FY2020.

Total inventories have dropped by a healthy RM33.19 million to RM948.44 million this year compared to RM981.63 million last year. This remarkable reduction was mainly contributed by the Group's continuous efforts in clearing completed stocks across all projects, especially Bandar Putera Indah and Evergreen Heights at Batu Pahat.

Total borrowings decreased by 14% to RM318.76 million from RM368.75 million. In line with the reduction in borrowings, net gearing ratio improved from 0.74 times registered in FY2020 to 0.64 times in FY2021. Net gearing ratio is expected to reduce further in the coming year via collection from ongoing projects and sales of completed inventories. The Group's net assets per share attributable to owners of the Company amounted to RM1.13 per share.

The Group's cash and cash equivalent has decreased from RM30.56 million in FY2020 to RM17.03 million in FY2021 largely attributed to repayment of borrowings.

## 2. Business Operation

### a) Klang Valley

In the Klang Valley, the Group has sold more than RM1.08 billion worth of properties from its 2 high-end projects namely Home Tree @ Kota Kemuning and Concerto Condominium @ North Kiara, Kuala Lumpur over the past 8 years. Concerto Condominium was completed in 2015 with 92% sales achievement.

HomeTree at Kota Kemuning, Shah Alam, Selangor

HomeTree development, high-end gated and guarded community is a joint venture project between BCB Berhad (holding a 70% stake) and Landshine Limited, an affiliate of a reputable property developer in Xiamen, China.

The Project sited on 151 acres of land located along the Klang river and comprising 616 units of high-end bungalows plus various other categories of houses and commercial properties.

The Project is designed to harmonize the community with its nature theme fronting the 3.5km waterfront of the Klang Rivers. It consists of club houses, jogging tracks, and esplanade and observation decks along the Klang Rivers.



# MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

The Project was officially launched on June 22, 2013 with an estimated GDV of about RM1.8 billion and is targeted for completion in the next 5 years.

Phase 1 is a unique development offering "cul-de-sac" bungalow – American style and without front gates with total GDV of RM279 million. It consists of 101 units of 3 storey bungalows and is almost fully sold. Phase 2 consists of 6 sub-phases. Phase 2A and 2B were launched in August 2017 with a total GDV of RM273 million whilst Phase 2C was launched in April 2019 with a total GDV of RM97 million. In March 2021, the Group has successfully launched Phase 2D with an estimated GDV of RM138 million consists of 66 units of 2 storey Semi-Detached. The remaining of the sub-phases will be launched in the near future.

As of to-date, the sales achieved for Phase 2 is about RM260 million.

## b) Johor

In Johor region, the Group has 3 main township projects garnering about 60% share of the development market located in Batu Pahat and a commercial shop development. Current ongoing township projects are Bandar Putera Indah and Evergreen Heights which comprise of residential and commercial development. In Johor Bahru, the current projects consist of a high rise residential and a commercial shop development namely Elysia @ Medini and Versis @ Medini.

### Bandar Putera Indah, Batu Pahat, Johor

This is a 370-acre township development and an up-coming satellite suburb of Batu Pahat town. It is the first fully integrated township in Batu Pahat which is strategically located just 7km away from Batu Pahat town center and 15km from Yong Peng. This mixed development project with an estimated GDV of RM1.3 billion comprising a mixture of residential and commercial units. The township comes with comprehensive amenities which include mini-markets, shops and an auto service Centre, which provide convenience for residents. Additional facilities surrounding the development include schools, petrol station, eateries, clinics, and post office.

To-date, more than RM327 million worth of properties have been sold. In FY 2022, the Group is targeted to launch 216 units of single storey terrace house and 72 units of double storey terrace house with an estimated total GDV of RM127 million.

### Evergreen Heights, Batu Pahat, Johor

Evergreen Heights is a self-contained mixed development township, which occupies 432 acres of land strategically located next to Bukit Banang Golf & Country Club, the one and only golf club with 18 holes in Batu Pahat town. It is accessible via a four-lane dual-carriage way called Jalan Tanjong Labuh 10 minutes from Batu Pahat town. It is also linked with Pontian via the coastal road and Second Link causeway to Singapore.

This development is set amidst natural surroundings with beautifully landscaped terrain. A 12 acres park complimented with a lake is set aside for family recreational purposes. It offers all the trappings of a quality lifestyle with gated residential precincts, business and commercial areas, schools, and community centre and other basic facilities.

As of to-date, over 2,000 units have been sold for a total sales value of RM0.55 billion. This township is currently 60% developed with another 172 acres of undeveloped land to be launched in the near term.

### Versis Batu Pahat, Johor

The Group embarks on the development of Versis @ Batu Pahat, a 10-acres mixed development in view that the area will be the upcoming trendy and vibrant town at Batu Pahat. The development consists of shophouses with GDV of RM175 million. The development is facing the main road, Jalan Baku Condong and Jalan Mohd Akil, which is an eye-catching spot for business opportunity.

Phase 1 was launched in year 2018 and completed during the financial year. It consists of 70 units three to five-storey shophouses with GDV of RM105 million. Phase 2 shophouses is expecting to be launched in near future.

# MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

## Elysia Park Residence Medini, Iskandar Malaysia

This 7.81 acres 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 splitting into 2 phases consisting of 6 44-storey tower blocks sitting on a 9 storey car park podium with GDV of RM1.3 billion and will be developed over 5 years. Phase 1 consists of 981 units sited in 3 tower blocks. It comes with eight types of unit layouts and various design to cater for market needs.

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.

Total sales recorded to-date is RM433 million.

## Versis Medini, Johor

Versis Medini is a mixed development that infuses an optimal balance between residential and commercial spaces amidst a dynamic retail environment. It is strategically located in the heart of Medini surrounded by prestigious high-rise residential development. It enjoys proximity to modern convenience such as Legoland, Gleneagles Hospital, Educity and Iskandar Puteri City Council (MBIP), which was announced as the region's new administration office in Medini.

The project is sub-phased into 3 phases which comprises of shophouses and apartment with an estimated GDV of RM500 million. Phase 1 and 2 consists of 136 units shophouses while phase 3 consists of 130 units of apartment. During the financial year, the Group has completed Phase 1 which consists of 54 units of commercial shops with GDV worth RM142 million.



## 3. Risk and Management

Risk and management forms an important part of the integral process of achieving the Group's business objectives. Key risks for the Group and the Group's risk management approach are provided in more details in the Statement of Risk Management and Internal Control on page 29 to 31 of this Annual Report.

## 4. Prospects and Outlook

Moving into FY 2021 and beyond, the Group will continue to be supported by its sizeable land bank of 657 acres across the center and southern region expected to be developed within next 10 years which include, among others the Group's flagship projects at Batu Pahat and Kota Kemuning as well as venturing into the wellness industry in the coming financial years.

Current domestic macroeconomic conditions are anticipated to remain resilient together with the increase concerns on recessionary threats, with the existing property market conditions, the Group will remain vigilant by taking cautious approach in launching new properties in the years to come. Meantime, the Group will be continuing to enhance property quality to be more competitive and implement a strict cost control measures to contain the operation cost.



## SUSTAINABILITY STATEMENT

BCB Berhad ("BCB") recognize sustainability as a fundamental component in the preserving the future and it has always been entrenched in the core business of the Group. We are pleased to present its Sustainability Statement ("This Statement") that highlights the Company's sustainability strategies as well as for its subsidiaries ("the Group") for the financial year reporting period of 1 July 2020 to 30 June 2021.

This Statement is prepared in accordance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa") and has considered the Sustainability Reporting Guide – 2nd Edition and its accompanying Toolkits issued by Bursa.

### Review of Operations

The full details of the Group's review of operations can be found under the Management Discussion and Analysis of this Annual Report.

### Highlight FY 2021 – Covid-19

In responding to the Covid-19 pandemic, the Group acted comprehensively and with an inclusive approach to ensure the safety and security of all employees and stakeholders. Our business operations are guided by the applicable and relevant instruction from federal and state governments. These include the imposition of Movement Control Order ("MCO") at various stages and standards operating procedures to detect Covid-19 symptoms in visitors and employees as well as to practice social distancing measures to minimize the risk of spreading of disease.

### Governance

The sustainability governance structure is headed by the Board of Directors ("The Board"). Reporting to the Board will be the Sustainability Steering Committee ("SSC") which is represented by the Executive Directors and chaired by Group Managing Director. SSC has a supervisory role over the Sustainability Working Committee ("SWC") which is head by senior management. The SWC plays a vital role in the operationalization and execution of sustainability strategies and initiatives and reporting of progress to the SSC.



### Roles

i)	Board of Directors Oversees the Group's overall sustainability performance
ii)	Sustainability Steering Committee Presents approved sustainability policies/initiatives to Board Review mitigation plans for identified Economic, Environmental and Social ("EES") risk and other areas
iii)	Sustainability Working Committee Identify, monitor and manage EES risks in respective divisions Look into Safety, Health, Environmental and Quality issues

### Ethics and Integrity

BCB has in place a Remuneration Framework and Policy ("Remuneration Policy") to provide an appropriate level of transparency to ensure the policy underlying Directors' and Senior Management's remuneration is understood by investors and shareholders. The Remuneration Policy consists of detailed remuneration components including fixed salary and fee, bonus and other benefits and allowances.

### Legal and Regulatory Compliances

BCB's governance entails the Group to adhere to various national regulations and standards to maintain our license to operate, retain trust from stakeholders, and avoid adverse consequences. We abide by the rules, guidelines and parameters set in the Real Estate and Housing Development Laws which include the National Land Code (Act 56) 1965, Malaysian Construction Industry Development Board Act 1994, Housing Development (Control and Licensing) Act 1966, Strata Titles Act 1985 and Strata Management Act 2013. We follow the regulations to a number of environmental compliances including Environmental Quality Act 1974 (and its Amendments) and social compliances like Employment Act 1955 and Occupational Safety and Health Act 1994. In FY2021, the Group recorded zero non-compliances.



# SUSTAINABILITY STATEMENT

(cont'd)

## Environmental

### Waste Management

The Group manages the waste from operation to create as little negative impact to the environment as possible – through monitoring of on-site waste management, and Group-wide recycling. At construction site, all contractors and suppliers are reminded to be mindful of their waste management. Not only that, the Group also ensures the compliances to the Environmental Quality Act 1974. The Group has maintained the reputation as a law-abiding organization thus far and will continue strive to always be aware of our responsibilities to safeguard the environment.

### Water Management

As a way to use water efficiently and reduce wastage, the Group has successfully implemented the water harvesting system for its project namely Versis in Batu Pahat. With this system, waters are collected and recycled for irrigation purpose as well as for landscape usage.

Above that, the Group also designs its properties with Duo-way sanitary flushing systems for its project Phase 2 Broadleaf in Kota Kemuning that helps to reduce excessive water usage. The systems not only conserve water but also reduce the amount that house owners need to pay for their water bills.

## Economic

### Corporate Governance and Code of Ethics and Conduct

Adhering the laws and regulations outlined by the government, the Group has been adopting the Malaysia Code of Corporate Governance 2017 ("MCCG") to maintain our corporate accountability and ethical practices sustainably. The Board of Directors has approved the Anti-Bribery and Corruption Policy in its efforts to maintain high standard of code of conduct and business ethics among its directors and employees.

Besides the above, Whistleblowing Policy is also available to stakeholders via corporate websites when there is caused to report any business misconduct. This Policy was created to provide a level of transparency along with accessibility to our stakeholders to report any business wrong doings by the Group.

## Stakeholder Relations

In the course of its business, the Group has to interact and engage with various stakeholders. The Group values all its stakeholders and believes in partnership and collaboration with them to achieve sustainability growth. The Group categorizes its stakeholders in the following manner:

- 1) Customers
- 2) Employees
- 3) Shareholders
- 4) Suppliers, Consultants and Contractors
- 5) Regulators
- 6) Local Communities

Stakeholder Group	Areas Of Concern	Engagement Frequency	Engagement Method
Customers	Product Quality Issues Customers Expectation	Ongoing	Feedback Sessions
Employees	Remuneration And Benefits Learning and Development  Employee Satisfaction  Work Environment	Annual, Ongoing	Staff Appraisals  Courses And Training Development  Management Meetings And Interaction
Shareholders	Profitability  Corporate Governance	Annual	Annual General Meeting  Annual Report  Corporate Website
Suppliers, Consultants And Contractors	Product Quality Products Pricing Transparency In Award	Ongoing	Vendor feedback  Open Tenders
Regulators	Various Statutory Compliance	Ongoing	Regular Meetings And Inspections
Local Communities	Environmental and Social issues  Livelihood and Personal Well-being	Ongoing, Ad-hoc	Community Engagement  Charitable Events

# SUSTAINABILITY STATEMENT

(cont'd)

During the financial year, the Group has moved towards digitalizing business operation in light of the current technology trend by introducing social platforms, such as Facebook and Youtube. Virtual sales galleries were also developed to aid the potential customer's experience. These initiatives have helped the Group in widen the market to a younger generation. Not only that, this also enables the Group to reach out to more people, as compared with engagement through traditional platforms, like newspapers, billboards, and brochures.

## Social

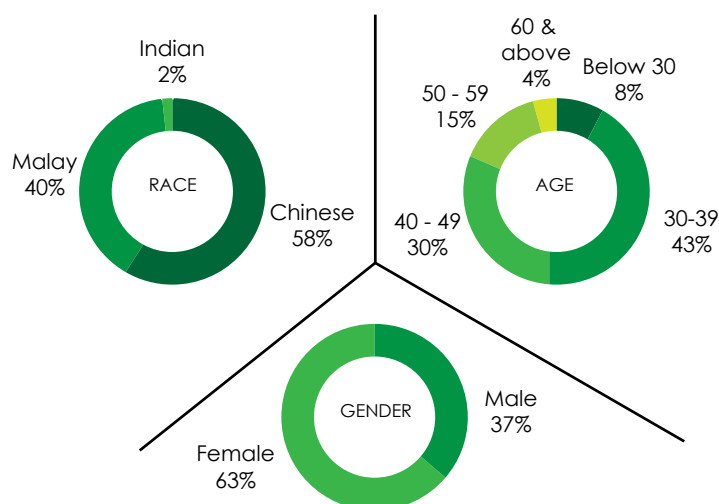
### Health and Safety

During the MCO, all the contractors and employees of the Group are required to adhere to government instructions and implement applicable standard operating procedures at the construction site. Temperature checks are conducted on daily basis at the entrances before entering the construction site and office. The Group also provides face mask to all the employees and sanitize the office and construction site to ensure the BCB's environment is germ-free.

Not only that, Information Technology ("IT") and Human Resources Department also worked in synergy to enact any required changes to enhance the work-from-home experience and data security. The free installation of Virtual Private Networks for employees to working from home, has ensured that confidential data was protected.

### Employee Management

The Group continues to maintain a diverse and inclusive workforce. The composition of workforce by race, age and gender in FY2021 is represented in the following diagram.



## Community Relations

The Group believes in giving back to the community and employees are the main driving force of its business. During the year,

- The Group looks after the welfare of its home buyers by ensuring all its projects such as its flagship townships of 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.
- The Group also ensures that its employees' health, welfare and safety are not compromised at the workplace. For the whole of financial year 2021, there was no reported mishap at the Group's various project sites.
- During the year, the Group made donations totaling about RM59,000 to various schools and charitable causes for cultural and social welfare activities.
- On 9 August 2021, Tan Sri Dato' Tan Seng Leong as Vice President of Yayasan Sultanah Fatimah, together with Datuk Tee and Menteri Besar of Johor presented a contribution of RM1.5 million to the Chinese community where RM1.0 million was distributed to 10 independent high schools while the remaining RM0.5 million was distributed to the Southern University College.



- During the FMCO lockdown that commenced on 1 June 2021, the Government announced all economic sectors nationwide would cease operations, including property developers. During this period, our construction site came to a complete halt where site workers had to remain in the site's hostel with insufficient food supply. As the situation worsened, the staff from BCB Development Sdn. Bhd. initiated a donation drive to provide necessities for the workers.



# FIVE YEARS' FINANCIAL HIGHLIGHTS

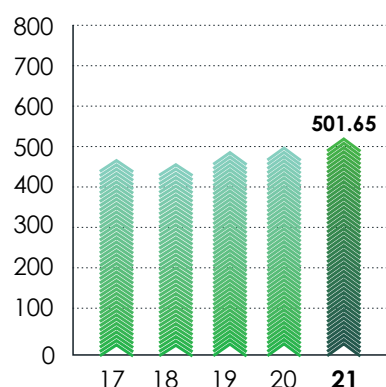
Consolidated Statements of Financial Position as at 30 June for the financial year

	2017 RM '000	2018 RM '000	2019 RM '000 (Restated*)	2020 RM '000 (Restated*)	2021 RM '000
Share Capital	206,250	206,250	206,250	206,250	206,250
Treasury Shares	(3,167)	(3,168)	(3,371)	(3,373)	(3,373)
Non-Distributable Shares	6,788	6,788	6,788	6,788	-
Retained Earnings	237,728	213,940	235,428	246,989	262,634
Non-Controlling Interests	13,034	24,429	35,688	38,402	36,143
<b>Shareholders' Equity</b>	<b>460,633</b>	<b>448,239</b>	<b>480,783</b>	<b>495,056</b>	<b>501,654</b>
Represented by:					
Property, Plant and Equipment	60,987	57,633	51,832	55,989	51,816
Investment Properties	60,580	57,859	57,775	54,647	57,218
Land Held for Development	119,375	254,188	337,664	366,633	367,415
Other Non-Current Assets	2,961	8,206	3,853	4,713	3,546
<b>Current Assets</b>	<b>925,005</b>	<b>845,108</b>	<b>796,274</b>	<b>794,519</b>	<b>727,833</b>
<b>Current Liabilities</b>	<b>(444,425)</b>	<b>(540,636)</b>	<b>(530,138)</b>	<b>(592,543)</b>	<b>(521,123)</b>
	<b>480,580</b>	<b>304,472</b>	<b>266,136</b>	<b>201,976</b>	<b>206,710</b>
<b>Non-Current Liabilities</b>	<b>(263,850)</b>	<b>(234,119)</b>	<b>(236,477)</b>	<b>(188,902)</b>	<b>(185,051)</b>
	<b>460,633</b>	<b>448,239</b>	<b>480,783</b>	<b>495,056</b>	<b>501,654</b>
<b>Total Assets</b>	<b>1,168,908</b>	<b>1,222,994</b>	<b>1,247,398</b>	<b>1,276,501</b>	<b>1,207,828</b>
Number of Ordinary Shares of RM 0.50 in Issue ('000)	412,500	412,500	412,500	412,500	412,500
<b>Net Assets Per Share (RM)</b>	<b>1.09</b>	<b>1.03</b>	<b>1.08</b>	<b>1.11</b>	<b>1.13</b>

\* Included effects from Agenda Decision on MFRS 123 Borrowing Costs.

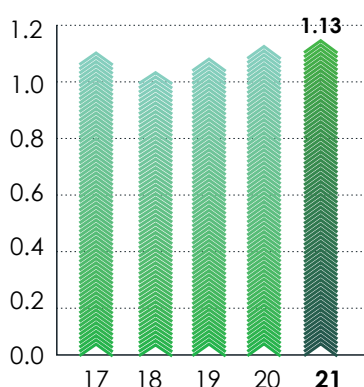
## Shareholders Equity

RM'000,000



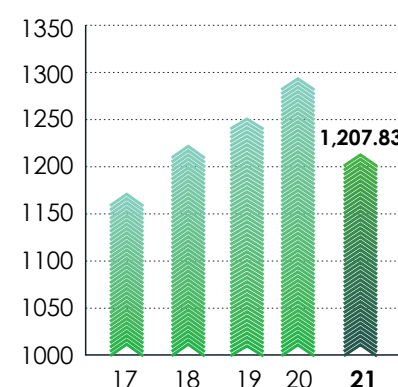
## Net Assets Per Share

RM



## Total Assets

RM'000,000





## Five Years' Financial Highlights

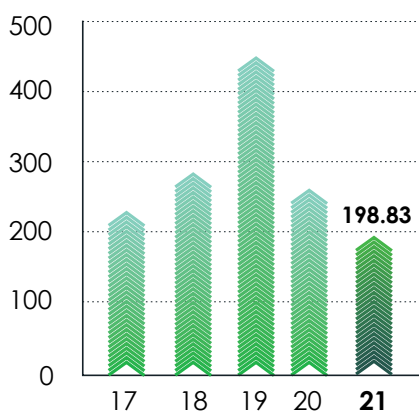
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Consolidated Statements of Comprehensive Income as at 30 June for the financial year

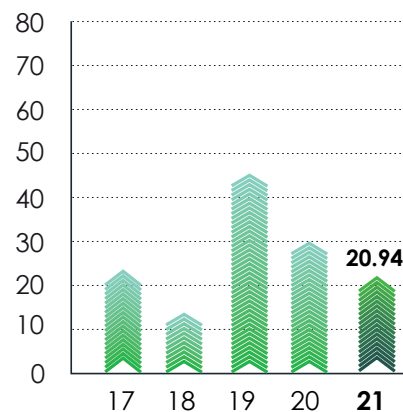
	2017 RM '000	2018 RM '000	2019 RM '000 (Restated*)	2020 RM '000 (Restated*)	2021 RM '000
Revenue	222,154	292,254	425,394	253,980	198,829
Profit Before Taxation	21,050	13,812	44,848	29,874	20,935
Profit After Taxation	11,041	8,300	32,761	14,276	13,386
Profit attributable to owner of the Company	9,797	6,889	21,505	11,557	15,645
Adjusted Weighted Average Number of Shares in Issue	400,361	400,359	399,631	399,621	399,621
Basic Earnings Per Share (Sen)	2.45	1.72	5.38	2.89	3.92

\* Included effects from Agenda Decision on MFRS 123 Borrowing Costs.

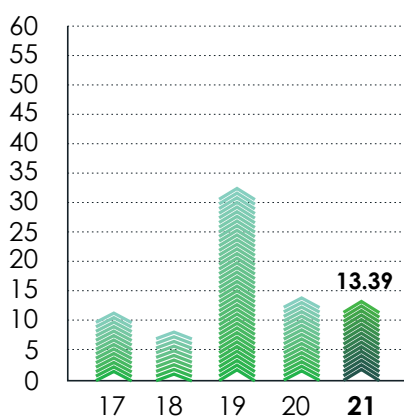
**Revenue**  
RM'000,000



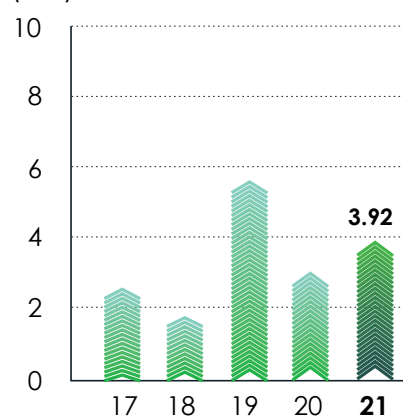
**Profit Before Taxation**  
RM'000,000



**Profit After Taxation**  
RM'000,000



**Basic EPS**  
(sen)



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Tan Sri Dr. Ali Bin Hamsa**  
Chairman  
Independent Non-Executive Director

**Tan Sri Dato' Tan Seng Leong**  
Group Managing Director

**Law Lee Yen**  
Independent Non-Executive Director

**Tan Lay Hiang**  
Executive Director

**Tan Lindy**  
Executive Director

**Tan Vin Sern**  
Executive Director

**Tan Kok Wee**  
Independent Non-Executive Director

## Audit Committee

**Law Lee Yen**  
Chairperson

**Tan Sri Dr. Ali Bin Hamsa**  
Member

**Tan Kok Wee**  
Member

## Nomination & Remuneration Committee

**Law Lee Yen**  
Chairperson

**Tan Sri Dr. Ali Bin Hamsa**  
Member

**Tan Kok Wee**  
Member

## Company Secretaries

**Ng Heng Hooi** (MAICSA No. 7048492)  
(SSM PC No. 202008002923)  
**Wong Mee Kiat** (MAICSA No. 7058813)  
(SSM PC No. 202008001958)

## Auditors

**BDO PLT (LLP0018825-LCA & AF 0206)**  
Chartered Accountants  
Level 8, BDO @ Menara CenTARa  
360 Jalan Tuanku Abdul Rahman  
50100 Kuala Lumpur

Tel: 03-2616 2888  
Fax: 03-2616 2970

## 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.bccbhd.com.my](http://www.bccbhd.com.my)

# CORPORATE STRUCTURE



Building Communities & Beyond

**BCB BERHAD** 198801004645 (172003-W)

Investment holding, property development and hotel operations

## PROPERTY

100%

**Johbase Development Sdn Bhd**  
Property development and letting of properties

100%

**BCB Land Sdn Bhd**  
Property development

100%

**BCB Resources Sdn Bhd**  
Property development

100%

**BCB Management Sdn Bhd**  
Project management services

70%

**BCB Development Sdn Bhd**  
Property development and letting of properties



100%

**Total Builder Generation Sdn Bhd**  
Engaged in the business of general construction

86.6%

**Global Earnest Sdn Bhd**  
Property development and letting of properties

60%

**BCB Heights Sdn Bhd**  
Property development



100%

**BCB Elysia Sdn Bhd**  
Letting of properties

80%

**BCB Medini Development Sdn Bhd**  
Property development



## CONSTRUCTION

100%

**BCB Construction Sdn Bhd**  
Project construction services and property investment

100%

**BCB Concrete Sdn Bhd**  
Manufacturing of concrete products

100%

**BCB Road Builder Sdn Bhd**  
Road construction services

100%

**BCB Trading Sdn Bhd**  
Trading of building materials



## OTHERS

100%

**BCB Food & Beverage Sdn Bhd**  
Investment holding



80%

**BCB Ventures Sdn Bhd**  
Restaurant Operator

100%

**P City Wellness Centre Sdn Bhd**  
Managing rental businesses, tenants engagement and property management

100%

**Golden Power Construction Sdn Bhd**  
Dormant





## BOARD OF DIRECTORS' PROFILE

### TAN SRI DR. ALI BIN HAMSA

*Chairman / Independent Non-Executive Director*

*Member of Audit Committee*

*Member of Nomination and Remuneration Committee*

Tan Sri Dr. Ali Bin Hamsa, male, aged 66, a Malaysian, was appointed to the Board on 1 September 2021. He graduated with Diploma in Public Management from National Institute of Public Administration, Malaysia. He obtained a Bachelor of Arts (Honours) from University of Malaya before furthering his studies at Oklahoma State University, the United States of America where he obtained master's degree in Economics followed by Ph.D. in Environmental Sciences and Economics.

He was a tutor in University of Malaya prior to starting his career in the Administrative and Diplomatic Service (PTD) as an Assistant Director at the Ministry of Trade and Industry on 5 January 1981. In 1986, he was appointed as the Senior Project Manager, Economy and Public Policy Management Centre (PUTERA) at the National Institute of Public Administration (INTAN), where he co-authored two books, namely *Dasar-Dasar Utama Kerajaan* (1988) and *Malaysia Kita* (1990). He had a short stint at the Ministry of Transport in 1992.

Upon obtaining his Ph.D. in 1997, he began serving at the Economic Planning Unit (EPU), Prime Ministers Department. He held the position of Director of Department. He held the positions of Director of Distribution and Deputy Director-General of the National Transformation and Advancement Programme. On 22 April 2009, he was appointed as the first Director-General of the Public Private Partnership Unit (UKAS), Prime Ministers Department. He served as the 13th Chief Secretary to the Government of Malaysia from 24 June 2012 until 28 August 2018. He also holds Directorships in YB Ventures Berhad, G Capital Berhad and KPJ Healthcare Berhad.

### TAN SRI DATO' TAN SENG LEONG

*Group Managing Director*

*Key Senior Management*

Tan Sri Dato' Tan Seng Leong, male, aged 65, 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. In 1996, he was conferred a Ph.D. in Property Development and Management (U.S.A.).

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 2021.



## Board of Directors' Profile

(cont'd)

### LAW LEE YEN

*Independent Non-Executive Director*

*Chairperson of Audit Committee*

*Chairperson of Nomination and Remuneration Committee*

Law Lee Yen, female, aged 36, a Malaysian, was appointed to the Board on 6 September 2021. She graduated from the University of Melbourne, Australia in 2006 with a Bachelor of Commerce. She has been a member of the Malaysian Institute of Accountants since August 2010 and a member of CPA Australia since April 2010. She is also a member of Chartered Tax Institute of Malaysia since October 2012. She has more than 13 years of working experiences in the field of audit, corporate advisory and taxation services.

She started her career in 2007 with KPMG LLP Singapore as an Audit Associate. In 2010, she left KPMG LLP Singapore and joined Terry Law & Co, Malaysia as a Manager, responsible for tax advisory services. She was promoted as Partner of the firm in 2011, where she was responsible for providing tax advisory services. In January 2017, she set up her own firm, LY Law & Associates, as a partner after obtaining her audit practice license from the relevant ministry in Malaysia and with that, she was responsible for providing audit and tax advisory services under her new firm. In May 2017, she resigned as a partner of Terry Law & Co. Currently, she also serves as a Director for GPP Resources Berhad and Aimflex Berhad.

### TAN LAY HIANG

*Executive Director*

*Key Senior Management*

Tan Lay Hiang, female, aged 54, a Malaysian, was appointed to the Board on 16 July 1994. She manages the sales and marketing 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 four (4) of five (5) Board Meetings held in the financial year ended 30 June 2021.

### TAN LINDY

*Executive Director*

*Key Senior Management*

Tan Lindy, female, aged 37, a Malaysian, was appointed to the Board on 22 May 2008 and is responsible for the Group's property development projects. She holds a Bachelor of Commerce from University of Melbourne, Australia. She also holds directorships in BCB's subsidiaries.

Presently, She is REHDA Malaysia national council member as well as REHDA Johor Assistant Branch Secretary since 2020.

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 2021.

## Board of Directors' Profile

(cont'd)

### TAN VIN SERN

*Executive Director*  
*Key Senior Management*

Tan Vin Sern, male, aged 38, a Malaysian, was appointed to the Board on 25 May 2010 and is responsible for the Group's property development projects. 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 2021.

### TAN KOK WEE

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

Tan Kok Wee, male, aged 45, 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 today. He is also a Director of Singflux Technology Pte. Ltd. since 2014, a company that deals in waste recycling.

He attended five (5) of five (5) Board Meetings held in the financial year ended 30 June 2021.

### 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.



## KEY SENIOR MANAGEMENT PROFILE

### LIM HANG FEI

Group Chief Financial Officer

Lim Hang Fei, male, aged 47, a Malaysian, was appointed by the Company as Group Chief Financial Officer on 12 April 2021. He graduated from the RMIT University, Australia with a Bachelor of Business Degree in Accounting. He holds a professional qualification as a Certified Practising Accountant (CPA), Australia and is also a member of the Malaysian Institute of Accountants (MIA).

He has more than 20 years of experience in the accounting and finance sector. Prior to his appointment, he had worked in PricewaterhouseCoopers as an external auditor and subsequently held various senior finance positions in other public listed companies which include, among others S P Setia Berhad and Eco World Development Group Berhad.

He does not hold any directorship in any public companies. He does not have any family relationship with any director and/or major shareholder of the Company. He does not have any conflict of interest with the Company. He has not been convicted for offences within the past 5 years other than traffic offences and does not 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 2021.

## MEMBERS

As at 30 June 2021, the AC comprised of three (3) members, all of whom 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)

Tan Kok Wee  
(Independent Non-Executive Director)

## AUDIT COMMITTEE MEETINGS

The AC held five (5) meetings during the financial year ended 30 June 2021. 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 2021;
- (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

(cont'd)

## INTERNAL AUDIT FUNCTION

The Board has outsourced its internal audit function to Tricor Axcelasia Sdn. Bhd. ("TA"). 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. TA 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.

Two (2) internal audit assignments were completed during the financial year on three (3) areas of the Group; namely

- i. Sales & Conveyancing
- ii. Human Resource Function
- iii. RRPT process

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 TA'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 RM52,000.00 (exclude out of pocket expenses and services tax).

# **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 2021.

## **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.



# Corporate Governance Overview Statement

(cont'd)

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.

## 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 of seven (7) 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.

# Corporate Governance Overview Statement

(cont'd)

## Nomination & Remuneration Committee

During the financial year 30 June 2021, the NRC comprises three (3) members, all of whom are Non-Executive Directors as follows:

Name of Director	Remark
Tan Sri Datuk Seri Ismail Bin Yusof (Chairman, Independent Non-Executive Director)	- resigned with effect from 3 September 2021
Ash'ari Bin Ayub (Member, Independent Non-Executive Director)	- resigned with effect from 31 August 2021
Tan Kok Wee (Member, Independent Non-Executive Director)	-

The above Directors ceased as the Chairman/members of NRC following their resignation as Directors. The new composition of NRC comprising three (3) members, all of whom are Independent Non-Executive Directors as follows:

Name of Director	Remark
Law Lee Yen (Chairperson, Independent Non-Executive Director)	- appointed with effect from 6 September 2021
Tan Sri Dr. Ali Bin Hamsa (Member, Independent Non-Executive Director)	- appointed with effect from 1 September 2021
Tan Kok Wee (Member, Independent Non-Executive Director)	-

## 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.

## Tenure of Independent Directors

The Board is mindful of the recommendation of the Code on limiting the tenure of Independent Directors to nine (9) years of service. However, the Board may, in appropriate cases and subject to the assessment of the NRSC on an annual basis, retain an Independent Director who has served a consecutive or cumulative term of nine (9) years to continue to serve as Independent Director subject to shareholders' approval.

Currently, the Company does not have any long serving Independent Non-Executive Director who has exceeded a cumulative term limit of nine (9) years.

# Corporate Governance Overview Statement

(cont'd)

## 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.

## 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.

Following the appointment of Law Lee Yen as Independent Non-Executive Director to the Board on 6 September 2021, there are now three (3) female Directors which represents 43% of the Board composition.

## 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 2021 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^	5/5	5/5	1/1
Tan Lay Hiang	4/5	-	-
Tan Vin Sern	5/5	-	-
Tan Lindy	5/5	-	-
Tan Kok Wee	5/5	5/5	1/1

\* resigned as independent non-executive Chairman on 31 August 2021

^ resigned as independent non-executive Director on 3 September 2021

# Corporate Governance Overview Statement

(cont'd)

## 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	Directors' Disclosure of Interest in Contracts, Property, Offices, Etc	6 April 2021	MIA
Tan Sri Dato' Tan Seng Leong	Directors' Disclosure of Interest in Contracts, Property, Offices, Etc	6 April 2021	MIA
Tan Sri Datuk Seri Ismail Bin Yusof	Directors' Disclosure of Interest in Contracts, Property, Offices, Etc	6 April 2021	MIA
Tan Lay Hiang	Directors' Disclosure of Interest in Contracts, Property, Offices, Etc	6 April 2021	MIA
Tan Vin Sern	Directors' Disclosure of Interest in Contracts, Property, Offices, Etc	6 April 2021	MIA
Tan Lindy	Directors' Disclosure of Interest in Contracts, Property, Offices, Etc	6 April 2021	MIA
Tan Kok Wee	Directors' Disclosure of Interest in Contracts, Property, Offices, Etc	6 April 2021	MIA

## 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 practice.

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 2021 is as follows:

### Company

	Salaries (RM)	Bonus (RM)	Fees (RM)	Other Benefits <sup>1</sup> (RM)	Total (RM)
<u>Executive Directors</u>					
Tan Sri Dato' Tan Seng Leong	787,040	-	-	-	787,040
Tan Lay Hiang	232,377	-	-	-	232,377
Tan Vin Sern	152,330	-	-	-	152,330
Tan Lindy	342,000	-	-	-	342,000
<u>Non-Executive Directors</u>					
Ash'ari Bin Ayub*	-	-	76,000	5,500	81,500
Tan Sri Datuk Seri Ismail Bin Yusof^	-	-	48,000	5,500	53,500
Tan Kok Wee	-	-	48,000	5,500	53,500

### Group

	Salaries (RM)	Bonus (RM)	Fees (RM)	Other Benefits <sup>1</sup> (RM)	Total (RM)
<u>Executive Directors</u>					
Tan Sri Dato' Tan Seng Leong	2,880,000	-	-	-	2,880,000
Tan Lay Hiang	342,119	-	-	-	342,119
Tan Vin Sern	642,000	-	-	-	642,000
Tan Lindy	534,000	-	-	-	534,000
<u>Non-Executive Directors</u>					
Ash'ari Bin Ayub*	-	-	76,000	5,500	81,500
Tan Sri Datuk Seri Ismail Bin Yusof^	-	-	48,000	5,500	53,500
Tan Kok Wee	-	-	48,000	5,500	53,500

<sup>1</sup>Other benefits include meeting allowance, car and driver allowances and medical insurance coverage.

\*resigned as independent non-executive Chairman on 31 August 2021

^resigned as independent non-executive Director on 3 September 2021

The Board has chosen to disclose the remuneration of the top five (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.

The number of top five (5) senior management's remuneration for the financial year ended 30 June 2021 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 – RM3,500,000	1

# Corporate Governance Overview Statement

(cont'd)

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### Audit Committee Composition and Chairman

During the financial year 30 June 2021, the AC comprises three (3) members, all of whom are Non-Executive Directors as follows:

Name of Director	Remark
Tan Sri Datuk Seri Ismail Bin Yusof (Chairman, Independent Non-Executive Director)	- resigned with effect from 3 September 2021
Ash'ari Bin Ayub (Member, Independent Non-Executive Director)	- resigned with effect from 31 August 2021
Tan Kok Wee (Member, Independent Non-Executive Director)	-

The above Directors ceased as the Chairman/members of AC following their resignation as Directors. The new composition of AC comprising three (3) members, all of whom are Independent Non-Executive Directors as follows:

Name of Director	Remark
Law Lee Yen (Chairperson, Independent Non-Executive Director)	- appointed with effect from 6 September 2021
Tan Sri Dr. Ali Bin Hamsa (Member, Independent Non-Executive Director)	- appointed with effect from 1 September 2021
Tan Kok Wee (Member, Independent Non-Executive Director)	-

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 PLT. 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 PLT rotates its engaging partner once every 7 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.

# Corporate Governance Overview Statement

(cont'd)

## 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.

## Internal Audit Function

The Group's internal audit function is outsourced to a professional service firm, Tricor Axcelasia Sdn. Bhd. (f.k.a. Axcelasia Columbus 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 Thirty-third (33rd) AGM of the Company will be held on 14 December 2021 while the Notice of Thirty-third AGM of the Company will be issued on 28 October 2021. 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.

# Corporate Governance Overview Statement

(cont'd)

## **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 Thirty-third AGM will be held at The Elysia Park Residence Sales Gallery, Jalan Persiaran Medini Utara 1, Bandar Medini Iskandar Malaysia, 79250 Iskandar Puteri, Johor Darul Takzim.

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 14 October 2021.



# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Malaysian Code on Corporate Governance 2017 requires listed Companies to maintain a sound risk management and system of internal controls in its business operations to safeguard shareholders' investments and the Group's assets.

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 is 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

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 in 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.

### Management

The Management is responsible in implementing the process to identify, assess, evaluate, monitor and reporting of risk and the effectiveness of the internal control system. Any identified risk which is material will be communicated to the Board together with an action plan to manage the risk.

## RISK MANAGEMENT FRAMEWORK

The Group has in place an on-going process for identifying, assessing, evaluating and monitoring and reporting 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 at their scheduled meetings.

### Types of Significant Risks

- i) Poor workmanship
- ii) Non-performing consultants/contractors
- iii) Slow Sales
- iv) Ineffective Sales and Marketing plans

### Risk Management Approach

The Group has engaged a QLASSIC consultant to do regular quality control audits in all its on-going projects.

The Group has a structured process to continually monitor them.

The Group has taken steps to meet customers' needs and for ease of customers end-financing loan applications by re-designing its layout to incorporate more semi-D houses.

The Group will engage/out-source to reputable marketing agents for certain projects with such issues.

# Statement on Risk Management and Internal Control (cont'd)

## RISK MANAGEMENT FRAMEWORK

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.

## INTERNAL AUDIT FUNCTION

The Audit Committee evaluates the effectiveness of the internal auditor in relation to their defined responsibilities. The independent internal audit function is outsourced to a professional internal audit 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. A total of two (2) internal audit reviews were carried out by the independent internal audit firm for the financial year ended 30 June 2021.

## 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 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 quarterly 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. 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.

## Statement on Risk Management and Internal Control (cont'd)

### REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in the Audit and Assurance Practice Guide 3 ("AAPG 3"), Guidance for Auditors on Engagements to Report on The Statement of Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants. The external auditors have also reported to the Board that nothing has come to their attention to cause them to believe that this statement is factually inaccurate and has not complied with disclosure provisions under paragraphs 41 and 42 of the Guideline.

### 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 2021. 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 Group Managing Director and Group Chief Finance Officer 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 Group.

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 2021.

This statement was made in accordance with a resolution of the Board of directors passed on 14 October 2021.

# FINANCIAL STATEMENTS

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## DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2021.

### 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	13,385,707	(4,227,724)
Attributable to:		
Owners of the parent	15,645,191	(4,227,724)
Non-controlling interests	(2,259,484)	-
	13,385,707	(4,227,724)

### 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 the 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, there were no repurchases of own equity securities from the open market. The shares repurchased are held as treasury shares in accordance with Section 127 of the Companies Act 2016 in Malaysia.

The Company has the right to cancel, resell or distribute the treasury shares as dividends or transfer the treasury shares for the purposes of an employees' share scheme or as purchase consideration at a later date. As treasury shares, the rights attached to voting, dividends and participation in other distribution are suspended. None of the treasury shares repurchased had been sold or cancelled during the financial year.

Details of the treasury shares are set out in Note 13 to the financial statements.

# Directors' Report

(cont'd)

## 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

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

Tan Sri Dato' Tan Seng Leong*	
Tan Lay Hiang*	
Tan Lindy*	
Ash'ari Bin Ayub	(Resigned on 31 August 2021)
Tan Sri Datuk Seri Ismail Bin Yusof	(Resigned on 3 September 2021)
Tan Sri Dr Ali Bin Hamsa	(Appointed on 1 September 2021)
Law Lee Yen	(Appointed on 6 September 2021)
Tan Vin Sern*	
Tan Kok Wee	

\* *Directors of the Company and its subsidiaries*

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

Puan Sri Datin Lim Sui Yong	
Tan Vin Shyan	
Shi Zhongming	
Miao Weiwei	
He Jie	
Chan Wai Keung Barry	
Chan Wai Chung	
Lai Lucai	
Li Wen-Hsiao	
Li Ya Ming	(Alternate Director to He Jie)
Shen Yi Ren	(Alternate Director to Shi Zhongming)
Kong Lee Kuan	(Resigned on 30 June 2021)

## 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 2021 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 1.7.2020	Bought Sold	Balance as at 30.6.2021
<b>Shares in the Company</b>			
<b>Indirect interest:</b>			
Tan Sri Dato' Tan Seng Leong^	234,737,400	-	234,737,400

# Directors' Report

(cont'd)

## DIRECTORS' INTERESTS (continued)

	Balance as at 1.7.2020	Number of ordinary shares		Balance as at 30.6.2021
		Bought	Sold	
<b>Shares in ultimate holding company, Evergreen Ratio Sdn. Bhd.</b>				
<b>Direct interests:</b>				
Tan Sri Dato' Tan Seng Leong	700,000	-	-	700,000
Tan Lindy	50,000	-	-	50,000
Tan Vin Sern	100,000	-	-	100,000
<b>Indirect interest:</b>				
Tan Sri Dato' Tan Seng Leong <sup>#</sup>	150,000	-	-	150,000

<sup>^</sup> 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.

<sup>#</sup> 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 Tan Sri Dato' Tan Seng Leong's substantial interest in the ordinary shares of the ultimate holding company, he is 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 those benefits 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 26 to the financial statements.

There were no arrangements made 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 in 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 2021 are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>Non-executive Directors:</b>				
- fees	172,000	172,000	172,000	172,000
<b>Executive Directors:</b>				
- fees	96,000	90,000	-	-
- salaries and bonus	4,398,119	5,413,693	1,513,748	1,490,408
- defined contribution plan	711,202	876,770	287,612	283,179
- others	51,112	68,437	31,380	46,070
	5,160,433	6,358,900	1,832,740	1,819,657
	5,428,433	6,620,900	2,004,740	1,991,657

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 RM35,200 (2020: RM95,150) respectively.

## INDEMNITY AND INSURANCE

There were no indemnity given to or insurance effected for the Directors, auditors or officers 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 there are no 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 have been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the 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, except for the impact arising from the COVID-19 pandemic as disclosed in Note 29 to the financial statements.

## OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (continued)

### (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 necessitate the writing off of bad debts or render 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 the 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 and 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.

## SIGNIFICANT EVENT DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Significant event during the financial year and subsequent to the end of the reporting period is disclosed in Note 29 to the financial statements.

## HOLDING COMPANY

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



# Directors' Report

(cont'd)

## AUDITORS

The auditors, BDO PLT (LLP0018825-LCA & AF 0206), have expressed their willingness to continue in office.

Auditors' remuneration of the Company and its subsidiaries for the financial year ended 30 June 2021 amounted to RM101,550 and RM154,800 respectively.

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

**Tan Sri Dato' Tan Seng Leong**  
Group Managing Director

**Tan Vin Sern**  
Director

Kluang, Johor Darul Ta'zim  
14 October 2021

## STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 45 to 129 have been drawn up in accordance with Malaysian Financial Reporting Standards, International 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 2021 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

**Tan Vin Sern**  
Director

Kluang, Johor Darul Ta'zim  
14 October 2021

## STATUTORY DECLARATION

I, Lim Hang Fei, being the officer primarily responsible for the financial management of BCB Berhad, do solemnly and sincerely declare that the financial statements set out on pages 45 to 129 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 14 October 2021

**Lim Hang Fei**  
CA 48033

Before me:

# **INDEPENDENT AUDITORS' REPORT**

## **TO THE MEMBERS OF BCB BERHAD**

### **(INCORPORATED IN MALAYSIA)**

#### **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 2021 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 45 to 129.

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 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") 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' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("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 recognition for property development and construction contracts**

Revenue from property development of the Group and of the Company for the financial year ended 30 June 2021 amounted to RM137.3 million and RM24.1 million respectively as disclosed in Note 18 to the financial statements. Revenue from construction contracts of the Group for the financial year ended 30 June 2021 amounted to RM16.1 million as disclosed in Note 18 to the financial statements.

We determined these to be a key audit matter because it requires management to exercise significant judgement in determining the satisfaction of performance obligations as stated in the contracts with customers, transaction price allocation and costs in applying the input method to recognise revenue over time.

The Group and the Company identify performance obligations that are distinct and material, which are judgmental in the context of the contracts. Transaction prices are determined based on estimated profit margins prior to its allocation to the identified performance obligations. The Group and the Company also estimate total contract costs in applying the input method to recognise revenue over time. In estimating the total costs to complete, the Group and the Company consider the completeness and accuracy of its cost estimation, including its obligations to contract variation, claims and cost contingencies.

# Independent Auditors' Report

To the Members of BCB Berhad  
(Incorporated in Malaysia) (cont'd)

## Key Audit Matters (continued)

### (a) Revenue recognition for property development and construction contracts (continued)

#### Audit response

Our audit procedures included the following:

- (i) Reviewed contracts with customers to identify distinct and material performance obligations, and compared our findings to the findings of the Group and of the Company;
- (ii) Recomputed transaction prices based on contract prices, performance obligations and profit margins of the Group and of the Company;
- (iii) Assessed estimated total costs to complete through inquiries with operational and financial personnel of the Group and of the Company;
- (iv) Inspected documentation to support cost estimates made including contract variations and cost contingencies; and
- (v) Compared prior contract budgets to actual outcomes to assess reliability of management's budgeting process.

### (b) Recoverability of trade receivables

As at 30 June 2021, trade receivables of the Group and of the Company net of impairment losses amounted to RM102.8 million and RM7.6 million respectively. The details of trade receivables have been disclosed in Note 10 to the financial statements.

We determined this to be key audit matter because it requires management to exercise significant judgement in determining the probability of default by trade receivables, appropriate forward looking information and estimated loss given default in worst-case scenarios arising from the impact of the COVID-19 pandemic.

#### Audit response

Our audit procedures included the following:

- (i) Recomputed the probability of default using historical data and forward looking information factors, incorporating the impact of the COVID-19 pandemic, applied by the Group and the Company;
- (ii) Inquired of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses;
- (iii) Inquired of management and inspected relevant correspondences that property buyers have secured financing; and
- (iv) Assessed recoverability of debts that were past due with reference to the past historical repayment trends, cash received subsequent to year end and discussion with management on the status of attempts by management to recoup the amounts outstanding.

# Independent Auditors' Report

To the Members of BCB Berhad  
(Incorporated in Malaysia) (cont'd)

## Key Audit Matters (continued)

### (c) Impairment assessment of the carrying amount property, plant and equipment and investment properties

As stated in Note 5 and Note 6 to the financial statements, the carrying amount of hotel properties as recorded in property, plant and equipment and investment properties amounted to RM25.9 million and RM5.6 million respectively. The Group and the Company have recorded an impairment loss of RM7.9 million on property, plant and equipment and a fair value loss on investment properties of RM1.7 million relating to the hotel properties during the financial year.

We determined this to be a key audit matter because it requires management to exercise significant judgement and estimates about the future results and key assumptions applied to the expected cash flows of the hotel properties in determining the recoverable amount. These key assumptions include forecast growth in future revenues and operating profit margins, taking into consideration the impact of COVID-19 pandemic, as well as determining an appropriate pre-tax discount rate.

#### Audit response

Our audit procedures included the following:

- (i) Assessed and evaluated the key assumptions used in the cash flow projection to available external industry sources of data;
- (ii) Assessed appropriateness of pre-tax discount rate used by comparing to the weighted average cost of capital of the Group and relevant risk; and
- (iii) Assessed reasonableness of operating profit margins, growth rates and disposal value of the property, incorporating the impact of COVID-19 pandemic, by assessing the business plans for the property and evidence available to support the key assumptions in the cash flow projection.

### 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.



# Independent Auditors' Report

To the Members of BCB Berhad  
(Incorporated in Malaysia) (cont'd)

## 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 MFRSs, IFRSs 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.
- (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.

# Independent Auditors' Report

To the Members of BCB Berhad  
(Incorporated in Malaysia) (cont'd)

## Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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, actions taken to eliminate threats or safeguards applied.

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 PLT**  
LLP0018825-LCA & AF 0206  
Chartered Accountants

14 October 2021  
Kuala Lumpur

**Koo Swee Lin**  
03281/08/2022 J  
Chartered Accountant

# STATEMENTS OF FINANCIAL POSITION

## AS AT 30 JUNE 2021

GROUP	Note	30.06.2021 RM	30.06.2020 RM (Restated)	01.07.2019 RM (Restated)
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	5	51,816,117	55,989,217	51,832,267
Investment properties	6	57,218,190	54,646,914	57,774,914
Inventories	7	367,414,930	366,632,960	337,664,101
Deferred tax assets	9	3,546,360	4,713,070	3,853,033
		479,995,597	481,982,161	451,124,315
<b>CURRENT ASSETS</b>				
Inventories	7	581,024,055	615,000,353	619,671,651
Trade and other receivables	10	115,466,506	123,195,847	122,663,741
Contract assets	11	8,765,001	17,488,618	20,591,128
Current tax assets		5,547,522	8,276,877	10,323,738
Cash and bank balances	12	17,029,640	30,556,717	23,023,428
		727,832,724	794,518,412	796,273,686
<b>TOTAL ASSETS</b>		1,207,828,321	1,276,500,573	1,247,398,001
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>				
Share capital	13	206,250,000	206,250,000	206,250,000
Treasury shares	13	(3,373,365)	(3,373,365)	(3,371,015)
Revaluation reserve	14	-	6,788,088	6,788,088
Retained earnings		262,634,504	246,989,313	235,427,967
		465,511,139	456,654,036	445,095,040
<b>Non-controlling interests</b>	8(i)	36,142,512	38,401,996	35,687,608
<b>TOTAL EQUITY</b>		501,653,651	495,056,032	480,782,648

# Statements of Financial Position

As at 30 June 2021 (cont'd)

GROUP	Note	30.06.2021 RM	30.06.2020 RM (Restated)	01.07.2019 RM (Restated)
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Borrowings	15	180,773,418	185,196,474	234,901,398
Lease liabilities	16	4,277,724	3,660,502	1,575,980
Deferred tax liabilities	9	-	44,501	-
		185,051,142	188,901,477	236,477,378
<b>CURRENT LIABILITIES</b>				
Borrowings	15	137,982,786	183,555,162	211,223,193
Lease liabilities	16	5,947,068	1,427,237	878,443
Trade and other payables	17	245,216,694	263,542,532	257,653,401
Contract liabilities	11	129,501,271	136,242,034	59,346,921
Current tax liabilities		2,475,709	7,776,099	1,036,017
		521,123,528	592,543,064	530,137,975
<b>TOTAL LIABILITIES</b>		706,174,670	781,444,541	766,615,353
<b>TOTAL EQUITY AND LIABILITIES</b>		1,207,828,321	1,276,500,573	1,247,398,001

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

## Statements of Financial Position

As at 30 June 2021 (cont'd)

COMPANY	Note	30.06.2021 RM	30.06.2020 RM (Restated)	01.07.2019 RM (Restated)
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	5	33,749,542	44,259,265	45,719,849
Investment properties	6	5,604,276	7,300,000	7,300,000
Inventories	7	31,668,285	32,337,088	22,581,535
Investment in subsidiaries	8	259,235,710	199,300,006	168,300,106
Deferred tax assets	9	3,066,868	2,537,619	2,183,578
		333,324,681	285,733,978	246,085,068
<b>CURRENT ASSETS</b>				
Inventories	7	126,540,038	139,958,070	149,345,633
Trade and other receivables	10	18,776,303	10,571,033	23,245,912
Contract assets	11	-	-	1,036,794
Current tax assets		3,834,530	5,965,712	4,310,730
Cash and bank balances	12	3,073,519	6,028,413	5,148,033
		152,224,390	162,523,228	183,087,102
<b>TOTAL ASSETS</b>		485,549,071	448,257,206	429,172,170
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>				
Share capital	13	206,250,000	206,250,000	206,250,000
Treasury shares	13	(3,373,365)	(3,373,365)	(3,371,015)
Revaluation reserve	14	-	6,788,088	6,788,088
Retained earnings		62,227,717	66,455,441	74,100,261
<b>TOTAL EQUITY</b>		265,104,352	276,120,164	283,767,334



# Statements of Financial Position

As at 30 June 2021 (cont'd)

COMPANY	Note	30.06.2021 RM	30.06.2020 RM (Restated)	01.07.2019 RM (Restated)
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Borrowings	15	16,953,424	3,717,190	22,873,450
Lease liabilities	16	380,129	671,128	495,220
		17,333,553	4,388,318	23,368,670
<b>CURRENT LIABILITIES</b>				
Borrowings	15	57,741,763	63,330,901	58,203,801
Lease liabilities	16	290,999	450,337	442,452
Trade and other payables	17	133,858,726	91,689,788	58,154,267
Contract liabilities	11	11,219,678	12,277,698	5,235,646
		203,111,166	167,748,724	122,036,166
<b>TOTAL LIABILITIES</b>		220,444,719	172,137,042	145,404,836
<b>TOTAL EQUITY AND LIABILITIES</b>		485,549,071	448,257,206	429,172,170

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 2021

		Group		Company	
	Note	2021 RM	2020 RM (Restated)	2021 RM	2020 RM (Restated)
Revenue	18	198,829,131	253,979,999	41,910,897	29,042,430
Cost of sales	19	(115,234,249)	(141,331,553)	(21,493,139)	(20,465,352)
Gross profit		83,594,882	112,648,446	20,417,758	8,577,078
Other operating income		7,680,263	4,166,023	475,865	4,397,764
Administrative expenses		(34,898,309)	(31,461,886)	(13,235,171)	(12,253,494)
Net impairment loss on receivables		(571,079)	(3,410,785)	(1,717,713)	(1,061,812)
Marketing and selling expenses		(6,557,220)	(20,875,962)	(1,056,238)	(1,930,904)
Other operating expenses		(8,051,353)	(9,154,262)	(2,919,443)	(485,016)
Finance income	20	41,583	231,884	35,589	49,244
Finance costs	20	(20,303,852)	(22,269,373)	(4,240,321)	(5,628,600)
Profit/(Loss) before tax	22	20,934,915	29,874,085	(2,239,674)	(8,335,740)
Taxation	23	(7,549,208)	(15,598,371)	(1,988,050)	690,920
Profit/(Loss) for the financial year		13,385,707	14,275,714	(4,227,724)	(7,644,820)
Other comprehensive loss, net of tax		(6,788,088)	-	(6,788,088)	-
Total comprehensive income/(loss)		6,597,619	14,275,714	(11,015,812)	(7,644,820)
<b>Profit/(Loss) attributable to:</b>					
Owners of the parent		15,645,191	11,557,162	(4,227,724)	(7,644,820)
Non-controlling interests	8(i)	(2,259,484)	2,718,552	-	-
		13,385,707	14,275,714	(4,227,724)	(7,644,820)
<b>Total comprehensive income/(loss) attributable to:</b>					
Owners of the parent		8,857,103	11,557,162	(11,015,812)	(7,644,820)
Non-controlling interests	8(i)	(2,259,484)	2,718,552	-	-
		6,597,619	14,275,714	(11,015,812)	(7,644,820)
<b>Earnings per share attributable to owners of the parent (sen)</b>					
- Basic and diluted	24	3.92	2.89		

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

# STATEMENTS OF CHANGES IN EQUITY

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Group	Note	Share capital RM	Treasury shares RM	Revaluation reserve RM	Retained earnings RM	Total attributable to owners of the parent RM	Non-controlling interests RM	Total equity RM
Balance as at 1 July 2019, as previously reported		206,250,000	(3,371,015)	6,788,088	252,950,259	462,617,332	42,394,055	505,011,387
Effects of adoption of Agenda Decision	30	-	-	-	(17,522,292)	(17,522,292)	(6,706,447)	(24,228,739)
Balance as at 1 July 2019, as restated		206,250,000	(3,371,015)	6,788,088	235,427,967	445,095,040	35,687,608	480,782,648
Profit for the financial year		-	-	-	11,557,162	11,557,162	2,718,552	14,275,714
Other comprehensive income, net of tax		-	-	-	-	-	-	-
Total comprehensive income		-	-	-	11,557,162	11,557,162	2,718,552	14,275,714
<b>Transactions with owners</b>								
Dilution of interest	8(h)	-	-	-	4,184	4,184	(4,164)	20
Purchase of treasury shares	13	-	(2,350)	-	-	(2,350)	-	(2,350)
Total transactions with owners		-	(2,350)	-	4,184	1,834	(4,164)	(2,330)
Balance as at 30 June 2020		206,250,000	(3,373,365)	6,788,088	246,989,313	456,654,036	38,401,996	495,056,032
Balance as at 1 July 2020, as previously reported		206,250,000	(3,373,365)	6,788,088	270,260,538	479,925,261	48,029,513	527,954,774
Effects of adoption of Agenda Decision	30	-	-	-	(23,271,225)	(23,271,225)	(9,627,517)	(32,898,742)
Balance as at 1 July 2020, as restated		206,250,000	(3,373,365)	6,788,088	246,989,313	456,654,036	38,401,996	495,056,032
Profit for the financial year		-	-	-	15,645,191	15,645,191	(2,259,484)	13,385,707
Other comprehensive loss, net of tax	14	-	-	(6,788,088)	-	(6,788,088)	-	(6,788,088)
Total comprehensive (loss)/income		-	-	(6,788,088)	15,645,191	8,857,103	(2,259,484)	6,597,619
Balance as at 30 June 2021		206,250,000	(3,373,365)	-	262,634,504	465,511,139	36,142,512	501,653,651

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

# Statements of Changes In Equity

For the Financial Year Ended 30 June 2021 (cont'd)

Company	Note	Share capital RM	Treasury shares RM	Revaluation reserve RM	Retained earnings RM	Total equity RM
Balance as at 1 July 2019, as previously reported		206,250,000	(3,371,015)	6,788,088	83,335,272	293,002,345
Effects of adoption of Agenda Decision	30	-	-	-	(9,235,011)	(9,235,011)
Balance as at 1 July 2019, as restated		206,250,000	(3,371,015)	6,788,088	74,100,261	283,767,334
Loss for the financial year		-	-	-	(7,644,820)	(7,644,820)
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive loss		-	-	-	(7,644,820)	(7,644,820)
<b>Transaction with owners</b>						
Purchase of treasury shares	13	-	(2,350)	-	-	(2,350)
Total transaction with owners		-	(2,350)	-	-	(2,350)
Balance as at 30 June 2020		206,250,000	(3,373,365)	6,788,088	66,455,441	276,120,164
Balance as at 1 July 2020, as previously reported		206,250,000	(3,373,365)	6,788,088	72,654,759	282,319,482
Effects of adoption of Agenda Decision	30	-	-	-	(6,199,318)	(6,199,318)
Balance as at 1 July 2020, as restated		206,250,000	(3,373,365)	6,788,088	66,455,441	276,120,164
Loss for the financial year		-	-	-	(4,227,724)	(4,227,724)
Other comprehensive loss, net of tax	14	-	-	(6,788,088)	-	(6,788,088)
Total comprehensive loss		-	-	(6,788,088)	(4,227,724)	(11,015,812)
Balance as at 30 June 2021		206,250,000	(3,373,365)	-	62,227,717	265,104,352

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

# STATEMENTS OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

		Group		Company	
	Note	2021 RM	2020 RM (Restated)	2021 RM	2020 RM (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit/(Loss) before tax		20,934,915	29,874,085	(2,239,674)	(8,335,740)
Adjustments:					
Bad debts written off	10(e)	-	158,876	-	158,876
Depreciation of property, plant and equipment	5	6,383,198	3,089,275	3,010,978	1,952,827
Dividend income	22	-	-	-	(3,180,000)
Fair value adjustment on investment properties	6	(3,848,276)	2,657,000	1,695,724	-
Finance income	20	(41,583)	(231,884)	(35,589)	(49,244)
Finance costs	20	20,303,852	22,269,373	4,240,321	5,628,600
(Gain)/Loss on disposals of:					
- property, plant and equipment	22	(467,927)	(1,973,901)	(236,671)	(923,410)
- investment properties	22	(193,750)	13,000	-	-
Gain on remeasurement of lease modifications	16(d)	(5,896)	-	-	-
Impairment losses on:					
- amounts due from subsidiaries	10(f)	-	-	413,435	-
- contract assets	11(d)	60,311	1,373,425	-	-
- equity loan	8(d)	-	-	1,064,297	-
- other receivables	10(f)	103,946	296,642	19,474	169,051
- property, plant and equipment	5(g)	1,125,906	-	1,125,906	-
- trade receivables	10(f)	1,114,764	2,799,435	301,387	1,155,797
Inventories written off		-	300	-	-
Inventories written down	7(c)(iii)	-	216,671	-	216,671
Property, plant and equipment written off	5	4,138	259,083	1,441	-
Reversal of impairment loss on:					
- amounts due from subsidiaries	10(f)	-	-	-	(128,416)
- contract assets	11(d)	(473,355)	(555,943)	-	(47,692)
- other receivables	10(f)	(6,274)	(79,985)	(6,274)	(327)
- trade receivables	10(f)	(228,313)	(422,789)	(74,606)	(86,601)
Operating profit/(loss) before working capital changes		44,765,656	59,742,663	9,280,149	(3,469,608)
Working capital changes:					
Land held for property development		673,522	-	673,522	-
Property development costs		13,468,477	(41,370,826)	4,101,201	1,571,099
Inventories		25,483,664	20,469,082	9,316,831	(2,154,940)
Trade and other receivables		6,745,218	(3,284,285)	(1,584,218)	7,334,667
Contract assets		9,136,661	2,285,028	-	1,084,486
Trade and other payables		(18,325,838)	5,889,131	1,381,363	8,516,972
Contract liabilities		(6,740,763)	76,895,113	(1,058,020)	7,042,052
Cash generated from operations		75,206,597	120,625,906	22,110,828	19,924,728
Tax paid		(10,657,927)	(7,877,053)	(386,117)	(1,318,103)
Tax refunded		1,659,893	250,089	-	-
Net cash from operating activities		66,208,563	112,998,942	21,724,711	18,606,625



# Statements of Cash Flows

For the Financial Year Ended 30 June 2021 (cont'd)

		Group		Company	
	Note	2021 RM	2020 RM (Restated)	2021 RM	2020 RM (Restated)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Additional interest acquired in subsidiaries	8	-	-	(4,000,001)	-
Additions to land held for property development	7(a)	(6,431,335)	(3,612,788)	(4,719)	(820)
Dividend received		-	-	-	3,180,000
Interest received		41,583	231,884	35,589	49,244
Net advances from/(to) subsidiaries		-	-	33,513,107	(1,909,619)
Proceeds from disposals of:					
- a subsidiary	8(h)	-	20	-	100
- property, plant and equipment		728,702	2,371,220	283,700	1,263,000
- investment properties		1,470,750	458,000	-	-
Purchase of property, plant and equipment	5(i)	(842,559)	(3,911,087)	(463,719)	(127,833)
Quasi-equity loan advanced to subsidiaries		-	-	(57,000,000)	-
Net cash (used in)/from investing activities		(5,032,859)	(4,462,751)	(27,636,043)	2,454,072
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Drawdown of borrowings		23,200,000	-	23,200,000	-
Interest paid on borrowings		(19,670,608)	(22,058,896)	(4,193,018)	(5,567,957)
Interest paid on lease liabilities		(633,244)	(210,477)	(47,303)	(60,643)
Purchase of treasury shares	13	-	(2,350)	-	(2,350)
Repayments of borrowings		(69,282,084)	(74,660,621)	(11,956,601)	(11,153,355)
Repayments of lease liabilities		(4,403,497)	(1,358,224)	(450,337)	(520,207)
Withdrawal/(Placement) of fixed deposits pledged to licensed banks		78,423	(475,177)	-	-
Net cash (used in)/from financing activities		(70,711,010)	(98,765,745)	6,552,741	(17,304,512)
Net (decrease)/increase in cash and cash equivalents		(9,535,306)	9,770,446	641,409	3,756,185
Cash and cash equivalents at beginning of financial year		(17,452,022)	(27,222,468)	(29,251,300)	(33,007,485)
Cash and cash equivalents at end of financial year	12(d)	(26,987,328)	(17,452,022)	(28,609,891)	(29,251,300)

# Statements of Cash Flows

For the Financial Year Ended 30 June 2021 (cont'd)

## RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Note	Borrowings*		Lease liabilities	
		Group RM	Company RM	Group RM	Company RM
<b>At 1 July 2019</b>		396,043,695	42,921,733	2,454,423	937,672
Cash flows		(74,660,621)	(11,153,355)	(1,568,701)	(580,850)
Non-cash flows:					
- Purchase of property, plant and equipment	5(i)	-	-	3,991,540	704,000
- Unwinding of interest		-	-	210,477	60,643
<b>At 30 June 2020</b>		321,383,074	31,768,378	5,087,739	1,121,465
<b>At 1 July 2020</b>		321,383,074	31,768,378	5,087,739	1,121,465
Cash flows, net of drawdowns		(46,082,084)	11,243,399	(5,036,741)	(497,640)
Non-cash flows:					
- Lease modifications		-	-	(115,780)	-
- Purchase of property, plant and equipment	5(i)	-	-	9,656,330	-
- Unwinding of interest		-	-	633,244	47,303
<b>At 30 June 2021</b>		275,300,990	43,011,777	10,224,792	671,128

\* Net of bank overdrafts

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

# NOTES TO THE FINANCIAL STATEMENTS

**30 JUNE 2021**

## 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 2021 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 14 October 2021.

## 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 Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRS") and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of IFRS Interpretations Committee ("IFRIC")'s Agenda Decision on IAS 23 *Borrowing Costs* ("Agenda Decision") during the financial year. Comparative figures for the financial year ended 30 June 2019 and 30 June 2020 have been restated to give effect to these changes as disclosed in Note 30 to the financial statements. The new MFRS and Amendments to MFRSs adopted during the financial year are disclosed in Note 30(a) to the financial statements.

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.

# Notes to the Financial Statements

30 June 2021 (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 two (2) 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) Others

Hotel operations and 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. Segment liabilities exclude tax liabilities.

## Notes to the Financial Statements

30 June 2021 (cont'd)

## 4. OPERATING SEGMENTS (continued)

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

2021	Property development and management activities RM	Construction and related activities RM	Others RM	Total RM
<b>Revenue</b>				
Total revenue	182,176,344	55,815,737	592,375	238,584,456
Inter-segment revenue	(24,000)	(39,731,325)	-	(39,755,325)
Revenue from external customers	182,152,344	16,084,412	592,375	198,829,131
<b>Results</b>				
Finance income	40,931	651	1	41,583
Finance costs	(19,645,486)	(654,614)	(3,752)	(20,303,852)
Net finance costs	(19,604,555)	(653,963)	(3,751)	(20,262,269)
Depreciation of property, plant and equipment	3,870,946	333,093	2,179,159	6,383,198
<b>Segment profit/(loss) before income tax</b>	23,100,565	433,590	(2,599,240)	20,934,915
Tax expense	(7,134,547)	(414,649)	(12)	(7,549,208)
<b>Other non-cash items:</b>				
Additions to non-current assets other than financial instruments and deferred tax assets	16,755,493	174,731	-	16,930,224
Fair value adjustment on investment properties	(3,665,276)	(183,000)	-	(3,848,276)
(Gain)/Loss on disposal of:				
- investment properties	(217,000)	23,250	-	(193,750)
- property, plant and equipment	(175,471)	(220,756)	(71,700)	(467,927)
Gain on remeasurement of lease modifications	(5,807)	(89)	-	(5,896)
Impairment losses on:				
- contract assets	19,746	40,565	-	60,311
- other receivables	103,946	-	-	103,946
- property, plant and equipment	1,125,906	-	-	1,125,906
- trade receivables	995,515	512	118,737	1,114,764
Property, plant and equipment written off	1,441	2,697	-	4,138
Reversal of impairment losses on:				
- contract assets	(409,619)	(63,736)	-	(473,355)
- other receivables	(6,274)	-	-	(6,274)
- trade receivables	(125,035)	(103,278)	-	(228,313)
<b>Segment assets</b>	1,161,505,930	18,707,552	18,520,957	1,198,734,439
<b>Segment liabilities</b>	656,791,870	46,270,186	636,905	703,698,961

# Notes to the Financial Statements

30 June 2021 (cont'd)

## 4. OPERATING SEGMENTS (continued)

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

2020 (Restated)	Property development and management activities RM	Construction and related activities RM	Others RM	Total RM
<b>Revenue</b>				
Total revenue	242,391,142	50,059,360	1,514,425	293,964,927
Inter-segment revenue	-	(39,984,928)	-	(39,984,928)
Revenue from external customers	242,391,142	10,074,432	1,514,425	253,979,999
<b>Results</b>				
Finance income	230,080	1,804	-	231,884
Finance costs	(21,502,902)	(762,567)	(3,904)	(22,269,373)
Net finance costs	(21,272,822)	(760,763)	(3,904)	(22,037,489)
Depreciation of property, plant and equipment	1,842,300	246,338	1,000,637	3,089,275
<b>Segment profit/(loss) before income tax</b>	27,657,569	3,057,617	(841,101)	29,874,085
Tax expense	(14,341,167)	(1,238,215)	(18,989)	(15,598,371)
<b>Other non-cash items:</b>				
Additions to non-current assets other than financial instruments and deferred tax assets	6,853,563	4,621,092	40,760	11,515,415
Bad debts written off	-	-	158,876	158,876
Fair value adjustment on investment properties	2,657,000	-	-	2,657,000
Loss/(Gain) on disposal of:				
- investment properties	-	13,000	-	13,000
- property, plant and equipment	(1,418,743)	(382,408)	(172,750)	(1,973,901)
Impairment losses on:				
- contract assets	632,584	740,841	-	1,373,425
- other receivables	196,413	100,229	-	296,642
- trade receivables	2,646,326	138,644	14,465	2,799,435
Inventories written off	-	300	-	300
Inventories written down	216,671	-	-	216,671
Property, plant and equipment written off	259,081	2	-	259,083
Reversal of impairment losses on:				
- contract assets	(452,214)	(103,729)	-	(555,943)
- other receivables	(75,348)	(4,637)	-	(79,985)
- trade receivables	(375,119)	-	(47,670)	(422,789)
<b>Segment assets</b>	1,201,808,473	34,558,720	27,143,433	1,263,510,626
<b>Segment liabilities</b>	713,552,940	59,469,579	601,422	773,623,941



## Notes to the Financial Statements

30 June 2021 (cont'd)

**4. OPERATING SEGMENTS (continued)**

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

	2021 RM	2020 RM (Restated)
<b>Assets</b>		
Total assets for reportable segments	1,198,734,439	1,263,510,626
Tax assets	9,093,882	12,989,947
Assets of the Group per consolidated statement of financial position	1,207,828,321	1,276,500,573
<b>Liabilities</b>		
Total liabilities for reportable segments	703,698,961	773,623,941
Tax liabilities	2,475,709	7,820,600
Liabilities of the Group per consolidated statement of financial position	706,174,670	781,444,541

# Notes to the Financial Statements

30 June 2021 (cont'd)

## 5. PROPERTY, PLANT AND EQUIPMENT

Group	Balance as at 1.7.2020 RM	Additions RM	Impairment RM	Disposals RM	Lease modification RM	Written off RM	Depreciation charge for the financial year RM	Balance as at 30.6.2021 RM
<b>2021</b>								
<b>Carrying amount</b>								
Freehold land	3,043,806	-	-	(193,213)	-	-	-	2,850,593
Leasehold land								
- Right-of-use assets	2,655,273	-	-	-	-	-	(36,374)	2,618,899
Hotel properties, at valuation	34,785,125	-	(7,913,994)	-	-	-	(945,012)	25,926,119
Buildings								
- Owned	7,416,624	-	-	(64,516)	-	-	(203,259)	7,148,849
- Right-of-use assets	2,597,528	9,656,330	-	-	(109,884)	-	(2,759,512)	9,384,462
Plant and machinery	29,760	3,550	-	-	-	(1)	(12,682)	20,627
Motor vehicles								
- Owned	86,872	-	-	(1)	-	-	(46,372)	40,499
- Right-of-use assets	1,653,238	-	-	-	-	-	(496,831)	1,156,407
Renovation	1,342,500	410,659	-	-	-	-	(840,084)	913,075
Furniture, fittings and office equipment	2,378,491	428,350	-	(3,045)	-	(4,137)	(1,043,072)	1,756,587
	55,989,217	10,498,889	(7,913,994)	(260,775)	(109,884)	(4,138)	(6,383,198)	51,816,117

## Notes to the Financial Statements

30 June 2021 (cont'd)

## 5. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	At 30.6.2021			
	Cost RM	Valuation RM	Accumulated depreciation RM	Carrying amount RM
Freehold land	2,850,593	-	-	2,850,593
Leasehold land				
- Right-of-use assets	3,164,506	-	(545,607)	2,618,899
Hotel properties, at valuation	-	33,083,064	(7,156,945)	25,926,119
Buildings				
- Owned	9,369,883	-	(2,221,034)	7,148,849
- Right-of-use assets	12,674,385	-	(3,289,923)	9,384,462
Plant and machinery	1,710,957	-	(1,690,330)	20,627
Motor vehicles				
- Owned	3,653,032	-	(3,612,533)	40,499
- Right-of-use assets	4,019,449	-	(2,863,042)	1,156,407
Renovation	10,315,111	-	(9,402,036)	913,075
Furniture, fittings and office equipment	20,133,420	-	(18,376,833)	1,756,587
	67,891,336	33,083,064	(49,158,283)	51,816,117

Group	Balance as at 1.7.2019 RM	Depreciation charge for the financial year				Balance as at 30.6.2020 RM
		Additions RM	Disposals RM	Written off RM	RM	
<b>Carrying amount</b>						
Freehold land	3,438,784	-	(394,978)	-	-	3,043,806
Leasehold land						
- Right-of-use assets	2,691,647	-	-	-	(36,374)	2,655,273
Hotel properties, at valuation	35,343,440	-	-	-	(558,315)	34,785,125
Buildings						
- Owned	3,412,714	4,136,886	(2,339)	-	(130,637)	7,416,624
- Right-of-use assets	1,471,544	1,716,256	-	-	(590,272)	2,597,528
Plant and machinery	32,962	11,245	-	(2)	(14,445)	29,760
Motor vehicles						
- Owned	167,271	11,850	(2)	-	(92,247)	86,872
- Right-of-use assets	962,162	1,496,375	-	(259,081)	(546,218)	1,653,238
Renovation	1,729,034	30,000	-	-	(416,534)	1,342,500
Furniture, fittings and office equipment	2,582,709	500,015	-	-	(704,233)	2,378,491
	51,832,267	7,902,627	(397,319)	(259,083)	(3,089,275)	55,989,217

# Notes to the Financial Statements

30 June 2021 (cont'd)

## 5. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	At 30.6.2020			
	Cost RM	Valuation RM	Accumulated depreciation RM	Carrying amount RM
Freehold land	3,043,806	-	-	3,043,806
Leasehold land				
- Right-of-use assets	3,164,506	-	(509,233)	2,655,273
Hotel properties, at valuation	-	40,997,058	(6,211,933)	34,785,125
Buildings				
- Owned	9,489,694	-	(2,073,070)	7,416,624
- Right-of-use assets	3,187,800	-	(590,272)	2,597,528
Plant and machinery	1,720,576	-	(1,690,816)	29,760
Motor vehicles				
- Owned	4,335,799	-	(4,248,927)	86,872
- Right-of-use assets	4,328,645	-	(2,675,407)	1,653,238
Renovation	9,957,296	-	(8,614,796)	1,342,500
Furniture, fittings and office equipment	19,950,846	-	(17,572,355)	2,378,491
	59,178,968	40,997,058	(44,186,809)	55,989,217

Company	Balance as at 1.7.2020 RM	Depreciation charge					Balance as at 30.6.2021 RM
		Additions RM	Impairment RM	Disposals RM	Written off RM	for the financial year RM	
<b>Carrying amount</b>							
Freehold land	946,168	-	-	(20,213)	-	-	925,955
Leasehold land							
- Right-of-use assets	2,655,273	-	-	-	-	(36,374)	2,618,899
Hotel properties, at valuation	34,785,125	-	(7,913,994)	-	-	(945,012)	25,926,119
Buildings							
- Owned	2,598,418	-	-	(26,816)	-	(81,820)	2,489,782
- Right-of-use assets	388,782	-	-	-	-	(274,434)	114,348
Motor vehicles							
- Owned	1	-	-	-	-	-	1
- Right-of-use assets	826,696	-	-	-	-	(188,071)	638,625
Renovation	978,094	269,906	-	-	-	(733,488)	514,512
Furniture, fittings and office equipment	1,080,708	193,813	-	-	(1,441)	(751,779)	521,301
	44,259,265	463,719	(7,913,994)	(47,029)	(1,441)	(3,010,978)	33,749,542

## Notes to the Financial Statements

30 June 2021 (cont'd)

## 5. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	At 30.6.2021			
	Cost RM	Valuation RM	Accumulated depreciation RM	Carrying amount RM
Freehold land	925,955	-	-	925,955
Leasehold land				
- Right-of-use assets	3,164,506	-	(545,607)	2,618,899
Hotel properties, at valuation	-	33,083,064	(7,156,945)	25,926,119
Buildings				
- Owned	4,056,102	-	(1,566,320)	2,489,782
- Right-of-use assets	663,216	-	(548,868)	114,348
Plant and machinery	1,171,202	-	(1,171,202)	-
Motor vehicles				
- Owned	1,444,646	-	(1,444,645)	1
- Right-of-use assets	2,289,509	-	(1,650,884)	638,625
Renovation	8,704,100	-	(8,189,588)	514,512
Furniture, fittings and office equipment	15,471,460	-	(14,950,159)	521,301
	37,890,696	33,083,064	(37,224,218)	33,749,542

Company	Balance as at 1.7.2019 RM	Depreciation charge for the financial year			Balance as at 30.6.2020 RM
		Additions RM	Disposals RM	RM	
<b>Carrying amount</b>					
Freehold land	1,087,658	-	(141,490)	-	946,168
Leasehold land					
- Right-of-use assets	2,691,647	-	-	(36,374)	2,655,273
Hotel properties, at valuation	35,343,440	-	-	(558,315)	34,785,125
Buildings					
- Owned	2,882,624	-	(198,100)	(86,106)	2,598,418
- Right-of-use assets	663,216	-	-	(274,434)	388,782
Motor vehicles					
- Owned	9,268	-	-	(9,267)	1
- Right-of-use assets	280,341	809,518	-	(263,163)	826,696
Renovation	1,283,033	-	-	(304,939)	978,094
Furniture, fittings and office equipment	1,478,622	22,315	-	(420,229)	1,080,708
	45,719,849	831,833	(339,590)	(1,952,827)	44,259,265

# Notes to the Financial Statements

30 June 2021 (cont'd)

## 5. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	At 30.6.2020			
	Cost RM	Valuation RM	Accumulated depreciation RM	Carrying amount RM
Freehold land	946,168	-	-	946,168
Leasehold land				
- Right-of-use assets	3,164,506	-	(509,233)	2,655,273
Hotel properties, at valuation	-	40,997,058	(6,211,933)	34,785,125
Buildings				
- Owned	4,115,913	-	(1,517,495)	2,598,418
- Right-of-use assets	663,216	-	(274,434)	388,782
Plant and machinery	1,172,082	-	(1,172,082)	-
Motor vehicles				
- Owned	2,032,552	-	(2,032,551)	1
- Right-of-use assets	2,289,509	-	(1,462,813)	826,696
Renovation	8,487,038	-	(7,508,944)	978,094
Furniture, fittings and office equipment	15,489,719	-	(14,409,011)	1,080,708
	38,360,703	40,997,058	(35,098,496)	44,259,265

- (a) All items of property, plant and equipment are initially measured at cost. After initial recognition, property, plant and equipment, except for freehold land and hotel properties, are stated at cost less accumulated depreciation and any accumulated impairment losses.

Hotel properties are stated at valuation, which is the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Hotel properties are revalued yearly which would be determined using fair value at the end of each reporting period. The surplus arising from such revaluations is credited to shareholders' equity as a revaluation reserve, net of deferred tax, if any, and any subsequent deficit is offset against such surplus to the extent of a previous increase for the same property. In all other cases, the deficit would be charged to profit or loss. For a revaluation increase subsequent to a revaluation deficit of the same asset, the surplus is recognised as income to the extent that it reverses the deficit previously recognised as an expense with the balance of increase credited to revaluation reserve.

- (b) Depreciation is calculated to write down 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:

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.



## Notes to the Financial Statements

30 June 2021 (cont'd)

## 5. PROPERTY, PLANT AND EQUIPMENT (continued)

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

	<b>Group and Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
Hotel properties	17,196,770	17,432,343

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

<b>Hotel properties</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Group and Company</b>				
2021	-	-	25,926,119	25,926,119
2020	-	-	34,785,125	34,785,125

- (i) There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the financial years ended 30 June 2021 and 30 June 2020.

- (ii) During the financial year, the Level 3 fair value of hotel properties (at valuation) was determined by the Directors using the income method based on the fair value less cost of disposal model derived from financial budgets approved by the management covering a five-year period.

In the previous financial year, Level 3 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, from the market's participants' view, which the Directors are of the opinion that a different use would maximise the value of the hotel properties, when it embarks into the wellness industry in the coming financial year.

- (e) The Group and the Company assessed whether there are any indications of impairment of property, plant and equipment during the financial year. In doing this, management considered the current environment, taking into consideration the impact of COVID-19 pandemic and performance of Cash Generating Units ("CGUs"). Management considered certain loss making CGUs and identified the hotel properties as having impairment indicators arising from the recent COVID-19 Movement Control Order.

The recoverable amount of the hotel properties is determined based on the fair value less cost of disposal model using cash flow projections derived from financial budgets approved by management.

Management has made estimates about future results and key assumption applied to cash flow projections of the hotel properties. These key assumptions are applied to cash flow projections of the hotel properties and include occupancy rate, disposal value as well as determining an appropriate pre-tax discount rate.

Management has determined that the recoverable amount of hotel properties is lower than its carrying amounts. Accordingly, impairment loss on hotel properties of the Group and the Company amounting to RM7,913,994 has been recognised during the financial year.

# Notes to the Financial Statements

30 June 2021 (cont'd)

## 5. PROPERTY, PLANT AND EQUIPMENT (continued)

- (f) Description of valuation techniques used and key inputs to valuation on hotel properties measured at Level 3:

Property category	Valuation technique	Significant unobservable input	Range	Inter-relationship
30 June 2021				
Hotel properties	Income based method	Disposal value	RM39,680,000	Higher estimated disposal values, higher fair value
		Occupancy rate	30% -85%	Higher estimated occupancy rate, higher fair value
		Pre-tax discount rate	5.18%	Higher range of input, lower fair value
30 June 2020				
Hotel properties	Comparison method	Estimated market values per square feet	RM180.00 to RM330.00	Higher estimated of market values per square feet, higher fair value

- (g) The following table shows a reconciliation of Level 3 fair values

	Group and Company 2021 RM
At 1 July	34,785,125
Depreciation	(945,012)
Changes in fair value	
- other comprehensive income	(6,788,088)
- profit or loss	(1,125,906)
At 30 June	25,926,119

- (h) The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any re-measurement of the lease liabilities.

The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:

Leasehold land	87 years
Buildings	1.5 to 10 years
Motor vehicles	5 years

## Notes to the Financial Statements

30 June 2021 (cont'd)

## 5. PROPERTY, PLANT AND EQUIPMENT (continued)

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

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Purchase of property, plant and equipment	10,498,889	7,902,627	463,719	831,833
Financed by hire purchase and lease arrangements	(9,656,330)	(3,991,540)	-	(704,000)
Cash payments on purchase of property, plant and equipment	842,559	3,911,087	463,719	127,833

- (j) 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 15 to the financial statements are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>Carrying amounts</b>				
Freehold land	925,955	946,168	925,955	946,168
Buildings	6,124,230	6,306,565	2,229,135	2,331,979
Hotel properties including leasehold land	28,545,018	37,440,398	28,545,018	37,440,398
	35,595,203	44,693,131	31,700,108	40,718,545

## 6. INVESTMENT PROPERTIES

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

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
<b>At beginning of financial year</b>		54,646,914	57,774,914	7,300,000	7,300,000
Fair value adjustments		3,848,276	(2,657,000)	(1,695,724)	-
Disposals		(1,277,000)	(471,000)	-	-
<b>At end of financial year</b>		57,218,190	54,646,914	5,604,276	7,300,000
Investment properties pledged as security for borrowings	15	36,933,190	35,628,914	5,604,276	7,300,000

# Notes to the Financial Statements

30 June 2021 (cont'd)

## 6. INVESTMENT PROPERTIES (continued)

- (b) The investment properties consist of freehold land, leasehold land and buildings which earn 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
<b>Group</b>				
2021	-	-	57,218,190	57,218,190
2020	-	-	54,646,914	54,646,914
<b>Company</b>				
2021	-	-	5,604,276	5,604,276
2020	-	-	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 2021 and 30 June 2020.

- (ii) Investment properties at Level 3 fair value measurements are based on the comparison method which refers to recent market transactions of similar properties within the vicinities and the income method that makes reference to rental income expected to be generated from the investment properties.

During the financial year, the Level 3 fair value of hotel properties was determined by the Directors using the income method based on the fair value less cost of disposal model derived from financial budgets approved by the management covering a five-year period.

- (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, except for the hotel properties as mentioned in Note 5(d)(iii).

- (e) Description of valuation techniques used and key inputs to valuation on investment properties measured at Level 3:

Property category	Valuation technique	Significant unobservable input	Range	Inter-relationship
<b>30 June 2021</b>				
Hotel properties	Income based method	Disposal value	RM39,680,000	Higher estimated disposal values, higher fair value
		Occupancy rate	30% -85%	Higher estimated occupancy rate, higher fair value
		Pre-tax discount rate	5.18%	Higher range of input, lower fair value
Commercial (shoplots)	Comparison method	Estimated market values per square feet	RM16.30 to RM241.29	Higher estimated of market values per square feet, higher fair value

## Notes to the Financial Statements

30 June 2021 (cont'd)

## 6. INVESTMENT PROPERTIES (continued)

- (e) Description of valuation techniques used and key inputs to valuation on investment properties measured at Level 3: (continued)

Property category	Valuation technique	Significant unobservable input	Range	Inter-relationship
<b>30 June 2021 (continued)</b>				
Shopping malls	Income based method	Estimated rental value per square feet per month	RM1.03 to RM12.46	Higher estimated rental, higher fair value
		Discount rate Commercial yield	10.0% 7.0%	Higher range of input, lower fair value
Commercial and residential (shophouse and semi detached house)	Comparison method	Estimated market values per square feet	RM166.96 to RM357.14	Higher estimated of market values per square feet, higher fair value
<b>30 June 2020</b>				
Hotel properties	Comparison method	Estimated market values per square feet	RM180.00 to RM330.00	Higher estimated of market values per square feet, higher fair value
Commercial (shoplots)	Comparison method	Estimated market values per square feet	RM16.30 to RM219.70	Higher estimated of market values per square feet, higher fair value
Shopping malls	Income based method	Estimated rental value per square feet per month	RM1.03 to RM13.23	Higher estimated rental, higher fair value
		Discount rate Commercial yield	8.0% 8.0%	Higher range of input, lower fair value
Commercial and residential (shophouse and semi detached house)	Comparison method	Estimated market values per square feet	RM149.52 to RM375.13	Higher estimated of market values per square feet, higher fair value

- (f) The leasehold land and buildings have remaining lease periods of 82 years and 72 years (2020: 83 years and 73 years) respectively.

# Notes to the Financial Statements

30 June 2021 (cont'd)

## 6. INVESTMENT PROPERTIES (continued)

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

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Rental income	2,750,509	3,241,584	-	369,968
Repair and maintenance	(1,794,308)	(1,850,896)	-	-
Quit rent and assessment	(365,865)	(397,622)	(24,290)	(34,025)

## 7. INVENTORIES

		Group		Company	
	Note	2021 RM	2020 RM (Restated)	2021 RM	2020 RM (Restated)
<b>Non-current</b>					
Land held for property development	7(a)	367,414,930	366,632,960	31,668,285	32,337,088
<b>Current</b>					
Property development cost	7(b)	504,757,213	514,749,698	75,241,682	80,842,734
Inventories held for sale	7(c)	76,266,842	100,250,655	51,298,356	59,115,336
		581,024,055	615,000,353	126,540,038	139,958,070

### (a) Land held for property development

Group 2021	Note	Freehold land RM	Long term leasehold land RM	Development costs RM	Total RM
<b>At cost</b>					
<b>At beginning of financial year</b>		110,806,457	169,746,109	86,080,394	366,632,960
Additions		42,508	-	6,388,827	6,431,335
Transfer to property development costs	7(b)	(1,319,644)	-	(3,656,199)	(4,975,843)
Cost recognised in profit or loss during the financial year	19	(187,393)	-	(486,129)	(673,522)
<b>At end of financial year</b>		109,341,928	169,746,109	88,326,893	367,414,930
<b>2020</b>					
<b>At cost</b>					
<b>At beginning of financial year</b>		102,006,346	165,732,944	69,924,811	337,664,101
Additions/(Reversal)		106,728	(287,914)	3,793,974	3,612,788
Transfer to property development costs	7(b)	-	-	(913,967)	(913,967)
Transfer from property development costs	7(b)	8,693,383	4,301,079	13,275,576	26,270,038
<b>At end of financial year</b>		110,806,457	169,746,109	86,080,394	366,632,960



## Notes to the Financial Statements

30 June 2021 (cont'd)

## 7. INVENTORIES (continued)

## (a) Land held for property development (continued)

Company 2021	Note	Freehold land RM	Long term leasehold land RM	Development costs RM	Total RM
<b>At cost</b>					
<b>At beginning of financial year</b>		19,964,617	-	12,372,471	32,337,088
Additions		-	-	4,719	4,719
Cost recognised in profit or loss during the financial year	19	(187,393)	-	(486,129)	(673,522)
<b>At end of financial year</b>		19,777,224	-	11,891,061	31,668,285
<b>2020</b>					
<b>At cost</b>					
<b>At beginning of financial year</b>		14,685,143	-	7,896,392	22,581,535
Additions		-	-	820	820
Transfer from property development costs	7(b)	5,279,474	-	4,475,259	9,754,733
<b>At end of financial year</b>		19,964,617	-	12,372,471	32,337,088
Carrying amount of land held for property development pledged as security for borrowings	15	227,678,252	228,997,896	462,932	462,932

- (i) Land held for property development for which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle, is classified as non-current. The carrying amount of such land classified as inventory under non-current assets is carried at the lower of cost and net realisable value.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, conversion fees and other relevant levies.

Land held for property development is transferred to property development costs under current assets when development activities have commenced and are expected to be completed within the normal operating cycle.

- (ii) Borrowing costs capitalised during the financial year for land held for property development of the Group amounted to RM1,970,164 (2020: RM2,057,588) at interest rates ranging from 3.8% to 5.4% (2020: 4.2% to 6.1%) per annum.
- (iii) Right-of-use assets that meet the definition of land held for property development in accordance with MFRS 102 *Inventories* is presented in the statements of financial position as inventories. Subsequent measurement of the right-of-use assets is consistent with those land held for property development owned by the Group.

# Notes to the Financial Statements

30 June 2021 (cont'd)

## 7. INVENTORIES (continued)

### (b) Property development costs

Group 2021	Note	Freehold land RM	Long term leasehold land RM	Development costs RM	Accumulated cost charged to profit or loss RM	Total RM
<b>At cost</b>						
<b>At beginning of financial year (as previously reported)</b>		52,042,899	122,032,578	742,845,723	(372,815,396)	544,105,804
Effects of adoption of Agenda Decision		-	-	(54,125,269)	24,769,163	(29,356,106)
<b>At beginning of financial year (as restated)</b>		52,042,899	122,032,578	688,720,454	(348,046,233)	514,749,698
Cost incurred during the financial year		-	-	64,989,821	-	64,989,821
Transfer from land held for property development	7(a)	1,319,644	-	3,656,199	-	4,975,843
Transfer to completed development properties		(19,316)	-	(1,480,535)	-	(1,499,851)
Reversal of completed projects		(11,628)	-	(921,201)	932,829	-
Cost recognised in profit or loss during the financial year	19	-	-	-	(78,458,298)	(78,458,298)
<b>At end of financial year</b>		53,331,599	122,032,578	754,964,738	(425,571,702)	504,757,213
<b>2020</b>						
<b>At cost</b>						
<b>At beginning of financial year (as previously reported)</b>		79,470,978	126,396,904	765,176,668	(417,392,411)	553,652,139
Effects of adoption of Agenda Decision		-	-	(46,024,931)	20,046,765	(25,978,166)
<b>At beginning of financial year (as restated)</b>		79,470,978	126,396,904	719,151,737	(397,345,646)	527,673,973
Cost incurred during the financial year		-	(63,247)	153,806,365	-	153,743,118
Transfer from land held for property development	7(a)	-	-	913,967	-	913,967
Transfer to land held for property development	7(a)	(8,693,383)	(4,301,079)	(13,275,576)	-	(26,270,038)
Transfer to completed development properties		(3,961,603)	-	(24,977,427)	-	(28,939,030)
Reversal of completed projects		(14,773,093)	-	(146,898,612)	161,671,705	-
Cost recognised in profit or loss during the financial year	19	-	-	-	(112,372,292)	(112,372,292)
<b>At end of financial year</b>		52,042,899	122,032,578	688,720,454	(348,046,233)	514,749,698

## Notes to the Financial Statements

30 June 2021 (cont'd)

## 7. INVENTORIES (continued)

## (b) Property development costs (continued)

Company 2021	Note	Freehold land RM	Development costs RM	Accumulated cost charged to profit or loss RM	Total RM
<b>At cost</b>					
<b>At beginning of financial year (as previously reported)</b>		33,861,150	73,361,629	(23,374,770)	83,848,009
Effects of adoption of Agenda Decision		-	(6,419,945)	3,414,670	(3,005,275)
<b>At beginning of financial year (as restated)</b>		33,861,150	66,941,684	(19,960,100)	80,842,734
Cost incurred during the financial year		-	7,401,585	-	7,401,585
Transfer to completed development properties		(19,316)	(1,480,535)	-	(1,499,851)
Reversal of completed projects		(11,628)	(921,201)	932,829	-
Cost recognised in profit or loss during the financial year	19	-	-	(11,502,786)	(11,502,786)
<b>At end of financial year</b>		33,830,206	71,941,533	(30,530,057)	75,241,682
<b>2020</b>					
<b>At cost</b>					
<b>At beginning of financial year (as previously reported)</b>		46,137,071	113,421,898	(60,088,241)	99,470,728
Effects of adoption of Agenda Decision		-	(10,452,939)	3,150,777	(7,302,162)
<b>At beginning of financial year (as restated)</b>		46,137,071	102,968,959	(56,937,464)	92,168,566
Cost incurred during the financial year		-	21,049,193	-	21,049,193
Transfer to land held for property development	7(a)	(5,279,474)	(4,475,259)	-	(9,754,733)
Transfer to completed development properties		(2,627,929)	(7,921,019)	-	(10,548,948)
Reversal of completed projects		(4,368,518)	(44,680,190)	49,048,708	-
Cost recognised in profit or loss during the financial year	19	-	-	(12,071,344)	(12,071,344)
<b>At end of financial year</b>		33,861,150	66,941,684	(19,960,100)	80,842,734

# Notes to the Financial Statements

30 June 2021 (cont'd)

## 7. INVENTORIES (continued)

### (b) Property development costs (continued)

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
<b>At cost</b>					
Carrying amount of property development costs pledged as security for borrowings	15	164,912,731	163,593,087	33,606,317	33,606,317

- (i) 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. Property development costs are stated at the lower of costs and net realisable value.

The cost of land, related development costs common to whole projects and direct building costs less cumulative amounts recognised as expense in the profit or loss for property under development are carried in the statements of financial position as property development costs. The property development cost is subsequently recognised as an expense in profit or loss as and when the control of the inventory is transferred to the customer.

Property development cost of unsold unit is transferred to completed development unit once the development is completed.

- (ii) Right-of-use assets that meet the definition of property development costs in accordance with MFRS 102 *Inventories* is presented in the statements of financial position as inventories. Subsequent measurement of the right-of-use assets is consistent with those property development costs owned by the Group.

### (c) Inventories held for sale

		Group		Company	
		2021 RM	2020 RM (Restated)	2021 RM	2020 RM (Restated)
<b>At cost</b>					
Completed development properties		75,893,225	99,587,734	51,248,356	58,723,360
Consumable stocks		323,617	270,945	-	-
<b>At net realisable value</b>					
Completed development properties		50,000	391,976	50,000	391,976
		76,266,842	100,250,655	51,298,356	59,115,336

## Notes to the Financial Statements

30 June 2021 (cont'd)

## 7. INVENTORIES (continued)

## (c) Inventories held for sale (continued)

	Note	Group		Company	
		2021 RM	2020 RM (Restated)	2021 RM	2020 RM
Inventories held for sale pledged as security for borrowings	15	40,533,435	51,556,449	30,424,208	38,752,420

- (i) Inventories held for sale are stated at the lower of cost and net realisable value. Costs of completed development properties comprise costs of acquisition of land including all related costs incurred subsequent to the acquisition necessary to prepare the land for its intended use, related development costs to projects and direct building costs. Costs of consumable stocks are determined on a first-in, first-out basis.
- (ii) During the financial year, the completed development properties of the Group and of the Company recognised as cost of sales amounted to RM25,536,336 (2020: RM20,074,850) and RM9,316,831 (2020: RM8,394,008) respectively.
- (iii) A write down of inventories of RM216,671 of the Group and of the Company was made in the previous financial year due to decline in net realisable values of completed properties.

## 8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2021 RM	2020 RM
Unquoted shares, at cost	86,300,007	82,300,006
Equity loans	174,000,000	117,000,000
	260,300,007	199,300,006
Less: Impairment losses	(1,064,297)	-
	259,235,710	199,300,006

- (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 MFRSs.
- (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.

# Notes to the Financial Statements

30 June 2021 (cont'd)

## 8. INVESTMENTS IN SUBSIDIARIES (continued)

(c) Details of subsidiaries, which are all incorporated in Malaysia, are as follows:

Name of company	Interest in equity held by				Principal activities
	Company 2021 %	Company 2020 %	Subsidiaries 2021 %	Subsidiaries 2020 %	
Subsidiaries					
BCB Concrete Sdn. Bhd.	100	100	-	-	Manufacturing of concrete products
BCB Construction Sdn. Bhd.	100	100	-	-	Provision of project construction services and property investment
BCB Food & Beverage Sdn. Bhd.	100	100	-	-	Investment holding
BCB Land Sdn. Bhd.	100	100	-	-	Property development
BCB Management Sdn. Bhd.	100	100	-	-	Provision of project management services
BCB Resources Sdn. Bhd.	100	100	-	-	Property development
BCB Road Builder Sdn. Bhd.	100	100	-	-	Provision of road construction services
BCB Trading Sdn. Bhd.	100	100	-	-	Trading of building materials
Golden Power Construction Sdn. Bhd.	100	100	-	-	Dormant
P City Wellness Centre Sdn. Bhd.*	100	-	-	-	Managing rental business, tenants engagement and property management
Johbase Development Sdn. Bhd.	100	100	-	-	Property development and letting of properties
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 and letting of properties
BCB Heights Sdn. Bhd.	60	60	-	-	Property development
Subsidiary of BCB Development Sdn. Bhd.					
Total Builder Generation Sdn. Bhd.	-	-	100	100	Engaged in the business of general construction
Subsidiary of BCB Food & Beverage Sdn. Bhd.					
BCB Ventures Sdn. Bhd.	-	-	80	80	Restaurant operator
Subsidiary of BCB Heights Sdn. Bhd.					
BCB Elysia Sdn. Bhd.	-	-	100	100	Letting of properties

All subsidiaries are audited by BDO PLT.

\* Statutory audit not required as at 30 June 2021 as the subsidiary is newly incorporated on 10 February 2021.



## Notes to the Financial Statements

30 June 2021 (cont'd)

## 8. INVESTMENTS IN SUBSIDIARIES (continued)

- (d) Impairment for equity loans is recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model as disclosed in Note 10 to the financial statements. The reconciliation of movements in the impairment losses of equity loans is as follows:

Company 2021	12-month ECL allowance RM	Lifetime ECL not credit impaired RM	Lifetime ECL credit impaired RM	Total RM
<b>At beginning of financial year</b>	-	-	-	-
Charge for the financial year	348,649	715,648	-	1,064,297
<b>At end of financial year</b>	348,649	715,648	-	1,064,297

- (e) On 24 August 2020, the Company had subscribed for additional 4,000,000 newly issued ordinary shares in BCB Construction Sdn. Bhd., a wholly-owned subsidiary of the Company, for a cash consideration RM4,000,000.
- (f) On 10 February 2021, the Company incorporated a 100% owned subsidiary, P City Wellness Centre Sdn. Bhd., a private limited company with paid-up capital of RM1 represented by one (1) ordinary share.
- (g) In the previous financial year, a non-wholly owned subsidiary of the Company, BCB Heights Sdn. Bhd. incorporated a 100% owned subsidiary, BCB Elysia Sdn. Bhd., a private limited company with paid-up capital of RM1 represented by one (1) ordinary share.
- (h) In the previous financial year, the Company disposed the entire equity interest in BCB Venture Sdn. Bhd. to a wholly-owned subsidiary, BCB Food & Beverage Sdn. Bhd. for a cash consideration of RM100.

Subsequently, BCB Food & Beverage Sdn. Bhd. disposed 20% of the equity interest in BCB Venture Sdn. Bhd., representing 20 ordinary shares to a non-controlling interest for a cash consideration of RM20. The disposal resulted in a decrease in the equity interest from 100% to 80% in the previous financial year. The dilution has no material financial effect to the Group.

# Notes to the Financial Statements

30 June 2021 (cont'd)

## 8. INVESTMENTS IN SUBSIDIARIES (continued)

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

	BCB Development Sdn. Bhd.	BCB Elysia Sdn. Bhd.	BCB Heights Sdn. Bhd.	BCB Medini Development Sdn. Bhd.	BCB Ventures Sdn. Bhd.	Global Earnest Sdn. Bhd.	Total Builder Generation Sdn. Bhd.	Total
<b>2021</b>								
NCI percentage of ownership and voting interest	30.00%	40.00%	40.00%	25.00%	20.00%	13.40%	30.00%	
Carrying amount of NCI (RM)	18,334,813	(1,974,184)	4,720,143	3,657,368	(6,667)	9,152,499	2,258,540	36,142,512
Profit/(Loss) allocated to NCI (RM)	4,675,767	(1,655,349)	(5,455,697)	(695,984)	(1,464)	486,151	387,092	(2,259,484)
Total comprehensive income/ (loss) allocated to NCI (RM)	4,675,767	(1,655,349)	(5,455,697)	(695,984)	(1,464)	486,151	387,092	(2,259,484)
<b>2020 (Restated)</b>								
NCI percentage of ownership and voting interest	30.00%	40.00%	40.00%	25.00%	20.00%	13.40%	30.00%	
Carrying amount of NCI (RM)	13,659,047	(318,835)	10,175,840	4,353,352	(5,203)	8,666,348	1,871,447	38,401,996
Profit/(Loss) allocated to NCI (RM)	2,649,813	(318,835)	(2,038,215)	769,676	(1,039)	605,538	1,051,614	2,718,552
Total comprehensive income/ (loss) allocated to NCI (RM)	2,649,813	(318,835)	(2,038,215)	769,676	(1,039)	605,538	1,051,614	2,718,552

## Notes to the Financial Statements

30 June 2021 (cont'd)

## 8. INVESTMENTS IN SUBSIDIARIES (continued)

- (j) 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:

2021	BCB Development Sdn. Bhd. RM	BCB Elysia Sdn. Bhd. RM	BCB Heights Sdn. Bhd. RM	BCB Medini Development Sdn. Bhd. RM	BCB Ventures Sdn. Bhd. RM	Global Earnest Sdn. Bhd. RM	Total Builder Generation Sdn. Bhd. RM
<b>Assets and liabilities</b>							
Non-current assets	76,161,525	11,607,014	76,980,572	66,593,134	-	43,105,056	729,296
Current assets	143,742,891	119,441	321,922,905	37,859,931	-	35,972,890	16,350,061
Non-current liabilities	(25,595,159)	(7,105,412)	(93,697,525)	(21,351,160)	-	-	(65,267)
Current liabilities	(100,153,818)	(9,556,503)	(219,405,595)	(26,476,542)	(33,336)	(10,775,718)	(9,485,625)
Net assets/(liabilities)	94,155,439	(4,935,460)	85,800,357	56,625,363	(33,336)	68,302,228	7,528,465
<b>Results</b>							
Revenue	65,504,364	866,888	7,592,167	-	-	6,099,910	24,675,295
Profit/(Loss) for the financial year	15,585,889	(4,138,373)	(13,639,243)	(2,783,935)	(7,322)	3,627,996	1,290,307
Total comprehensive income/(loss)	15,585,889	(4,138,373)	(13,639,243)	(2,783,935)	(7,322)	3,627,996	1,290,307
Cash flows from/(used in)							
- operating activities	20,650,364	2,006,211	(15,093,753)	(3,853,347)	(4,680)	2,313,891	3,946,123
- investing activities	2,295,369	1,718,293	46,645,243	4,298,618	-	(3,377,622)	(3,751,979)
- financing activities	(22,450,813)	(3,746,199)	(31,567,200)	(945,951)	(4,680)	(5,097)	(47,211)
Net increase/(decrease) in cash and cash equivalents	494,920	(21,695)	(15,710)	(500,680)	-	(1,068,828)	146,933

# Notes to the Financial Statements

30 June 2021 (cont'd)

## 8. INVESTMENTS IN SUBSIDIARIES (continued)

(j) 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: (continued)

2020 (Restated)	BCB Development Sdn. Bhd. RM	BCB Elysia Sdn. Bhd. RM	BCB Heights Sdn. Bhd. RM	BCB Medini Development Sdn. Bhd. RM	BCB Ventures Sdn. Bhd. RM	Global Earnest Sdn. Bhd. RM	Total Builder Generation Sdn. Bhd. RM
<b>Assets and liabilities</b>							
Non-current assets	77,484,395	2,537,681	76,295,098	63,814,749	-	39,908,185	770,236
Current assets	139,638,470	241,955	328,682,983	38,632,221	-	35,064,002	11,622,391
Non-current liabilities	(28,951,480)	(1,983,743)	(107,133,366)	(14,402,158)	-	-	(98,300)
Current liabilities	(109,601,835)	(1,592,980)	(248,405,115)	(35,635,514)	(26,014)	(10,297,955)	(6,056,169)
Net assets/(liabilities)	78,569,550	(797,087)	49,439,600	52,409,298	(26,014)	64,674,232	6,238,158
<b>Results</b>							
Revenue	90,879,067	5,682	39,922,568	9,312,912	-	12,229,031	9,176,063
Profit/(Loss) for the financial year	8,832,711	(797,088)	(4,580,308)	4,500,505	(10,388)	4,518,940	3,505,382
Total comprehensive income/(loss)	8,832,711	(797,088)	(4,580,308)	4,500,505	(10,388)	4,518,940	3,505,382
Cash flows from/(used in)							
- operating activities	35,614,878	(641,534)	22,444,839	(11,692,077)	-	9,632,792	635,701
- investing activities	(3,333,420)	924,033	9,304,697	17,478,918	-	(8,759,268)	(657,094)
- financing activities	(32,698,181)	(219,183)	(30,177,692)	(7,216,634)	-	(30,539)	(17,816)
Net (decrease)/increase in cash and cash equivalents	(416,723)	63,316	1,571,844	(1,429,793)	-	842,985	(39,209)

## Notes to the Financial Statements

30 June 2021 (cont'd)

## 9. DEFERRED TAX

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

	Group		Company	
	2021 RM	2020 RM (Restated)	2021 RM	2020 RM (Restated)
<b>Balance as at 1 July</b>	4,668,569	3,853,033	2,537,619	2,183,578
Recognised in profit or loss (Note 23)	(1,122,209)	815,536	529,249	354,041
<b>Balance as at 30 June</b>	3,546,360	4,668,569	3,066,868	2,537,619
Presented after appropriate offsetting:				
Deferred tax assets	6,749,761	8,091,891	6,570,396	6,258,830
Offset against deferred tax liabilities	(3,203,401)	(3,378,821)	(3,503,528)	(3,721,211)
Net deferred tax assets	3,546,360	4,713,070	3,066,868	2,537,619
Deferred tax liabilities	(3,203,401)	(3,423,322)	(3,503,528)	(3,721,211)
Offset against deferred tax assets	3,203,401	3,378,821	3,503,528	3,721,211
Net deferred tax liabilities	-	(44,501)	-	-

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

## Deferred tax assets

Group	Unutilised tax losses RM	Unabsorbed capital allowances RM	Other deductible temporary differences RM	Total RM
<b>At 1 July 2020</b>	1,712,341	3,669,907	2,709,643	8,091,891
Recognised in profit or loss	(1,712,341)	227,913	142,298	(1,342,130)
<b>At 30 June 2021</b>	-	3,897,820	2,851,941	6,749,761
<b>At 1 July 2019</b>	-	5,778,885	5,954,633	11,733,518
Recognised in profit or loss	1,712,341	(2,108,978)	(3,244,990)	(3,641,627)
<b>At 30 June 2020</b>	1,712,341	3,669,907	2,709,643	8,091,891

# Notes to the Financial Statements

30 June 2021 (cont'd)

## 9. DEFERRED TAX (continued)

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

### Deferred tax assets (continued)

Company	Unutilised tax losses RM	Unabsorbed capital allowances RM	Other deductible temporary differences RM	Total RM
<b>At 1 July 2020</b>	1,712,341	3,669,907	876,582	6,258,830
Recognised in profit or loss	(1,712,341)	227,913	1,795,994	311,566
<b>At 30 June 2021</b>	-	3,897,820	2,672,576	6,570,396
<b>At 1 July 2019</b>	-	4,671,504	1,151,799	5,823,303
Recognised in profit or loss	1,712,341	(1,001,597)	(275,217)	435,527
<b>At 30 June 2020</b>	1,712,341	3,669,907	876,582	6,258,830

### Deferred tax liabilities

	Group		Company	
	Property, plant and equipment RM	Other taxable temporary differences RM	Total RM	Property, plant and equipment RM
<b>At 1 July 2020</b>	(3,406,450)	(16,872)	(3,423,322)	(3,721,211)
Recognised in profit or loss	203,049	16,872	219,921	217,683
<b>At 30 June 2021</b>	(3,203,401)	-	(3,203,401)	(3,503,528)
<b>At 1 July 2019</b>	(3,319,132)	(4,561,353)	(7,880,485)	(3,639,725)
Recognised in profit or loss	(87,318)	4,544,481	4,457,163	(81,486)
<b>At 30 June 2020</b>	(3,406,450)	(16,872)	(3,423,322)	(3,721,211)

Deferred tax assets are recognised for unutilised tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that future taxable profits would be available against which the unutilised tax losses, unabsorbed capital allowances and other deductible temporary differences 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 2021 (cont'd)

## 9. DEFERRED TAX (continued)

- (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	
	2021 RM	2020 RM
Unutilised tax losses		
- Expires by 30 June 2025	18,712,640	18,716,329
- Expires by 30 June 2026	11,102,284	11,102,284
- Expires by 30 June 2027	2,137,430	2,137,430
- Expires by 30 June 2028	16,176,244	-
Unabsorbed capital allowances	141,815	111,174
Other deductible temporary differences	3,957,223	-
	<b>52,227,636</b>	<b>32,067,217</b>

In accordance with the provision in Finance Act 2018, the unutilised tax losses are available for utilisation in the next seven years, for which, any excess at the end of the seventh year, would be disregarded. 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.

## 10. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>Trade receivables</b>				
Third parties	102,991,665	104,289,352	9,171,525	7,334,196
Related parties	8,935,927	15,415,906	-	1,765
Amount due from ultimate holding company	415,729	415,729	-	-
	<b>112,343,321</b>	<b>120,120,987</b>	<b>9,171,525</b>	<b>7,335,961</b>
Less: Impairment losses	(9,551,995)	(8,665,544)	(1,590,994)	(1,364,213)
Total trade receivables	<b>102,791,326</b>	<b>111,455,443</b>	<b>7,580,531</b>	<b>5,971,748</b>
<b>Other receivables</b>				
Third parties	7,452,260	7,490,227	1,576,235	1,957,044
Deposits	6,630,892	5,892,268	1,704,048	1,719,243
Amounts due from subsidiaries	-	-	9,718,458	2,443,990
	<b>14,083,152</b>	<b>13,382,495</b>	<b>12,998,741</b>	<b>6,120,277</b>
Less: Impairment losses on:				
- third parties	(2,221,845)	(3,019,266)	(1,259,012)	(1,245,812)
- amounts due from subsidiaries	-	-	(770,031)	(356,596)
Total other receivables	<b>11,861,307</b>	<b>10,363,229</b>	<b>10,969,698</b>	<b>4,517,869</b>



# Notes to the Financial Statements

30 June 2021 (cont'd)

## 10. TRADE AND OTHER RECEIVABLES (continued)

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Total receivables	114,652,633	121,818,672	18,550,229	10,489,617
Prepayments	813,873	1,377,175	226,074	81,416
Total trade and other receivables	115,466,506	123,195,847	18,776,303	10,571,033

- (a) Total receivables are classified as financial assets measured at amortised costs.
- (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 (2020: 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 and repayable within next twelve (12) months in cash and cash equivalents. The amounts are interest free except for an amount of RM2,025,018 (2020: RM2,873,720), which bears interest at rate of 6.52% (2020: 7.41%) 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	
	2021 RM	2020 RM
<b>Repayable as follows:</b>		
Within one (1) year	416,750	-
More than one (1) year	925,594	2,303,408
	1,342,344	2,303,408

- (e) In the previous financial year, the Group and the Company had written off bad debts of RM158,876 against trade and other receivables and amounts due from subsidiaries.
- (f) Impairment for trade receivables and contract assets that do not contain a significant financing component are recognised based on the simplified approach within MFRS 9 using the lifetime expected credit losses ("ECL").

The Group and the Company consider credit loss experience and observable data such as current changes and future forecasts in economic conditions based on the common credit risk characteristics – type of financing method, to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

## Notes to the Financial Statements

30 June 2021 (cont'd)

## 10. TRADE AND OTHER RECEIVABLES (continued)

(f) (continued)

During this process, the probability of non-payment by the trade receivables is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. The Group and the Company have identified the Malaysian House Price Index, Construction Index, Gross Domestic Product, unemployment rate, lending interest rate, inflation rate, labour force participate rate and consumer price index as the key macroeconomic factors of the forward looking information. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

Impairment for quasi-equity loans, other receivables and amount due from subsidiaries are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. A significant increase in credit risk is presumed if a debt is more than 365 days past due. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

It requires management to exercise significant judgement in determining the probability of default by trade and other receivables, appropriate forward looking information and significant increase in credit risk, including the effects of COVID-19 pandemic.

The reconciliation of movements in the impairment losses of trade receivables is as follows:

Group 2021	ECL allowance RM	Fully credit impaired RM	Total RM
<b>At beginning of financial year</b>	4,984,565	3,680,979	8,665,544
Charge for the financial year	943,435	171,329	1,114,764
Reversal during the financial year	(154,624)	(73,689)	(228,313)
<b>At end of financial year</b>	5,773,376	3,778,619	9,551,995
<b>2020</b>			
<b>At beginning of financial year</b>	4,441,210	1,917,937	6,359,147
Charge for the financial year	1,026,231	1,773,204	2,799,435
Reversal during the financial year	(422,429)	(360)	(422,789)
Written off during the financial year	(60,447)	(9,802)	(70,249)
<b>At end of financial year</b>	4,984,565	3,680,979	8,665,544

# Notes to the Financial Statements

30 June 2021 (cont'd)

## 10. TRADE AND OTHER RECEIVABLES (continued)

(f) (continued)

The reconciliation of movements in the impairment losses of trade receivables is as follows: (continued)

Company 2021	ECL allowance RM	Fully credit impaired RM	Total RM
<b>At beginning of financial year</b>	126,275	1,237,938	1,364,213
Charge for the financial year	185,832	115,555	301,387
Reversal during the financial year	(917)	(73,689)	(74,606)
<b>At end of financial year</b>	311,190	1,279,804	1,590,994
<b>2020</b>			
<b>At beginning of financial year</b>	249,726	107,640	357,366
Charge for the financial year	23,237	1,132,560	1,155,797
Reversal during the financial year	(86,241)	(360)	(86,601)
Written off during the financial year	(60,447)	(1,902)	(62,349)
<b>At end of financial year</b>	126,275	1,237,938	1,364,213

The reconciliation of movements in the impairment losses of other receivables is as follows:

Group 2021	12-month ECL allowance RM	Lifetime ECL not credit impaired RM	Lifetime ECL credit impaired RM	Total RM
<b>At beginning of financial year</b>	47,709	49,664	2,921,893	3,019,266
Charge for the financial year	87,958	-	15,988	103,946
Reversal during the financial year	-	-	(6,274)	(6,274)
Written off during the financial year	-	-	(895,093)	(895,093)
<b>At end of financial year</b>	135,667	49,664	2,036,514	2,221,845
<b>2020</b>				
<b>At beginning of financial year</b>	50,278	49,294	3,212,980	3,312,552
Charge for the financial year	2,395	370	293,877	296,642
Reversal during the financial year	(4,964)	-	(75,021)	(79,985)
Written off during the financial year	-	-	(509,943)	(509,943)
<b>At end of financial year</b>	47,709	49,664	2,921,893	3,019,266

## Notes to the Financial Statements

30 June 2021 (cont'd)

## 10. TRADE AND OTHER RECEIVABLES (continued)

(f) (continued)

The reconciliation of movements in the impairment losses of other receivables is as follows: (continued)

Company 2021	12-month ECL allowance RM	Lifetime ECL not credit impaired RM	Lifetime ECL credit impaired RM	Total RM
<b>At beginning of financial year</b>	-	-	1,245,812	1,245,812
Charge for the financial year	19,474	-	-	19,474
Reversal during the financial year	-	-	(6,274)	(6,274)
<b>At end of financial year</b>	19,474	-	1,239,538	1,259,012
<b>2020</b>				
<b>At beginning of financial year</b>	327	-	1,462,655	1,462,982
Charge for the financial year	-	-	169,051	169,051
Reversal during the financial year	(327)	-	-	(327)
Written off during the financial year	-	-	(385,894)	(385,894)
<b>At end of financial year</b>	-	-	1,245,812	1,245,812

The reconciliation of movements in the impairment losses of amounts due from subsidiaries is as follows:

Company 2021	12-month ECL allowance RM	Lifetime ECL not credit impaired RM	Lifetime ECL credit impaired RM	Total RM
<b>At beginning of financial year</b>	56,822	-	299,774	356,596
Charge for the financial year	186,767	-	226,668	413,435
<b>At end of financial year</b>	243,589	-	526,442	770,031
<b>2020</b>				
<b>At beginning of financial year</b>	185,238	-	299,774	485,012
Reversal during the financial year	(128,416)	-	-	(128,416)
<b>At end of financial year</b>	56,822	-	299,774	356,596

Fully credit impaired refers to individually determined debtors who are in significant financial difficulties and have defaulted on payments to be impaired as at the end of the reporting period.

# Notes to the Financial Statements

30 June 2021 (cont'd)

## 10. TRADE AND OTHER RECEIVABLES (continued)

(g) Lifetime expected loss provision for trade receivables of the Group and of the Company are as follows:

Group	Gross RM	Impaired RM	Total RM
<b>2021</b>			
Current	13,780,742	(221,777)	13,558,965
1 to 30 days past due	3,907,901	(72,365)	3,835,536
31 to 60 days past due	3,354,512	(135,097)	3,219,415
61 to 120 days past due	2,522,261	(114,391)	2,407,870
More than 120 days past due	88,777,905	(9,008,365)	79,769,540
	98,562,579	(9,330,218)	89,232,361
	112,343,321	(9,551,995)	102,791,326
<b>2020</b>			
Current	21,337,060	(764,247)	20,572,813
1 to 30 days past due	3,669,401	(134,032)	3,535,369
31 to 60 days past due	875,996	(21,689)	854,307
61 to 120 days past due	3,530,210	(192,886)	3,337,324
More than 120 days past due	90,708,320	(7,552,690)	83,155,630
	98,783,927	(7,901,297)	90,882,630
	120,120,987	(8,665,544)	111,455,443
<b>Company</b>			
<b>2021</b>			
Current	2,772,102	(16,205)	2,755,897
1 to 30 days past due	1,269,537	(1,344)	1,268,193
31 to 60 days past due	2,000	(143)	1,857
61 to 120 days past due	724,382	(51,686)	672,696
More than 120 days past due	4,403,504	(1,521,616)	2,881,888
	6,399,423	(1,574,789)	4,824,634
	9,171,525	(1,590,994)	7,580,531

## Notes to the Financial Statements

30 June 2021 (cont'd)

## 10. TRADE AND OTHER RECEIVABLES (continued)

- (g) Lifetime expected loss provision for trade receivables of the Group and of the Company are as follows:  
(continued)

Company	Gross RM	Impaired RM	Total RM
<b>2020</b>			
Current	1,806,338	(11,608)	1,794,730
31 to 60 days past due	219,107	(1,617)	217,490
More than 120 days past due	5,310,516	(1,350,988)	3,959,528
	5,529,623	(1,352,605)	4,177,018
	7,335,961	(1,364,213)	5,971,748

- (h) The Group determines concentration of credit risk by monitoring the industry sector profile of its trade receivables and also identifying and monitoring any significant long outstanding balance owing by any major customer or counter party on an on-going basis.

The credit risk profile of the Group's trade receivables as at the end of the reporting period are as follows:

Group	2021		2020	
	RM	% of total	RM	% of total
Property development and management activities	104,964,461	93.4	105,523,970	87.9
Construction and related activities	6,149,952	5.5	13,464,571	11.2
Hotel operations	1,228,908	1.1	1,132,446	0.9
	112,343,321	100.0	120,120,987	100.0

As at the end of each reporting period, the credit risks exposures and collateral relating to trade receivables of the Group and of the Company are summarised in the table below:

Group 2021	Maximum exposure RM	Collateral obtained RM	Net exposure RM
Property development and management activities	104,964,461	(26,334,721)	78,629,740
Construction and related activities	6,149,952	-	6,149,952
Hotel operations	1,228,908	-	1,228,908
	112,343,321	(26,334,721)	86,008,600

# Notes to the Financial Statements

30 June 2021 (cont'd)

## 10. TRADE AND OTHER RECEIVABLES (continued)

(h) (continued)

As at the end of each reporting period, the credit risks exposures and collateral relating to trade receivables of the Group and of the Company are summarised in the table below: (continued)

<b>Group 2020</b>	<b>Maximum exposure RM</b>	<b>Collateral obtained RM</b>	<b>Net exposure RM</b>
Property development and management activities	105,523,970	(22,179,161)	83,344,809
Construction and related activities	13,464,571	-	13,464,571
Hotel operations	1,132,446	-	1,132,446
	120,120,987	(22,179,161)	97,941,826
<b>Company 2021</b>			
Property development and management activities	7,942,617	(3,530,132)	4,412,485
Hotel operations	1,228,908	-	1,228,908
	9,171,525	(3,530,132)	5,641,393
<b>2020</b>			
Property development and management activities	6,203,515	(364,007)	5,839,508
Hotel operations	1,132,446	-	1,132,446
	7,335,961	(364,007)	6,971,954

The above collaterals are letters of undertaking from financial institutions for properties sold and deposits received from customers.

### ***Credit risk arising from property development and management activities***

The Group and the Company do not have significant credit risk from their services and their products are predominantly rendered and sold to a large number of property purchasers with financing facilities from reputable banks with high quality external credit rating. For self-financed property purchasers, the Group and the Company extend credit based upon evaluation of the purchasers' general background. The credit risks from property purchasers are limited as the legal title of the property sold remain with the Group and the Company until the purchase consideration are fully paid.

In respect of the Group's investment properties, the Group customarily obtains two months' rental deposit from tenant which acts as collateral as security for the performance of their obligations under the tenancy agreements to mitigate the risk of non-collectability of monthly rentals.



## Notes to the Financial Statements

30 June 2021 (cont'd)

## 10. TRADE AND OTHER RECEIVABLES (continued)

(h) (continued)

***Credit risk arising from construction contracts***

The Group seeks to control credit risk by dealing with counterparties with appropriate credit histories. Customers' most recent financial statements, payment history and other relevant information are considered in the determination of credit risk. Counterparties are assessed at least annually and more frequently when information on significant changes in their financial position becomes known.

***Credit risk arising from hotel operations***

Credit risk arising from outstanding receivables from customer is minimised by closely monitoring the limit of the Group and of the Company's associations to business partners and their credit worthiness.

***Credit risk arising from other receivables***

Credit risk arising from other receivables is limited due to the large number of receivables. The historical experience in collection of other receivables fall within the recorded allowances. No additional credit risk beyond amounts allowed for collection losses is inherent in the other receivables.

***Credit risk arising from subsidiaries***

The amounts due from subsidiaries are monitored closely by the Company and the management is of the view that the carrying amount is fully recoverable.

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

	Company	
	2021 RM	2020 RM
Floating rate	2,025,018	2,873,720

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	
	2021 RM	2020 RM
Effects of 100 basis points changes to loss after tax		
- Increase by 1% (2020: 1%)	15,390	21,840
- Decrease by 1% (2020: 1%)	(15,390)	(21,840)

- (j) Trade and other receivables are denominated in RM.

# Notes to the Financial Statements

30 June 2021 (cont'd)

## 11. CONTRACT ASSETS/(LIABILITIES)

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
<b>Contract assets:</b>					
Property development	11(b)	4,136,681	10,725,791	-	-
Construction contracts	11(c)	4,628,320	6,762,827	-	-
		8,765,001	17,488,618	-	-
<b>Contract liabilities:</b>					
Property development	11(b)	(128,399,516)	(130,039,104)	(11,219,678)	(12,277,698)
Construction contracts	11(c)	(1,101,755)	(6,202,930)	-	-
		(129,501,271)	(136,242,034)	(11,219,678)	(12,277,698)
		(120,736,270)	(118,753,416)	(11,219,678)	(12,277,698)

- (a) Contract assets are the rights to considerations for goods or services transferred to the customers. In the case of property development and construction contracts, contract asset is the excess of cumulative revenue recognised over the billings to date. Contract asset is stated at cost less accumulated impairment.

Contract liabilities are the obligations to transfer goods or services to customer for which the Group has received the consideration in advance or has billed the customers. In the case of property development and construction contracts, contract liabilities are the excess of the billings to date over the cumulative revenue recognised.

- (b) Contract assets/(liabilities) from property development

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>At beginning of financial year</b>	(119,313,313)	(41,774,775)	(12,277,698)	(4,198,852)
Revenue recognised during the year	177,210,156	238,373,686	40,180,567	26,661,426
Less: Progress billings during the year	(182,549,551)	(315,731,854)	(39,122,547)	(34,787,964)
Reversal/(Addition) of impairment losses during the year	389,873	(180,370)	-	47,692
<b>At end of financial year</b>	(124,262,835)	(119,313,313)	(11,219,678)	(12,277,698)

### Represented by:

Contract assets	4,442,362	11,421,345	-	-
Less: Impairment losses	(305,681)	(695,554)	-	-
	4,136,681	10,725,791	-	-
Contract liabilities	(128,399,516)	(130,039,104)	(11,219,678)	(12,277,698)
	(124,262,835)	(119,313,313)	(11,219,678)	(12,277,698)

## Notes to the Financial Statements

30 June 2021 (cont'd)

## 11. CONTRACT ASSETS/(LIABILITIES) (continued)

## (b) Contract assets/(liabilities) from property development (continued)

- (i) The amounts included in contract liabilities at the beginning of the financial year has been recognised as revenue are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Contract liabilities recognised as revenue	26,940,857	40,225,106	10,877,698	1,459,727

- (ii) Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Within one (1) year	149,167,134	177,535,956	11,219,678	13,488,793
Between one (1) year and five (5) years	5,372,148	5,910,632	-	-
	154,539,282	183,446,588	11,219,678	13,488,793

## (c) Contract assets/(liabilities) from construction contracts

	Group	
	2021 RM	2020 RM
Contract assets	5,457,592	7,615,270
Less: Impairment losses	(829,272)	(852,443)
	4,628,320	6,762,827
Contract liabilities	(1,101,755)	(6,202,930)
	3,526,565	559,897

- (i) The amount of RM5,694,052 (2020: RM3,182,156) included in contract liabilities at the beginning of the financial year has been recognised as revenue by the Group for the financial year ended 30 June 2021.

- (ii) Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period are as follows:

	Group	
	2021 RM	2020 RM
Within one (1) year	9,492,601	20,200,285
Between one (1) year and five (5) years	-	12,232,776
	9,492,601	32,433,061

# Notes to the Financial Statements

30 June 2021 (cont'd)

## 11. CONTRACT ASSETS/(LIABILITIES) (continued)

- (d) Impairment for contract assets that do not contain a significant financing component are recognised based on the simplified approach within MFRS 9 using the lifetime expected credit loss model as disclosed in Note 10(f) to the financial statements.

The reconciliation of movements in the impairment losses of contract assets is as follows:

ECL allowance	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>At beginning of financial year</b>	1,547,997	730,515	-	47,692
Charge for the financial year	60,311	1,373,425	-	-
Reversal during the financial year	(473,355)	(555,943)	-	(47,692)
<b>At end of financial year</b>	1,134,953	1,547,997	-	-

- (e) Contract assets and contract liabilities are denominated in RM.

## 12. CASH AND BANK BALANCES

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Cash and bank balances	16,467,886	29,916,540	3,073,519	6,028,413
Deposits with licensed banks	561,754	640,177	-	-
	17,029,640	30,556,717	3,073,519	6,028,413

- (a) Cash and bank balances are classified as financial assets measured at amortised cost.
- (b) The weighted average effective interest rate of deposits with licensed banks of the Group is 1.50% (2020: 1.95%) per annum.

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.

- (c) Included in cash and bank balances of the Group and of the Company are amounts of RM5,809,733 (2020: RM14,381,304) and RM735,830 (2020: RM733,138) 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.

## Notes to the Financial Statements

30 June 2021 (cont'd)

## 12. CASH AND BANK BALANCES (continued)

- (d) 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	
	2021 RM	2020 RM	2021 RM	2020 RM
Cash and bank balances	16,467,886	29,916,540	3,073,519	6,028,413
Deposits with licensed banks	561,754	640,177	-	-
Bank overdrafts included in borrowings (Note 15)	(43,455,214)	(47,368,562)	(31,683,410)	(35,279,713)
	(26,425,574)	(16,811,845)	(28,609,891)	(29,251,300)
Less:				
Deposits pledged to licensed banks	(561,754)	(640,177)	-	-
	(26,987,328)	(17,452,022)	(28,609,891)	(29,251,300)

- (e) Cash and bank balances are denominated in RM.

## 13. SHARE CAPITAL

	Group and Company			
	2021		2020	
	Number of shares	RM	Number of shares	RM
Issued and fully paid ordinary shares with no par value	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 399,620,800 (2020: 399,620,800).

**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 12,879,200 (2020: 12,879,200) treasury shares at cost of RM3,373,365 (2020: RM3,373,365) were held by the Company in accordance with Section 127 of the Companies Act 2016 in Malaysia.

In the previous financial year, the Company repurchased 10,000 of its issued share capital from the open market on Bursa Malaysia Securities Berhad for RM2,350. The average price paid for the shares repurchased was RM0.23 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 2021.

# Notes to the Financial Statements

30 June 2021 (cont'd)

## 14. REVALUATION RESERVE

	Group and Company 2021 RM	2020 RM
<b>Hotel properties</b>		
Balance as at 1 July	6,788,088	6,788,088
Recognised in other comprehensive loss	(6,788,088)	-
Balance as at 30 June	-	6,788,088

## 15. BORROWINGS

	Note	Group 2021 RM	2020 RM	Company 2021 RM	2020 RM
<b>Non-current liabilities</b>					
Bridging loans		25,191,972	28,094,355	-	-
Term loans		155,581,446	157,102,119	16,953,424	3,717,190
		180,773,418	185,196,474	16,953,424	3,717,190
<b>Current liabilities</b>					
Bridging loans		12,000,000	24,730,438	-	3,655,776
Term loans		58,768,422	82,383,962	14,339,703	9,900,712
Revolving credits		18,199,150	18,559,200	8,582,650	8,942,700
Bankers' acceptances		5,560,000	10,513,000	3,136,000	5,552,000
Bank overdrafts		43,455,214	47,368,562	31,683,410	35,279,713
		137,982,786	183,555,162	57,741,763	63,330,901
<b>Total</b>					
Bridging loans		37,191,972	52,824,793	-	3,655,776
Term loans		214,349,868	239,486,081	31,293,127	13,617,902
Revolving credits		18,199,150	18,559,200	8,582,650	8,942,700
Bankers' acceptances		5,560,000	10,513,000	3,136,000	5,552,000
Bank overdrafts	12(d)	43,455,214	47,368,562	31,683,410	35,279,713
		318,756,204	368,751,636	74,695,187	67,048,091

# Notes to the Financial Statements

30 June 2021 (cont'd)

## 15. BORROWINGS (continued)

- (a) Borrowings are classified as financial liabilities measured at amortised cost.
- (b) Bridging loans of the Group and of the Company are secured by certain development properties as disclosed in Note 7(a) and Note 7(b) to the financial statements.
- (c) 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) Certain development properties as disclosed in Note 7(a) and Note 7(b) to the financial statements;
  - (iii) Certain inventories as disclosed in Note 7(c) to the financial statements; and
  - (iv) Land and buildings as disclosed in Note 5(j) 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.

- (d) Other short-term borrowings of the Group and of the Company are secured by the followings:
  - (i) Certain 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(j) to the financial statements;
  - (iii) Certain development properties as disclosed in Note 7(a) and Note 7(b) to the financial statements;
  - (iv) Certain inventories as disclosed in Note 7(c) to the financial statements; and
  - (v) Certain property, plant and equipment as disclosed in Note 5(j) to the financial statements.

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

- (e) 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
<b>2021</b>				
Bridging loans	12,000,000	25,191,972	-	37,191,972
Term loans	58,768,422	153,377,162	2,204,284	214,349,868
	70,768,422	178,569,134	2,204,284	251,541,840



# Notes to the Financial Statements

30 June 2021 (cont'd)

## 15. BORROWINGS (continued)

- (e) 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: (continued)

Group	On demand or within one (1) year RM	One (1) to five (5) years RM	Over five (5) years RM	Total RM
<b>2020</b>				
Bridging loans	24,730,438	28,094,355	-	52,824,793
Term loans	82,383,962	154,679,886	2,422,233	239,486,081
	107,114,400	182,774,241	2,422,233	292,310,874
<b>Company</b>				
<b>2021</b>				
Term loans	14,339,703	16,953,424	-	31,293,127
<b>2020</b>				
Bridging loans	3,655,776	-	-	3,655,776
Term loans	9,900,712	3,717,190	-	13,617,902
	13,556,488	3,717,190	-	17,273,678

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

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Fixed rate	36,764,655	16,417,733	23,200,000	-
Floating rate	281,991,549	352,333,903	51,495,187	67,048,091
	318,756,204	368,751,636	74,695,187	67,048,091

## Notes to the Financial Statements

30 June 2021 (cont'd)

## 15. BORROWINGS (continued)

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

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	
	2021 RM	2020 RM	2021 RM	2020 RM
Effects of 100 basis points changes to profit/(loss) after tax				
- Increase by 1% (2020: 1%)	(2,143,136)	(2,677,738)	(391,363)	(509,565)
- Decrease by 1% (2020: 1%)	2,143,136	2,677,738	391,363	509,565

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

	Group		Company	
	2021 %	2020 %	2021 %	2020 %
Bridging loans	4.5	4.6	-	5.8
Term loans	5.6	6.1	7.7	6.7
Revolving credits	4.6	5.6	4.8	6.0
Bankers' acceptances	3.8	4.4	4.1	4.7
Bank overdrafts	7.3	7.5	7.2	7.3

- (h) Fair value of borrowings

**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 that they are floating rate instruments that are re-priced to market interest rate on or near to the reporting period.

The fair value of the non-current borrowings are estimated by discounting expected future cash flows based on the current market rate available for similar borrowings.

# Notes to the Financial Statements

30 June 2021 (cont'd)

## 15. BORROWINGS (continued)

- (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:

<b>Group 2021</b>	<b>On demand or within one (1) year RM</b>	<b>One (1) to five (5) years RM</b>	<b>Over five (5) years RM</b>	<b>Total RM</b>
Bridging loans	13,541,782	26,047,184	-	39,588,966
Term loans	69,589,610	162,848,651	2,401,373	234,839,634
Revolving credits	18,199,150	-	-	18,199,150
Bankers' acceptances	5,560,000	-	-	5,560,000
Bank overdrafts	43,455,214	-	-	43,455,214
<b>Total undiscounted financial liabilities</b>	<b>150,345,756</b>	<b>188,895,835</b>	<b>2,401,373</b>	<b>341,642,964</b>
<b>2020</b>				
Bridging loans	26,556,518	29,151,790	-	55,708,308
Term loans	75,454,628	183,088,300	2,746,552	261,289,480
Revolving credits	18,559,200	-	-	18,559,200
Bankers' acceptances	10,513,000	-	-	10,513,000
Bank overdrafts	47,368,562	-	-	47,368,562
<b>Total undiscounted financial liabilities</b>	<b>178,451,908</b>	<b>212,240,090</b>	<b>2,746,552</b>	<b>393,438,550</b>
<b>Company 2021</b>				
Term loans	16,265,891	17,521,947	-	33,787,838
Revolving credits	8,582,650	-	-	8,582,650
Bankers' acceptances	3,136,000	-	-	3,136,000
Bank overdrafts	31,683,410	-	-	31,683,410
<b>Total undiscounted financial liabilities</b>	<b>59,667,951</b>	<b>17,521,947</b>	<b>-</b>	<b>77,189,898</b>
<b>2020</b>				
Bridging loans	3,726,892	-	-	3,726,892
Term loans	10,609,785	3,900,811	-	14,510,596
Revolving credits	8,942,700	-	-	8,942,700
Bankers' acceptances	5,552,000	-	-	5,552,000
Bank overdrafts	35,279,713	-	-	35,279,713
<b>Total undiscounted financial liabilities</b>	<b>64,111,090</b>	<b>3,900,811</b>	<b>-</b>	<b>68,011,901</b>

- (j) Borrowings are denominated in RM.

## Notes to the Financial Statements

30 June 2021 (cont'd)

## 16. LEASE LIABILITIES

## The Group and the Company as lessee

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>Lease liabilities</b>				
Non-current liabilities	4,277,724	3,660,502	380,129	671,128
Current liabilities	5,947,068	1,427,237	290,999	450,337
<b>Total lease liabilities</b>	<b>10,224,792</b>	<b>5,087,739</b>	<b>671,128</b>	<b>1,121,465</b>
<b>Lease liabilities owing to</b>				
- financial institutions	1,086,096	1,532,021	547,729	717,690
- non-financial institutions	9,138,696	3,555,718	123,399	403,775
	<b>10,224,792</b>	<b>5,087,739</b>	<b>671,128</b>	<b>1,121,465</b>

- (a) Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the entities' incremental borrowing rate. After initial recognition, lease liabilities are measured by increasing the carrying amounts to reflect interest on the lease liabilities, reducing the carrying amounts to reflect the lease payments made, and remeasuring the carrying amounts to reflect any reassessment or lease modifications.

The corresponding right-of-use assets of the lease liabilities are presented as property, plant and equipment as disclosed in Note 5 to the financial statements.

- (b) The movement of lease liabilities during the financial year is as follows:

Group	Balance as at 1.7.2020 RM	Additions RM	Lease modification RM	Lease payments RM	Interest expenses RM	Balance as at 30.6.2021 RM
Buildings	3,555,718	9,656,330	(115,780)	(4,537,169)	579,597	9,138,696
Motor vehicles	1,532,021	-	-	(499,572)	53,647	1,086,096
	<b>5,087,739</b>	<b>9,656,330</b>	<b>(115,780)</b>	<b>(5,036,741)</b>	<b>633,244</b>	<b>10,224,792</b>
<b>Company</b>						
Buildings	403,775	-	-	(300,000)	19,624	123,399
Motor vehicles	717,690	-	-	(197,640)	27,679	547,729
	<b>1,121,465</b>	<b>-</b>	<b>-</b>	<b>(497,640)</b>	<b>47,303</b>	<b>671,128</b>

# Notes to the Financial Statements

30 June 2021 (cont'd)

## 16. LEASE LIABILITIES (continued)

### The Group and the Company as lessee (continued)

(b) The movement of lease liabilities during the financial year is as follows: (continued)

Group	Balance as at 1.7.2019 RM	Additions RM	Lease payments RM	Interest expenses RM	Balance as at 30.6.2020 RM
Buildings	1,471,544	2,678,540	(750,100)	155,734	3,555,718
Motor vehicles	982,879	1,313,000	(818,601)	54,743	1,532,021
	2,454,423	3,991,540	(1,568,701)	210,477	5,087,739

Company	Balance as at 1.7.2019 RM	Additions RM	Lease payments RM	Interest expenses RM	Balance as at 30.6.2020 RM
Buildings	663,216	-	(300,000)	40,559	403,775
Motor vehicles	274,456	704,000	(280,850)	20,084	717,690
	937,672	704,000	(580,850)	60,643	1,121,465

(c) The Group has certain leases of premises with lease term of 12 months or less and low value leases of office equipment of RM20,000 and below. The Group applies the "short-term lease" and "lease of low-value assets" exemption for these leases.

(d) The following are the amounts recognised in profit or loss:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Depreciation charge of right-of-use assets (included in administrative expenses)	3,292,717	1,172,864	498,879	573,971
Interest expense on lease liabilities (included in finance costs)	633,244	210,477	47,303	60,643
Expense relating to leases of low-value assets (included in administrative expenses)	1,800	4,800	1,800	1,800
Expense relating to short term-leases (included in administrative expenses)	18,000	-	18,000	-
Gain on remeasurement of lease modifications (included in other income)	5,896	-	-	-
Variable lease payments (included in other income)	-	-	-	-
- arising from COVID-19 related rent concessions	-	(55,000)	-	(50,000)
	3,951,657	1,333,141	565,982	586,414

## Notes to the Financial Statements

30 June 2021 (cont'd)

## 16. LEASE LIABILITIES (continued)

## The Group and the Company as lessee (continued)

- (e) The weighted average incremental borrowing rate of the Group and of the Company applied to the lease liabilities is 4.74% (2020: 6.70%) and 7.79% (2020: 7.79%) respectively. The sensitivity analysis of the effect of the changes in interest rate is not significant, hence the effect of the changes in the interest rates is not presented.
- (f) The Group leases several lease contracts that include extension options. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.
- (g) The following table sets out the carrying amounts and the remaining maturities of the lease liabilities of the Group and of the Company:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Not later than one (1) year	5,947,068	1,427,237	290,999	450,337
Later than one (1) year but not later than five (5) years	4,277,724	3,059,787	380,129	671,128
Later than five (5) years	-	600,715	-	-
Total	10,224,792	5,087,739	671,128	1,121,465

- (h) The table below summarises the maturity profile of the lease liabilities of the Group and of the Company at the end of the reporting period based on contractual undiscounted repayment obligations as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Not later than one (1) year	6,533,314	1,680,938	312,336	497,640
Later than one (1) year but not later than five (5) years	4,846,502	3,490,344	401,076	713,412
Later than five (5) years	-	665,792	-	-
Total	11,379,816	5,837,074	713,412	1,211,052

# Notes to the Financial Statements

30 June 2021 (cont'd)

## 16. LEASE LIABILITIES (continued)

### The Group and the Company as lessor

The Group and the Company have 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 period but not recognised as receivables, are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Less than 1 year	3,483,072	3,488,608	759,152	2,028,436
Between 1 to 2 year	2,509,022	2,012,508	605,507	1,049,620
Between 2 to 3 year	1,460,022	885,156	261,056	62,740
Between 3 to 4 year	902,616	798,312	-	-
Between 4 to 5 year	891,816	798,312	-	-
More than 5 years	6,874,374	7,118,282	-	-
	16,120,922	15,101,178	1,625,715	3,140,796

## 17. TRADE AND OTHER PAYABLES

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>Trade payables</b>				
Third parties	121,935,976	151,072,317	4,365,495	4,308,038
Amounts due to subsidiaries	-	-	1,818,235	2,805,150
	121,935,976	151,072,317	6,183,730	7,113,188
<b>Other payables</b>				
Third parties	28,069,366	20,305,285	7,230,358	5,495,558
Amounts due to Directors	4,362,597	4,686,495	-	100,737
Amounts due to subsidiaries	-	-	91,048,430	50,260,854
Related parties				
- Interest bearing	15,976,390	15,217,464	15,976,390	15,217,464
- Non-interest bearing	43,806,555	42,506,827	1,294,234	1,554,991
Accruals	11,777,251	10,271,252	1,888,423	2,526,990
Deposits received	19,288,559	19,482,892	10,237,161	9,420,006
	123,280,718	112,470,215	127,674,996	84,576,600
	245,216,694	263,542,532	133,858,726	91,689,788



## Notes to the Financial Statements

30 June 2021 (cont'd)

**17. TRADE AND OTHER PAYABLES (continued)**

- (a) Trade and other payables are classified as financial liabilities measured at amortised cost.
- (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 (2020: 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:

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Within one (1) year	19,245,733	4,901,644	1,258,666	1,319,054
More than one (1) year	4,381,330	24,213,473	798,635	2,439,847
	<b>23,627,063</b>	<b>29,115,117</b>	<b>2,057,301</b>	<b>3,758,901</b>

- (d) Amounts due to Directors are unsecured, interest free and payable within next twelve (12) months in cash and cash equivalents.
- (e) Amounts due to related parties of the Group and of the Company are unsecured and payable within next twelve (12) months in cash and cash equivalents. These amounts are interest free except for advances of RM15,976,390 (2020: RM15,217,464) and RM15,976,390 (2020: RM15,217,464) respectively which bear interest at rate of 2.0% (2020: 5.1%) per annum.
- (f) Amounts due to subsidiaries are unsecured, interest free and payable within next twelve (12) months in cash and cash equivalents. In previous financial year, these amounts were interest free except for a total amount of RM8,750,000, which bore interest at rate ranging from 5.24% to 6.36% per annum.
- (g) The maturity profile of the trade and other payables (excluding 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.
- (h) 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.
- (i) The interest rate profile of the amounts due to subsidiaries as at the end of each reporting period are as follows:

	<b>Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
Floating rate	-	8,750,000

# Notes to the Financial Statements

30 June 2021 (cont'd)

## 17. TRADE AND OTHER PAYABLES (continued)

- (i) The interest rate profile of the amounts due to subsidiaries as at the end of each reporting period are as follows: (continued)

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	
	2021 RM	2020 RM
Effects of 100 basis points changes to loss after tax		
- Increase by 1% (2020: 1%)	-	(66,500)
- Decrease by 1% (2020: 1%)	-	66,500

- (j) Trade and other payables are denominated in RM.

## 18. REVENUE

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>Revenue from contracts with customers:</b>				
Property development	137,309,417	201,810,176	24,093,152	12,944,786
Completed properties	37,580,397	36,563,510	13,767,073	13,716,640
Vacant land	2,320,342	-	2,320,342	-
Construction contracts	16,063,844	10,057,392	-	-
Hotel operations	-	5,682	-	-
Sales of goods	8,408	-	-	-
	193,282,408	248,436,760	40,180,567	26,661,426
<b>Other revenue:</b>				
Rental income	5,546,723	5,543,239	1,730,330	2,381,004
	198,829,131	253,979,999	41,910,897	29,042,430
<b>Revenue from contract with customers is recognised as follows:</b>				
At point in time	39,909,147	36,569,192	16,087,415	13,716,640
Over time	153,349,261	211,867,568	24,093,152	12,944,786
	193,258,408	248,436,760	40,180,567	26,661,426

The revenue of the Group and of the Company are derived entirely in Malaysia.

# Notes to the Financial Statements

30 June 2021 (cont'd)

## 18. REVENUE (continued)

### (a) Revenue from property development and construction contracts

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

Revenue from property development and construction contracts is measured at the fixed transaction price agreed under the agreement.

Revenue is recognised as and when control of the asset is transferred to the customer and it is probable that the Group would collect the consideration to which it will be entitled in exchange for the asset that would be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the performance of the Group does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract using the input method by reference to the property development cost and construction contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for complete satisfaction of the contract. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

Significant judgement is required in determining the satisfaction of performance obligations as stated in the contracts with customers and transaction price allocation in applying the input method to recognise revenue over time.

The Group identifies performance obligations that are distinct and material, which is judgmental in the context of contract. Transaction prices were determined based on estimated margins prior to its allocation to the identified performance obligation. The Group also estimated total contract costs in applying the input method to recognise revenue over time.

### (b) Completed properties and vacant land

The Group recognises sales at a point in time for the sale of completed properties and vacant land, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Group will collect the considerations to which it would be entitled to in exchange for the assets sold.

There is no significant financing component in the revenue arising from sale of completed properties as the sales are made on the normal credit terms not exceeding twelve months.

### (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 at a point in time when the products has been transferred or the services has been rendered to the customer and coincides with the delivery of products and services and acceptance by customers.

There is no right of return and warranty provided to the customers on the sale of products and services rendered.

There is no significant financing component in the revenue arising from sale of products and services rendered as the sales or services are made on the normal credit terms not exceeding twelve months.

# Notes to the Financial Statements

30 June 2021 (cont'd)

## 18. REVENUE (continued)

### (d) Sale of goods

Revenue from sale of goods is recognised at a point in time when the products has been transferred or the services has been rendered to the customer and coincides with the delivery of products and services and acceptance by customers.

There is no right of return and warranty provided to the customers on the sale of products and services rendered.

There is no significant financing component in the revenue arising from sale of products and services rendered as the sales or services are made on the normal credit terms not exceeding twelve months.

### (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.

## 19. COST OF SALES

		Group		Company	
	Note	2021 RM	2020 RM (Restated)	2021 RM	2020 RM (Restated)
Property development costs	7(b)	78,458,298	112,372,292	11,502,786	12,071,344
Cost of completed properties sold	7(c)	25,536,336	20,074,850	9,316,831	8,394,008
Cost of vacant lands	7(a)	673,522	-	673,522	-
Construction contract costs		10,559,614	8,781,234	-	-
Hotel operations costs		-	85,846	-	-
Cost of goods sold		6,479	17,331	-	-
		115,234,249	141,331,553	21,493,139	20,465,352

## Notes to the Financial Statements

30 June 2021 (cont'd)

## 20. FINANCE INCOME AND COSTS

	Group		Company	
	2021 RM	2020 RM (Restated)	2021 RM	2020 RM (Restated)
<b>Finance income</b>				
Interest income on:				
- intercompany loan	-	-	32,637	37,014
- deposits with licensed banks	41,583	231,884	2,952	12,230
	41,583	231,884	35,589	49,244
<b>Finance costs</b>				
Interest expense on:				
- term loans	12,217,994	16,214,071	979,443	580,904
- lease liabilities	633,244	210,477	47,303	60,643
- revolving credits	666,978	908,924	398,549	583,639
- short term borrowings	324,019	408,943	43,941	7,551
- bank overdrafts	2,983,947	3,771,189	2,218,504	2,917,361
- intercompany loan	-	-	154,122	834,190
- related party loan	322,769	491,953	322,769	491,953
- others	3,154,901	263,816	75,690	152,359
	20,303,852	22,269,373	4,240,321	5,628,600

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

## 21. EMPLOYEE BENEFITS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Wages, salaries and bonus	12,983,990	15,480,815	3,962,769	4,931,377
Defined contribution plan	1,751,920	2,097,083	600,100	714,083
Other employee benefits	1,411,737	1,762,798	751,355	741,873
	16,147,647	19,340,696	5,314,224	6,387,333

Included in the employee benefits of the Group and of the Company are Directors' remuneration amounting to RM5,160,433 (2020: RM6,358,900) and RM1,832,740 (2020: RM1,819,657) respectively.

# Notes to the Financial Statements

30 June 2021 (cont'd)

## 22. PROFIT/(LOSS) BEFORE TAX

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

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
After charging:				
Rental expense of:				
- premises	18,000	-	18,000	-
- low value assets	1,800	4,800	1,800	1,800
Loss on disposal of:				
- investment properties	-	13,000	-	-
And crediting:				
Dividend income	-	-	-	3,180,000
Gain on disposals of:				
- property, plant and equipment	467,927	1,973,901	236,671	923,410
- investment properties	193,750	-	-	-
Gain on remeasurement of lease modification	5,896	-	-	-
Rental income of premises	204,208	115,056	-	-
Bad debt recovered	-	6,440	-	-

- (a) Net losses arising from financial instruments comprise finance income, finance expense, receivables written off and impairment losses.

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Financial assets at amortised cost	529,496	3,331,337	1,743,733	1,299,860
Financial liabilities at amortised cost	20,303,852	22,269,373	4,240,321	5,628,600
	20,833,348	25,600,710	5,984,054	6,928,460

## Notes to the Financial Statements

30 June 2021 (cont'd)

## 23. TAXATION

	Group		Company	
	2021 RM	2020 RM (Restated)	2021 RM	2020 RM (Restated)
Current year tax expense based on profit for the financial year	9,508,639	11,828,672	2,517,299	-
(Over)/Under provision in prior year	(3,081,640)	4,585,235	-	(336,879)
	6,426,999	16,413,907	2,517,299	(336,879)
Deferred tax (Note 9)				
- Relating to origination and reversal of temporary differences	642,231	(5,021,082)	(1,037,972)	(2,597,081)
- Under provision in prior year	479,978	4,205,546	508,723	2,243,040
	1,122,209	(815,536)	(529,249)	(354,041)
	7,549,208	15,598,371	1,988,050	(690,920)

(a) Malaysian income tax is calculated at the statutory tax rate of 24% (2020: 24%) of the estimated taxable profit for the fiscal year.

(b) Numerical reconciliation of taxation applicable to profit/(loss) before tax at the statutory tax rate applicable to the Group and the Company are as follows:

	Group		Company	
	2021 RM	2020 RM (Restated)	2021 RM	2020 RM (Restated)
Profit/(Loss) before tax	20,934,915	29,874,085	(2,239,674)	(8,335,740)
Tax at Malaysian statutory tax rate of 24% (2020: 24%)	5,024,380	7,169,780	(537,521)	(2,000,577)
Real property gains tax	11,432	53,316	11,432	-
Non-allowable expenses	2,179,012	2,663,369	2,086,085	440,908
Non-taxable income	(1,902,455)	(1,611,669)	(80,669)	(1,037,412)
Tax incentives	-	(2,003,589)	-	-
Utilisation of deferred tax assets previously not recognised	(885)	-	-	-
Deferred tax assets not recognised	4,839,386	536,383	-	-
(Over)/Under provision in prior year:				
- income tax	(3,081,640)	4,585,235	-	(336,879)
- deferred tax	479,978	4,205,546	508,723	2,243,040
	7,549,208	15,598,371	1,988,050	(690,920)

# Notes to the Financial Statements

30 June 2021 (cont'd)

## 24. 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	
	2021	2020
Profit attributable to owners of the parent (RM)	15,645,191	11,557,162
Weighted average number of ordinary shares in issue	399,620,800	399,620,800
	<b>2021 Sen</b>	<b>2020 Sen</b>
Basic earnings per ordinary share attributable to the equity owners of the parent	3.92	2.89

### (b) Diluted

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

## 25. CONTINGENT LIABILITIES

	Company	
	2021 RM	2020 RM
<b>Unsecured</b>		
Corporate guarantees for trade credits granted to subsidiaries		
- Limit of guarantee	188,253,679	185,253,679
- Amount utilised	23,072,928	34,013,120
<b>Secured</b>		
Corporate guarantees for borrowing facilities granted by financial institutions to subsidiaries		
- Limit of guarantee	636,562,940	635,930,000
- Amount utilised	251,218,306	304,054,556



# Notes to the Financial Statements

30 June 2021 (cont'd)

## 25. CONTINGENT LIABILITIES (continued)

- (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 MFRS 4 *Insurance Contracts*.

At the end of each reporting period, the Group assesses whether its recognised insurance liabilities, if any, are adequate, using current estimates of future cash flows under its insurance contracts. If this assessment shows that the carrying amount of the insurance liabilities is inadequate, the entire deficiency shall be recognised in profit or loss.

Recognised insurance liabilities, if any, are only removed from the statement of financial position when, and only when, it is extinguished via a discharge, cancellation or expiration.

The determination of treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies for matters in the ordinary course of the business.

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.

## 26. 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

Ju-Ichi Enterprise Sdn. Bhd. ("JIE")

Ibzi Development (Johor) Sdn. Bhd.  
("IBZ")

#### Relationship with the Group

A related party by virtue of the directorship of certain Directors of the Company, Tan Sri Dato' Tan Seng Leong, Tan Vin Sern and Tan Lindy. Tan Sri Dato' Tan Seng Leong is the major shareholder in JIE.

A related party by virtue of the directorship of certain Directors of the Company, Tan Sri Dato' Tan Seng Leong and Tan Vin Sern. Both Tan Sri Dato' Tan Seng Leong and Tan Vin Sern are also the major shareholders in IBZ.

# Notes to the Financial Statements

30 June 2021 (cont'd)

## 26. SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

### (a) Identities of related parties (continued)

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

Identities of related parties	Relationship with the Group
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. Puan Sri Datin Lim Sui Yong, Tan Lindy 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	
	2021 RM	2020 RM
<b>(i) Transactions with subsidiaries</b>		
Progress billings by a subsidiary: - BCB Construction Sdn. Bhd.	1,706,848	11,503,025
Intercompany interest payable to a subsidiary: - BCB Land Sdn. Bhd.	154,122	834,190
Intercompany interest receivable from a subsidiary: - Johbase Development Sdn. Bhd.	32,637	37,014
Rental income from a subsidiary: - BCB Construction Sdn. Bhd.	12,000	12,000
Dividend receivables from subsidiaries: - BCB Concrete Sdn. Bhd.	-	1,680,000
- BCB Road Builder Sdn. Bhd.	-	650,000
- BCB Trading Sdn. Bhd.	-	850,000
Progress billings to a subsidiary: - BCB Construction Sdn. Bhd.	-	3,974,587
Progress billings to a Director	-	2,881,814

## Notes to the Financial Statements

30 June 2021 (cont'd)

**26. SIGNIFICANT RELATED PARTY DISCLOSURES (continued)****(b) Significant related party transactions (continued)**

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: (continued)

	<b>Group and Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
<hr/>		
<b>(ii) Transactions with related parties</b>		
Office rental paid to JIE	312,500	250,000
	<hr/>	
Interest payable to JIE	322,769	491,953
	<hr/>	
	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
<hr/>		
Hiring of machineries from MPD	19,505	90,323
	<hr/>	
Construction contracts:		
- JIE	223,800	4,636,102
- MPD	11,420,488	6,895,234
	<hr/>	
Progress billings to:		
- related parties	-	590,425
- Directors	836,405	6,462,334
	<hr/>	
Rental income from MPD	-	6,000
	<hr/>	
Sales of goods to MPD	8,408	-
	<hr/>	

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 2021 are disclosed in Note 10 and Note 17 to the financial statements.

**(c) Compensation of key management personnel**

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of the Company.

# Notes to the Financial Statements

30 June 2021 (cont'd)

## 27. 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 2020.

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 and lease liabilities 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:

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
		<b>(Restated)</b>		<b>(Restated)</b>
Borrowings	318,756,204	368,751,636	74,695,187	67,048,091
Lease liabilities	10,224,792	5,087,739	671,128	1,121,465
Less:				
Cash and bank balances	(17,029,640)	(30,556,717)	(3,073,519)	(6,028,413)
Net debt	311,951,356	343,282,658	72,292,796	62,141,143
Total capital	465,511,139	456,654,036	265,104,352	276,120,164
Net debt	311,951,356	343,282,658	72,292,796	62,141,143
	777,462,495	799,936,694	337,397,148	338,261,307
Gearing ratio	40%	43%	21%	18%

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 of more than 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 2021.

## 28. 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.

# Notes to the Financial Statements

30 June 2021 (cont'd)

## 28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### (a) Credit risk

Credit risk is the risk of potential financial loss to the Group and the Company arising from the failure of a counterparty to fulfil 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 and of the Company 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 and of the Company to credit risk arises through its trade receivables.

The trading terms of the Group and of the Company 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 10 to the financial statements.

### (b) Liquidity and cash flow risk

Liquidity risk is the risk that the Group and the Company are unable to service their cash obligations in the future. To mitigate this risk, the management measures and forecasts their 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 and of the Company.

The analysis of financial instruments by remaining contractual maturities have been disclosed in Note 15, Note 16 and Note 17 to the financial statements.

### (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 10, Note 12, Note 15, Note 16 and Note 17 to the financial statements.

# Notes to the Financial Statements

30 June 2021 (cont'd)

## 29. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE FINANCIAL YEAR

The World Health Organisation declared the 2019 Novel Coronavirus infection ("COVID-19") a pandemic on 11 March 2020. The Government of Malaysia imposed the Movement Control Order ("MCO") on 18 March 2020 and has subsequently entered into various phases of the MCO. The Group and the Company have also implemented various procedures in its business conduct to reduce the risks of spread and safeguard its employees and customers.

The financial impact to the Group and the Company during the MCO period mainly arose from its business operations were suspended whilst the fixed overhead costs that include salary, security personnel expenses, and rental expense continued to be incurred.

The Group and the Company will remain vigilant by taking cautious approach in launching new product while waiting for the full rollout of the vaccine. Meantime, the Group and the Company will be continuing to enhance property quality to be more competitive and implement a strict cost control measures to contain the operation cost.

Based on the assessment of the Group and the Company, the judgements and assumptions used in the preparation of the financial statements for the financial year ended 30 June 2021 have not been impacted significantly by the COVID-19 pandemic, except for the valuation of hotel properties as disclosed in Note 5 to the financial statements. The Group and the Company will continue to assess the impact of the COVID-19 pandemic on the financial statements of the Group and the Company for the financial year ended 30 June 2022.

As at the date of authorisation of the financial statements, the COVID-19 pandemic situation is still evolving and uncertain. The Group and the Company have therefore considered the impact of the COVID-19 pandemic across its business operations and taken the necessary precautions and provisions where necessary. The Group and the Company will also continue to actively monitor and manage its funds and operations to minimise any impact arising from the COVID-19 pandemic.

## 30. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

### (a) New MFRSs adopted during the financial year

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

Title	Effective Date
<i>Amendments to References to the Conceptual Framework in MFRS Standards</i>	1 January 2020
<i>Amendments to MFRS 3 Definition of a Business</i>	1 January 2020
<i>Amendments to MFRS 101 and MFRS 108 Definition of Material</i>	1 January 2020
<i>Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform</i>	1 January 2020
<i>Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 - Interest Rate Benchmark Reform - Phase 2</i>	1 January 2021*
<i>Amendments to MFRS 4 Insurance Contract - Extension of the Temporary Exemption from Applying MFRS 9</i>	17 August 2020^
<i>Amendments to MFRS 16 Leases - Covid-19 - Related Rent Concessions beyond 30 June 2021</i>	1 April 2021*

^Effective immediately

\*Early adopted by the Group and the Company

Adoption of the above Amendments did not have any material effect on the financial performance or position of the Group and of the Company.

## Notes to the Financial Statements

30 June 2021 (cont'd)

## 30. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (continued)

## (b) Effects of adoption of the Agenda Decision

In previous financial years, the Group and the Company capitalised borrowing costs on those inventories which are available for its intended sale and still subject to transfer of control over time. In March 2019, IFRIC concluded that any inventory which are available for its intended sale does not fall under the definition of qualifying assets in accordance with IAS 23 *Borrowing Costs* paragraph 5. Upon adoption of the Agenda Decision, the entity shall cease to capitalise its borrowing costs once a project is ready for sales.

Accordingly, comparative figures of the Group and of the Company for the financial year ended 30 June 2020 in these financial statements, including their opening statements of financial position as at 1 July 2019, have been restated retrospectively. Certain comparative figures in the financial statements of the Group and the Company for the financial year ended 30 June 2020 have been reclassified to conform to the presentation of current financial year. The impact on the financial position and financial performance of the Group and the Company is set out as follows:

## (i) Reconciliation of statements of financial position

Group 1 July 2019	As previously reported RM	Effects of Agenda Decision RM	As restated RM
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	51,832,267	-	51,832,267
Investment properties	57,774,914	-	57,774,914
Inventories	337,664,101	-	337,664,101
Deferred tax assets	2,225,032	1,628,001	3,853,033
	449,496,314	1,628,001	451,124,315
<b>CURRENT ASSETS</b>			
Inventories	649,035,565	(29,363,914)	619,671,651
Trade and other receivables	122,663,741	-	122,663,741
Contract assets	20,591,128	-	20,591,128
Current tax assets	10,323,738	-	10,323,738
Cash and bank balances	23,023,428	-	23,023,428
	825,637,600	(29,363,914)	796,273,686
<b>TOTAL ASSETS</b>	1,275,133,914	(27,735,913)	1,247,398,001

# Notes to the Financial Statements

30 June 2021 (cont'd)

## 30. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (continued)

### (b) Effects of adoption of the Agenda Decision (continued)

#### (i) Reconciliation of statements of financial position (continued)

Group 1 July 2019	As previously reported RM	Effects of Agenda Decision RM	As restated RM
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>			
Share capital	206,250,000	-	206,250,000
Treasury shares	(3,371,015)	-	(3,371,015)
Revaluation reserve	6,788,088	-	6,788,088
Retained earnings	252,950,259	(17,522,292)	235,427,967
	462,617,332	(17,522,292)	445,095,040
<b>Non-controlling interests</b>	42,394,055	(6,706,447)	35,687,608
<b>TOTAL EQUITY</b>	505,011,387	(24,228,739)	480,782,648
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	234,901,398	-	234,901,398
Lease liabilities	1,575,980	-	1,575,980
Deferred tax liabilities	3,507,174	(3,507,174)	-
	239,984,552	(3,507,174)	236,477,378
<b>CURRENT LIABILITIES</b>			
Borrowings	211,223,193	-	211,223,193
Lease liabilities	878,443	-	878,443
Trade and other payables	257,653,401	-	257,653,401
Contract liabilities	59,346,921	-	59,346,921
Current tax liabilities	1,036,017	-	1,036,017
	530,137,975	-	530,137,975
<b>TOTAL LIABILITIES</b>	770,122,527	(3,507,174)	766,615,353
<b>TOTAL EQUITY AND LIABILITIES</b>	1,275,133,914	(27,735,913)	1,247,398,001



## Notes to the Financial Statements

30 June 2021 (cont'd)

## 30. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (continued)

## (b) Effects of adoption of the Agenda Decision (continued)

## (i) Reconciliation of statements of financial position (continued)

Group 30 June 2020	As previously reported RM	Effects of Agenda Decision RM	As restated RM
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	55,989,217	-	55,989,217
Investment properties	54,646,914	-	54,646,914
Inventories	366,632,960	-	366,632,960
Deferred tax assets	3,214,662	1,498,408	4,713,070
	480,483,753	1,498,408	481,982,161
<b>CURRENT ASSETS</b>			
Inventories	649,366,623	(34,366,270)	615,000,353
Trade and other receivables	123,195,847	-	123,195,847
Contract assets	17,488,618	-	17,488,618
Current tax assets	8,276,877	-	8,276,877
Cash and bank balances	30,556,717	-	30,556,717
	828,884,682	(34,366,270)	794,518,412
<b>TOTAL ASSETS</b>	1,309,368,435	(32,867,862)	1,276,500,573
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>			
Share capital	206,250,000	-	206,250,000
Treasury shares	(3,373,365)	-	(3,373,365)
Revaluation reserve	6,788,088	-	6,788,088
Retained earnings	270,260,538	(23,271,225)	246,989,313
	479,925,261	(23,271,225)	456,654,036
<b>Non-controlling interests</b>	48,029,513	(9,627,517)	38,401,996
<b>TOTAL EQUITY</b>	527,954,774	(32,898,742)	495,056,032

# Notes to the Financial Statements

30 June 2021 (cont'd)

## 30. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (continued)

### (b) Effects of adoption of the Agenda Decision (continued)

#### (i) Reconciliation of statements of financial position (continued)

Group 30 June 2020	As previously reported RM	Effects of Agenda Decision RM	As restated RM
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	185,196,474	-	185,196,474
Lease liabilities	3,660,502	-	3,660,502
Deferred tax liabilities	13,621	30,880	44,501
	188,870,597	30,880	188,901,477
<b>CURRENT LIABILITIES</b>			
Borrowings	183,555,162	-	183,555,162
Lease liabilities	1,427,237	-	1,427,237
Trade and other payables	263,542,532	-	263,542,532
Contract liabilities	136,242,034	-	136,242,034
Current tax liabilities	7,776,099	-	7,776,099
	592,543,064	-	592,543,064
<b>TOTAL LIABILITIES</b>	781,413,661	30,880	781,444,541
<b>TOTAL EQUITY AND LIABILITIES</b>	1,309,368,435	(32,867,862)	1,276,500,573

## Notes to the Financial Statements

30 June 2021 (cont'd)

## 30. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (continued)

## (b) Effects of adoption of the Agenda Decision (continued)

## (i) Reconciliation of statements of financial position (continued)

Company 1 July 2019	As previously reported RM	Effects of Agenda Decision RM	As restated RM
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	45,719,849	-	45,719,849
Investment properties	7,300,000	-	7,300,000
Inventories	22,581,535	-	22,581,535
Investment in subsidiaries	168,300,106	-	168,300,106
Deferred tax assets	1,851,237	332,341	2,183,578
	245,752,727	332,341	246,085,068
<b>CURRENT ASSETS</b>			
Inventories	158,912,985	(9,567,352)	149,345,633
Trade and other receivables	23,245,912	-	23,245,912
Contract assets	1,036,794	-	1,036,794
Current tax assets	4,310,730	-	4,310,730
Cash and bank balances	5,148,033	-	5,148,033
	192,654,454	(9,567,352)	183,087,102
<b>TOTAL ASSETS</b>	438,407,181	(9,235,011)	429,172,170
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>			
Share capital	206,250,000	-	206,250,000
Treasury shares	(3,371,015)	-	(3,371,015)
Revaluation reserve	6,788,088	-	6,788,088
Retained earnings	83,335,272	(9,235,011)	74,100,261
<b>TOTAL EQUITY</b>	293,002,345	(9,235,011)	283,767,334

# Notes to the Financial Statements

30 June 2021 (cont'd)

## 30. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (continued)

### (b) Effects of adoption of the Agenda Decision (continued)

#### (i) Reconciliation of statements of financial position (continued)

Company 1 July 2019	As previously reported RM	Effects of Agenda Decision RM	As restated RM
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	22,873,450	-	22,873,450
Lease liabilities	495,220	-	495,220
	23,368,670	-	23,368,670
<b>CURRENT LIABILITIES</b>			
Borrowings	58,203,801	-	58,203,801
Lease liabilities	442,452	-	442,452
Trade and other payables	58,154,267	-	58,154,267
Contract liabilities	5,235,646	-	5,235,646
	122,036,166	-	122,036,166
<b>TOTAL LIABILITIES</b>	145,404,836	-	145,404,836
<b>TOTAL EQUITY AND LIABILITIES</b>	438,407,181	(9,235,011)	429,172,170

## Notes to the Financial Statements

30 June 2021 (cont'd)

## 30. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (continued)

## (b) Effects of adoption of the Agenda Decision (continued)

## (i) Reconciliation of statements of financial position (continued)

Company 30 June 2020	As previously reported RM	Effects of Agenda Decision RM	As restated RM
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	44,259,265	-	44,259,265
Investment properties	7,300,000	-	7,300,000
Inventories	32,337,088	-	32,337,088
Investment in subsidiaries	199,300,006	-	199,300,006
Deferred tax assets	1,820,330	717,289	2,537,619
	285,016,689	717,289	285,733,978
<b>CURRENT ASSETS</b>			
Inventories	146,874,677	(6,916,607)	139,958,070
Trade and other receivables	10,571,033	-	10,571,033
Current tax assets	5,965,712	-	5,965,712
Cash and bank balances	6,028,413	-	6,028,413
	169,439,835	(6,916,607)	162,523,228
<b>TOTAL ASSETS</b>	454,456,524	(6,199,318)	448,257,206
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>			
Share capital	206,250,000	-	206,250,000
Treasury shares	(3,373,365)	-	(3,373,365)
Revaluation reserve	6,788,088	-	6,788,088
Retained earnings	72,654,759	(6,199,318)	66,455,441
<b>TOTAL EQUITY</b>	282,319,482	(6,199,318)	276,120,164

# Notes to the Financial Statements

30 June 2021 (cont'd)

## 30. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (continued)

### (b) Effects of adoption of the Agenda Decision (continued)

#### (i) Reconciliation of statements of financial position (continued)

Company 30 June 2020	As previously reported RM	Effects of Agenda Decision RM	As restated RM
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	3,717,190	-	3,717,190
Lease liabilities	671,128	-	671,128
	4,388,318	-	4,388,318
<b>CURRENT LIABILITIES</b>			
Borrowings	63,330,901	-	63,330,901
Lease liabilities	450,337	-	450,337
Trade and other payables	91,689,788	-	91,689,788
Contract liabilities	12,277,698	-	12,277,698
	167,748,724	-	167,748,724
<b>TOTAL LIABILITIES</b>	172,137,042	-	172,137,042
<b>TOTAL EQUITY AND LIABILITIES</b>	454,456,524	(6,199,318)	448,257,206

## Notes to the Financial Statements

30 June 2021 (cont'd)

## 30. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (continued)

## (b) Effects of adoption of the Agenda Decision (continued)

## (ii) Reconciliation of statements of profit or loss and other comprehensive income

Group 30 June 2020	As previously reported RM	Effects of Agenda Decision RM	Reclassification RM	As restated RM
Revenue	253,979,999	-	-	253,979,999
Cost of sales	(149,843,927)	8,512,374	-	(141,331,553)
Gross profit	104,136,072	8,512,374	-	112,648,446
Other operating income	4,673,564	-	(507,541)	4,166,023
Administrative expenses	(31,461,886)	-	-	(31,461,886)
Net impairment losses on receivables	-	-	(3,410,785)	(3,410,785)
Marketing and selling expenses	(20,875,962)	-	-	(20,875,962)
Other operating expenses	(13,072,588)	-	3,918,326	(9,154,262)
Finance income	231,884	-	-	231,884
Finance costs	(8,754,643)	(13,514,730)	-	(22,269,373)
Profit before tax	34,876,441	(5,002,356)	-	29,874,085
Taxation	(11,930,724)	(3,667,647)	-	(15,598,371)
Profit for the financial year	22,945,717	(8,670,003)	-	14,275,714
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	22,945,717	(8,670,003)	-	14,275,714
<b>Profit attributable to:</b>				
Owners of the parent	17,306,095	(5,748,933)	-	11,557,162
Non-controlling interests	5,639,622	(2,921,070)	-	2,718,552
	22,945,717	(8,670,003)	-	14,275,714
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	17,306,095	(5,748,933)	-	11,557,162
Non-controlling interests	5,639,622	(2,921,070)	-	2,718,552
	22,945,717	(8,670,003)	-	14,275,714
<b>Earnings per share attributable to owners of the parent (sen)</b>				
- Basic and diluted	4.33			2.89

# Notes to the Financial Statements

30 June 2021 (cont'd)

## 30. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (continued)

### (b) Effects of adoption of the Agenda Decision (continued)

#### (ii) Reconciliation of statements of profit or loss and other comprehensive income (continued)

Company 30 June 2020	As previously reported RM	Effects of Agenda Decision RM	Reclassification RM	As restated RM
Revenue	29,042,430	-	-	29,042,430
Cost of sales	(23,116,097)	2,650,745	-	(20,465,352)
Gross profit	5,926,333	2,650,745	-	8,577,078
Other operating income	4,555,051	-	(157,287)	4,397,764
Administrative expenses	(12,253,494)	-	-	(12,253,494)
Net impairment losses on receivables	-	-	(1,061,812)	(1,061,812)
Marketing and selling expenses	(1,930,904)	-	-	(1,930,904)
Other operating expenses	(1,704,115)	-	1,219,099	(485,016)
Finance income	49,244	-	-	49,244
Finance costs	(5,628,600)	-	-	(5,628,600)
Loss before tax	(10,986,485)	2,650,745	-	(8,335,740)
Taxation	305,972	384,948	-	690,920
Loss for the financial year	(10,680,513)	3,035,693	-	(7,644,820)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive loss	(10,680,513)	3,035,693	-	(7,644,820)

#### (iii) Reconciliation of statements of cash flows

Group 30 June 2020	As previously reported RM	Effects of Agenda Decision RM	As restated RM
Net cash flow operating activities	99,484,212	13,514,730	112,998,942
Net cash flow investing activities	(4,462,751)	-	(4,462,751)
Net cash flow financing activities	(85,251,015)	(13,514,730)	(98,765,745)
	9,770,446	-	9,770,446



## Notes to the Financial Statements

30 June 2021 (cont'd)

## 30. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (continued)

## (c) New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2022

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:

Title	Effective Date
Annual improvements to MFRS Standards 2018 - 2020 Cycle	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
<i>Disclosure of Accounting Policies</i> (Amendments to MFRS 101 <i>Presentation of Financial Statements</i> )	1 January 2023
<i>Definition of Accounting Estimates</i> (Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> )	1 January 2023
<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i> (Amendments to MFRS 112 <i>Income Taxes</i> )	1 January 2023
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
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 for future financial years.

# **ADDITIONAL CORPORATE DISCLOSURE**

## **AUDIT AND NON-AUDIT FEES**

During the financial year ended 30 June 2021, the amount of audit fees paid or payable to the External Auditors on the Company and Group basis were RM96,000 and RM247,500 respectively.

During the financial year ended 30 June 2021, 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 RM5,550 and RM8,850 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 2021**

The details of the RRPTs were disclosed in Note 26 of the Financial Statements for the financial period ended 30 June 2021 on pages 113 to 115.

## **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 30 SEPTEMBER 2021

Issued share capital	:	412,500,000 (inclusive of 12,879,200 as Treasury Shares)
Types of shares	:	Ordinary shares
No. of shareholders	:	2,477
Voting rights	:	One vote per ordinary share

#### ANALYSIS OF SHAREHOLDINGS BY RANGE GROUPS

	No. of Shares	% Over Total Shares	No. of Holders	% Over Total Holders
less than 100 shares	120	0.000	7	0.283
100 to 1,000 shares	43,652	0.011	77	3.108
1,001 to 10,000 shares	7,716,828	1.931	1,619	65.361
10,001 to 100,000 shares	20,576,600	5.149	667	26.928
100,001 to less than 5% of issued shares	110,597,200	27.676	104	4.199
5% and above of issued shares	260,686,400	65.233	3	0.121
<b>Total</b>	<b>399,620,800</b>	<b>100.000</b>	<b>2,477</b>	<b>100.000</b>

#### LIST OF THIRTY LARGEST SHAREHOLDERS AS AT 30 SEPTEMBER 2021 (AS PER RECORD OF DEPOSITORS)

No.	Name	Shares Held	%
1.	Evergreen Ratio Sdn Bhd	112,077,400	28.045
2.	RHB Nominees (Tempatan) Sdn Bhd OSK Capital Sdn Bhd For Evergreen Ratio Sdn Bhd	110,000,000	27.526
3.	Effective Strategy Sdn Bhd	38,609,000	9.661
4.	Tho Siu Chu	14,903,000	3.729
5.	Tan Chin Ee	14,843,000	3.714
6.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Evergreen Ratio Sdn Bhd	12,660,000	3.168
7.	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lim Boon Seng (M14)	12,512,800	3.131
8.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Haven Venture Sdn Bhd (REM 646-Margin)	6,862,500	1.717
9.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lasercoin (M) Sdn Bhd (REM 646-Margin)	5,737,800	1.435
10.	Puncak Angkasa Sdn Bhd	4,000,000	1.000
11.	Lee Sze Hao	3,159,400	0.790
12.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chew Siow Geok	2,135,000	0.534

# Shareholdings Statistics

As At 30 September 2021 (cont'd)

## LIST OF THIRTY LARGEST SHAREHOLDERS (CONT'D) AS AT 30 SEPTEMBER 2021 (AS PER RECORD OF DEPOSITORS)

No.	Name	Shares Held	%
13.	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Chin Ee (M14)	2,098,000	0.524
14.	Teoh Chew Seng	2,023,100	0.506
15.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Ambank (M) Berhad For Chew Siow Geok (Smart)	2,018,600	0.505
16.	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lim Dean Yann	1,915,000	0.479
17.	Lim Pei Tiam @ Liam Ahat Kiat	1,807,300	0.452
18.	Suriani Binti Abdul Aziz	1,452,000	0.363
19.	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Cheng Wai Fun (CHE0562C)	1,273,100	0.318
20.	Tng Kee Meng	1,000,000	0.250
21.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Loo Kah Chye	800,000	0.200
22.	Johore Tenggara Oil Palm Berhad	668,000	0.167
23.	Lim Pay Kaon	600,000	0.150
24.	Tan Kee Hwee	582,000	0.145
25.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Woon Teik (REM 663)	577,800	0.144
26.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chin Kiam Hsung	550,400	0.137
27.	Luo, Xiao	535,600	0.134
28.	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Kun Zheng (MY1702)	508,900	0.127
29.	Tung Lian Seng	448,100	0.112
30.	Teh Bee Gaik	446,500	0.111

## Shareholdings Statistics

As At 30 September 2021 (cont'd)

## SUBSTANTIAL SHAREHOLDERS

AS AT 30 SEPTEMBER 2021 (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	112,077,400	122,660,000	28.045	30.694
2. Tan Sri Dato' Tan Seng Leong	-	234,737,400 <sup>(i)</sup>	-	58.739
3. Puan Sri Datin Lim Sui Yong	-	234,737,400 <sup>(i)</sup>	-	58.739
4. Effective Strategy Sdn Bhd	38,609,000	-	9.661	-
5. Chan Toong Kit	-	38,609,000 <sup>(ii)</sup>	-	9.661
6. Chong Shiung Foh	-	38,609,000 <sup>(ii)</sup>	-	9.661

## Notes:-

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

<sup>(ii)</sup> Deemed interest by virtue of their shareholdings in Effective Strategy Sdn Bhd pursuant to Section 8(4) of the Act.

## DIRECTORS' SHAREHOLDINGS

AS AT 30 SEPTEMBER 2021 (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	-	-	234,737,400 <sup>(i)</sup>	58.739

## Notes:-

<sup>(i)</sup> Deemed interest 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 2021 are as follows:

Location	Description	Tenure	Age of building	Size (acre)	Net book value/Cost as at 30 June 2021 RM'000	Date of acquisition/ revaluation*
<b>KLUANG, JOHOR</b>						
PTB 8370 No. 20, Jalan Bakawali, 86000 Kluang, Johor.	16 storey hotel	Leasehold (expiring 10.11.2093)	25 years	0.35	19,419	8/27/2020*
PTB 8370 No. 20, Jalan Bakawali, 86000 Kluang, Johor.	Boutique hotel / bistro	Leasehold (expiring 10.11.2093)	25 years	0.23	14,730	8/27/2020*
PTD 49657 - 49667 No. 54-56, Jalan 2, PTD 49770 - 49780 No. 49-59, Jalan 2, Taman Sri Kluang, 86000 Kluang, Johor.	13 units shop	Freehold	22 years	0.46	605	6/27/1998
PTD 50048 - 50049 No. 31-33, Jalan 20, Taman Sri Kluang, 86000 Kluang, Johor.	2 units industry factory	Freehold	20.5 years	2.181	2,179	4/6/2012*
PTD 65377, 75581 - 75584 PTD 75599 Mukim of Kluang District of Kluang, Johor	1 units of shop lot & 5 units of residential Taman Saujana	Freehold	10 years	0.52	4,136	8/26/2021*
Lot 6806 & 6808 Mukim of Kluang District of Kluang, Johor	Being developed as Taman Sri Kluang	Freehold	N/A	15.16	5,130	1/12/1996
Lot 1574 Mukim of Kluang District of Kluang, Johor	Proposed residential & commercial development	Freehold	N/A	17.97	564	1/25/1991
Lot 321 & Lot 440 Mukim of Kluang District of Kluang, Johor	Being developed as Taman Kluang Baru 2	Freehold	N/A	1.03	950	12/29/1999
Lot 482 & 484 Mukim of Kluang District of Kluang, Johor	Being developed as Jobhase City Square Commercial Lot	Leasehold (expiring 04.11.2102)	N/A	0.39	19,538	9/15/2021*

## List of Landed Properties

(cont'd)

The details of the BCB Group's properties as at 30 June 2021 are as follows: (continued)

Location	Description	Tenure	Age of building	Size (acre)	Net book value/Cost as at 30 June 2021 RM'000	Date of acquisition/ revaluation*
<b>BATU PAHAT, JOHOR</b>						
Lot 4091 Mukim of Simpang Kanan, District of Batu Pahat, Johor	Being developed as Taman Bukit Perdana II	Freehold	N/A	11.64	10,468	12/7/1994
Lot 2664-2666 Mukim of Simpang Kanan, District of Batu Pahat, Johor	Being developed as Taman Bukit Perdana II	Freehold	N/A	21.04	5,131	6/27/1994
Lot 3131 Mukim of Simpang Kanan, District of Batu Pahat, Johor	Proposed residential development	Freehold	N/A	4.05	259	9/6/1994
Lot 8096 Mukim of Sri Gading District of Batu Pahat, Johor	Proposed residential development	Freehold	N/A	2	650	12/13/2006
Lot 8097 Mukim of Sri Gading District of Batu Pahat, Johor	Proposed residential development	Freehold	N/A	2	656	12/13/2006
Lot 708 Mukim of Sri Gading District of Batu Pahat, Johor	Proposed residential development	Freehold	N/A	3	870	12/13/2006
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	4,396	12/2/1993
HS(D) 23056-23076, 23081-23087 & 23181 Mukim of Simpang Kanan, District of Batu Pahat, Johor	Proposed residential development	Freehold	N/A	72.11	9,541	5/27/2009*
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	79.78	47,893	2/6/2002*

# List of Landed Properties

(cont'd)

The details of the BCB Group's properties as at 30 June 2021 are as follows: (continued)

Location	Description	Tenure	Age of building	Size (acre)	Net book value/Cost as at 30 June 2021 RM'000	Date of acquisition/ revaluation*
<b>BATU PAHAT, JOHOR</b>						
Lot 4207 Mukim of Simpang Kanan, District of Batu Pahat, Johor	Proposed residential & commercial development	Freehold	N/A	35	5,915	9/23/2003
H.S.(D) 43069-43075 PTD No.18607-18613, Mukim of Linau, District of Batu Pahat, Johor	Being developed as Bandar Putera Indah	Freehold	N/A	105.68	52,959	9/28/2009*
Lot 375 Jalan Bakau Condong Mukim Bandar Penggaram District of Batu Pahat, Johor	Proposed commercial development	Freehold	N/A	9.9	57,091	4/28/2015
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	40,238	3/27/2017
<b>PONTIAN, JOHOR</b>						
Lot 4681, Mukim of Pontian District of Pontian, Johor	Being developed as Taman Megah	Freehold	N/A	6.07	6,905	11/17/1994
<b>JOHOR BAHRU, JOHOR</b>						
Lot 2896 Taman Pulai Utama Mukim of Pulai, District of Johor Bahru, Johor	Being developed as Taman Pulai Utama	Freehold	N/A	10.71	13,075	10/30/2008
Shopping Complex - U Mall Taman Pulai Utama Mukim of Pulai, District of Johor Bahru, Johor	Shopping Complex Taman Pulai Utama	Freehold	14 year	3.35	30,000	10/1/2021
PTD 102775, 141053 Mukim of Pulai, District of Johor Bahru, Johor	2 units of Shop Offices	Freehold	13 year	0.09	1,329	02/01/2009 & 3/16/2009



# List of Landed Properties

(cont'd)

The details of the BCB Group's properties as at 30 June 2021 are as follows: (continued)

Location	Description	Tenure	Age of building	Size (acre)	Net book value/Cost as at 30 June 2021 RM'000	Date of acquisition/revaluation*
<b>JOHOR BAHRU, JOHOR</b>						
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	324,766	12/6/2013
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	101,793	10/1/2015
<b>SEREMBAN, NEGERI SEMBILAN</b>						
Lot 5527 Mukim of Rantau, District of Seremban, Negeri Sembilan	Being developed as Taman Seremban Jaya	Freehold	N/A	1.0	1,191	7/15/1994
<b>KUALA LUMPUR</b>						
Lot 9933 (Geran 6497) Lorong Awan Jawa Taman Yarl Mukim Petaling, District of Kuala Lumpur	Proposed residential development	Freehold	N/A	0.4	8,190	2/4/2010
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	123.05	170,669	3/11/2011
					<u>961,236</u>	

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Thirty-third (33rd) Annual General Meeting of the Company will be held at The Elysia Park Residence Sales Gallery, Jalan Persiaran Medini Utara 1, Bandar Medini Iskandar Malaysia, 79250 Iskandar Puteri, Johor Darul Takzim on Tuesday, 14 December 2021 at 11:00 a.m. to transact the following businesses:

## A G E N D A

### As Ordinary Business

- |    |   |   |
|----|---|---|
| 1. | To receive the Audited Financial Statements for the financial year ended 30 June 2021 and the Reports of the Directors and Auditors thereon.                                  | <b>(Please refer to Explanatory Note 1)</b> |
| 2. | To re-elect the following Directors who retire by rotation pursuant to Rule 131 of the Company's Constitution:  |   |
|    | (i) Mr. Tan Vin Sern  | <b>Resolution 1</b>                         |
|    | (ii) Mr. Tan Kok Wee  | <b>Resolution 2</b>                         |
|    | (iii) Ms. Tan Lay Hiang   | <b>Resolution 3</b>                         |
| 3. | To elect the following Directors who retire pursuant to Rule 116 of the Company's Constitution:-  |   |
|    | (i) Ms. Law Lee Yen   | <b>Resolution 4</b>                         |
|    | (ii) Tan Sri Dr. Ali bin Hamsa  | <b>Resolution 5</b>                         |
| 4. | To approve the payment of Directors' fees of up to RM280,000.00 and benefits of up to RM20,000.00 from 15 December 2021 until the next Annual General Meeting of the Company. | <b>Resolution 6</b>                         |
| 5. | To re-appoint Messrs BDO PLT as the Auditors of the Company and authorise the Directors to determine their remuneration.  | <b>Resolution 7</b>                         |

### As Special Business

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

- |    |   |                     |
|----|---|---------------------|
| 6. | <b>AUTHORITY TO ISSUE SHARES</b>  | <b>Resolution 8</b> |
|    | <p>"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 number of issued shares 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."</p> |                     |

# Notice of Annual General Meeting

(cont'd)

## 7. 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 29 October 2021 ("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."

## 8. 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 number of issued shares 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 the 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."

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

## BY ORDER OF THE BOARD

**NG HENG HOOI (MAICSA 7048492) (PC No. 202008002923)**  
**WONG MEE KIAT (MAICSA 7058813) (PC No. 202008001958)**  
**Secretaries**

Johor  
29 October 2021

# Notice of Annual General Meeting

(cont'd)

## 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 Rule 88.1(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 30 November 2021. Only depositor whose name appears on the Record of Depositors as at 30 November 2021 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 Takzim, 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 15 December 2021 up till the next AGM of the Company in 2022. The benefits comprise allowance and benefits-in-kind.

# Notice of Annual General Meeting (cont'd)

## **3. Item 6 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 number of issued shares 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.

## **4. Item 7 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 29 October 2021.

## **5. Item 8 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 number of issued shares 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 29 October 2021.

## **STATEMENT ACCOMPANYING THE NOTICE OF THE ANNUAL GENERAL MEETING**

Statement accompanying the notice of the Annual General Meeting pursuant to Paragraph 8.27(2), Appendix 8A of the Listing Requirements of Bursa Malaysia Securities Berhad.

The details of the Directors seeking election are set out in the respective profiles which appear in the Directors' Profiles on pages 14 – 16 of this Annual Report.

The details of their interest in the securities of the Company are set out in the Analysis of Shareholdings which appear on the page 133 of this Annual Report.

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## 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 33rd Annual General Meeting of the Company to be held at The Elysia Park Residence Sales Gallery, Jalan Persiaran Medini Utara 1, Bandar Medini Iskandar Malaysia, 79250 Iskandar Puteri, Johor Darul Takzim on Tuesday, 14 December 2021 at 11:00a.m. and at any adjournment thereof. My/our proxy is to vote as indicated below:-

ITEM	AGENDA	RESOLUTION	FOR	AGAINST
1.	Re-election of Mr. Tan Vin Sern as Director	Ordinary Resolution 1		
2.	Re-election of Mr. Tan Kok Wee as Director	Ordinary Resolution 2		
3.	Re-election of Ms. Tan Lay Hiang as Director	Ordinary Resolution 3		
4.	Election of Ms. Law Lee Yen as Director	Ordinary Resolution 4		
5.	Election of Tan Sri Dr. Ali bin Hamsa as Director	Ordinary Resolution 5		
6.	Payment of Directors' Fees and benefits	Ordinary Resolution 6		
7.	Re-appointment of Auditors	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		

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 \_\_\_\_\_, 2021.

\_\_\_\_\_  
Signature of Shareholder(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 Rule 88.1(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 30 November 2021. Only depositor whose name appears on the Record of Depositors as at 30 November 2021 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.
- 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.

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AFFIX  
STAMP  
HERE

The Company Secretary

**BCB BERHAD**  
**Registration No.: 198801004645 (172003-W)**  
(Incorporated in Malaysia)  
No. 4B, 2nd & 3rd Floor, Jalan Sentol,  
South Wing – Kluang Parade,  
86000 Kluang,  
Johor Darul Ta'zim

fold here

## Registered Office

**BCB Berhad** 198801004645 (172003-W)

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