

Interim Report For The Financial Period Ended 31 December 2018  
( The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 DECEMBER 2018

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.12.2018 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2017 RM'000 <b>(RESTATED)</b>	CURRENT YEAR TO DATE 31.12.2018 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.12.2017 RM'000 <b>(RESTATED)</b>
Revenue	114,458	84,292	209,962	150,777
Operating expenses	(102,441)	(75,883)	(183,446)	(136,672)
Other operating income	2,495	2,308	4,689	8,111
Profit from operations	14,512	10,717	31,205	22,216
Finance cost	(2,607)	(3,872)	(5,575)	(7,241)
Profit before taxation	11,905	6,845	25,630	14,975
Taxation	(2,571)	(1,775)	(5,842)	(4,551)
Profit for the period	9,334	5,070	19,788	10,424
Total comprehensive income for the year	9,334	5,070	19,788	10,424
Profit attributable to:				
Owners of the Company	5,617	5,897	13,411	11,915
Non Controlling Interest	3,717	(827)	6,377	(1,491)
	9,334	5,070	19,788	10,424
Total comprehensive income attributable to:				
Owner of the parent	5,617	5,897	13,411	11,915
Non Controlling Interest	3,717	(827)	6,377	(1,491)
	9,334	5,070	19,788	10,424
EPS - Basic (sen)	1.41	1.47	3.36	2.98

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Annual Financial Report for the year ended 30th June 2018)

BCB BERHAD

(Company No : 172003-W)

(Incorporated in Malaysia)



**Interim Report For The Financial Period Ended 31 December 2018**

( The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
FOR THE PERIOD ENDED 31 DECEMBER 2018**

	(UNAUDITED) AS AT 31.12.2018 RM'000	(RESTATED) AS AT 30.06.2018 RM'000	(RESTATED) AS AT 01.07.2017 RM'000
<b>Non Current Assets</b>			
Property, plant and equipment	55,777	57,633	60,987
Investment properties	57,859	57,859	60,580
Land held for development	186,660	254,188	119,375
Deferred tax assets	2,337	2,337	2,961
<b>Current assets</b>			
Property development costs	658,351	614,845	674,209
Inventories	89,413	108,962	123,086
Tax recoverable	14,088	10,772	7,935
Trade and other receivables	115,734	108,274	96,296
Fixed deposits with licensed banks	756	365	1,126
Cash and bank balances	34,357	21,873	21,463
	<u>912,699</u>	<u>865,091</u>	<u>924,115</u>
<b>Current liabilities</b>			
Trade and other payables	214,995	239,625	230,796
Short term borrowings	165,048	187,281	162,970
Bank overdrafts	42,913	56,117	48,351
Current tax liabilities	6,530	1,054	2,308
	<u>429,486</u>	<u>484,077</u>	<u>444,425</u>
<b>Net current assets</b>	483,213	381,014	479,690
<b>Total Assets</b>	785,846	753,031	723,593
<b>Shareholders' Funds</b>			
Share capital	206,250	206,250	206,250
Treasury shares	(3,286)	(3,168)	(3,167)
Revaluation reserves	6,788	6,788	6,788
Retained earnings	280,200	266,789	237,141
Non Controlling Interest	48,630	42,253	12,732
	<u>538,582</u>	<u>518,912</u>	<u>459,744</u>
Long term borrowings	247,264	234,119	263,849
Deferred tax liabilities	-	-	-
	<u>247,264</u>	<u>234,119</u>	<u>263,849</u>
<b>Total Equities and Liabilities</b>	<u>785,846</u>	<u>753,031</u>	<u>723,593</u>
<b>Net assets per share (RM)</b>	<u>1.19</u>	<u>1.16</u>	<u>1.08</u>
(Total Equity/ Number of ordinary share issued)	(489,952/ 412,500)	(476,659/ 412,500)	(447,012/ 412,500)

( The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Annual Financial Report for the year ended 30th June 2018)

Interim Report For The Financial Period Ended 31 December 2018  
( The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2018

	Share capital RM'000	Non-distributable		Distributable	Total RM'000	Non controlling interest RM'000	Total equity RM'000
		Revaluation reserves RM'000	Treasury shares RM'000	Retained earnings RM'000			
At 01.07.2018 <b>(As previously stated)</b>	206,250	6,788	(3,168)	267,022	476,892	42,408	519,300
Effects of adoption of the MFRS framework				(233)	(233)	(155)	(388)
<b>At 30.06.2018 (restated)</b>	206,250	6,788	(3,168)	266,789	476,659	42,253	518,912
Transactions with owners:							
Share buy-back	-	-	(118)	-	(118)	-	(118)
Issuance of new shares (at subsidiary level)	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	13,411	13,411	6,377	19,788
<b>At 31.12.2018</b>	<b>206,250</b>	<b>6,788</b>	<b>(3,286)</b>	<b>280,200</b>	<b>489,952</b>	<b>48,630</b>	<b>538,582</b>
At 01.07.2017 <b>(As previously stated)</b>	206,250	6,788	(3,167)	237,728	447,599	13,034	460,633
Effects of adoption of the MFRS framework				(587)	(587)	(302)	(889)
<b>At 01.07.2017 (restated)</b>	206,250	6,788	(3,167)	237,141	447,012	12,732	459,744
Transactions with owners:							
Share buy-back	-	-	(1)	-	(1)	-	(1)
Acquisition of Subsidiary	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	11,915	11,915	(1,491)	10,424
<b>At 31.12.2017</b>	<b>206,250</b>	<b>6,788</b>	<b>(3,168)</b>	<b>249,056</b>	<b>458,926</b>	<b>11,241</b>	<b>470,167</b>

( The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Annual Financial Report for the year ended 30th June 2018)

**Interim Report For The Financial Period Ended 31 December 2018**

( The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 DECEMBER 2018

	6 MONTHS ENDED 31.12.2018 <u>RM'000</u>	<b>(RESTATED)</b> 6 MONTHS ENDED 31.12.2017 <u>RM'000</u>
<b>Operating activities</b>		
Profit after taxation	19,788	10,424
Adjustments for non-cash items	7,673	14,202
Bad debts written off		
Depreciation		
Fair Value adjustment		
Gain on disposal - PPE		
Gain on disposal - IP		
Inventories written off		
Interest income		
Interest expenses		
PPE written off		
Tax		
Operating profit before working capital changes	<u>27,461</u>	<u>24,626</u>
Trade & other receivables	(7,460)	7,445
Inventories	19,549	13,714
Property development cost	24,410	(33,387)
Trade payables and Other payables	(24,630)	(5,286)
Net change in working capital	<u>39,330</u>	<u>7,112</u>
Net Interest Paid	5,575	(3,142)
Tax refunded	-	-
Taxes paid	(3,316)	(3,474)
<b>Net cash (used in)/ from operating activities</b>	<u><b>41,589</b></u>	<u><b>496</b></u>
<b>Investing activities</b>		
Cash from acquisition of subsidiary (Global Earnest S/B)	-	-
Capital Injection from Joint Venture	-	-
Purchase of property, plant and equipment	-	-
Proceeds from disposal of property, plant and equipment and investment ]	-	3,212
Additional Investment Properties	-	-
Addition to Land Held for Property Development	-	-
<b>Net cash used in investing activities</b>	<u><b>-</b></u>	<u><b>3,212</b></u>
<b>Financing activities</b>		
Proceeds from borrowings	-	17,469
Repayment of borrowings	(15,001)	(6,426)
Purchase of treasury shares	(118)	-
Fixed deposits pledged to a licensed bank	(391)	93
Others	-	-
<b>Net cash from financing activities</b>	<u><b>(15,510)</b></u>	<u><b>11,136</b></u>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	26,079	14,844
<b>Cash and cash equivalents at beginning of period</b>	(33,879)	(25,762)
<b>Cash and cash equivalents at end of period</b>	<u><b>(7,800)</b></u>	<u><b>(10,918)</b></u>

( The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Annual Financial Report for the year ended 30th June 2018)

**Notes to the Interim Report For The Financial Period Ended 30 September 2018**

( The figures have not been audited)

**EXPLANATORY NOTES**

**1. Basis of Preparation**

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standards (“FRS”) 134 - Interim Financial Reporting issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial report should be read in conjunction with the annual audited financial statements of the Group for the year ended 30 June 2018.

The significant accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the annual audited financial statements for the financial year ended 30 June 2018, except for the adoption of the following standards and amendments to published standards which are effective for the financial period commencing after 1 July 2018:

(a) MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards

(b) MFRS 9: Financial Instruments

(c) MFRS 15: Revenue from Contracts with Customers

In addition, there are a number of new standards and amendments to Standards and Issues Committee (“IC”) interpretations which are effective and adopted for the current financial period beginning 1 July 2018. None of them are expected to have a significant effect on the consolidated financial statements of the Group.

Under MFRS 1 and 9, The Group is adopting this framework effective in this financial year.

Under MFRS 15, based on the assessment undertaken to-date, the Group expects significant changes in revenue being recognised arising from its adoption.

The details of the impact to the Group's reported Financial Position and Comprehensive Income arising from the adoption of the above reporting standards are as follows:

(i) Reconciliation of Comprehensive Income

	Individual quarter ended 31 December 2017			Cumulative quarter ended 31 December 2017		
	Previously stated under FRS RM'000	Effects of transition to MFRS RM'000	Restated under MFRS RM'000	Previously stated under FRS RM'000	Effects of transition to MFRS RM'000	Restated under MFRS RM'000
Revenue	86,219	(1,927)	84,292	156,229	(5,452)	150,777
Operating expenses	(77,673)	1,790	(75,883)	(141,736)	5,064	(136,672)
Other operating income	2,308	-	2,308	8,111	-	8,111
Profit from operations	10,854	(137)	10,717	22,604	(388)	22,216
Finance cost	(3,872)	-	(3,872)	(7,241)	-	(7,241)
Profit before tax	6,982	(137)	6,845	15,363	(388)	14,975
Taxation	(1,775)	-	(1,775)	(4,551)	-	(4,551)
Profit for the period	5,208	(137)	5,070	10,812	(388)	10,424
Attributable to:						
Owners of the Company	5,979	(82)	5,897	12,148	(233)	11,915
Non Controlling Interest	(772)	(55)	(827)	(1,336)	(155)	(1,491)
	5,207	(137)	5,070	10,812	(388)	10,424
EPS - Basic (sen)	1.49		1.47	3.03		2.98

## (ii) Reconciliation of financial position

	As at 1 July 2017			As at 30 June 2018		
	Previously stated FRS RM'000	Effects of MFRS RM'000	Restated under MFRS RM'000	Previously stated FRS RM'000	Effects of MFRS RM'000	Restated under MFRS RM'000
<b>Non-current assets</b>						
Property, plant and equipment	60,987		60,987	57,633		57,633
Investment properties	60,580		60,580	57,859		57,859
Land held for development	119,375		119,375	254,188		254,188
Deferred tax assets	2,961	-	2,961	2,337	-	2,337
	<u>243,903</u>	<u>-</u>	<u>243,903</u>	<u>372,017</u>	<u>-</u>	<u>372,017</u>
<b>Current assets</b>						
Property development costs	675,098	(889)	674,209	615,233	(388)	614,845
Inventories	123,086		123,086	108,962		108,962
Tax recoverable	7,935		7,935	10,772		10,772
Trade and other receivables	96,296		96,296	108,274		108,274
Fixed deposits with licensed banks	1,126		1,126	365		365
Cash and bank balances	21,463		21,463	21,873		21,873
	<u>925,004</u>	<u>(889)</u>	<u>924,115</u>	<u>865,479</u>	<u>(388)</u>	<u>865,091</u>
<b>Current liabilities</b>						
Trade and other payables	230,796		230,796	239,625		239,625
Short term borrowings	162,970		162,970	187,281		187,281
Bank overdrafts	48,351		48,351	56,117		56,117
Current tax liabilities	2,308		2,308	1,054		1,054
	<u>444,425</u>	<u>-</u>	<u>444,425</u>	<u>484,077</u>	<u>-</u>	<u>484,077</u>
Net current assets	480,579	(889)	479,690	381,402	(388)	381,014
<b>Total Assets</b>	<u><b>724,482</b></u>	<u><b>(889)</b></u>	<u><b>723,593</b></u>	<u><b>753,419</b></u>	<u><b>(388)</b></u>	<u><b>753,031</b></u>
<b>Shareholders' Funds</b>						
Share capital	206,250		206,250	206,250		206,250
Treasury shares	(3,167)		(3,167)	(3,168)		(3,168)
Revaluation reserves	6,788		6,788	6,788		6,788
Retained earnings	237,728	(587)	237,141	267,022	(233)	266,789
Non Controlling Interest	13,034	(302)	12,732	42,408	(155)	42,253
	<u>460,633</u>	<u>(889)</u>	<u>459,744</u>	<u>519,300</u>	<u>(388)</u>	<u>518,912</u>
Long term borrowings	263,849		263,849	234,119		234,119
<b>Total Equities and Liabilities</b>	<u><b>724,482</b></u>	<u><b>(889)</b></u>	<u><b>723,593</b></u>	<u><b>753,419</b></u>	<u><b>(388)</b></u>	<u><b>753,031</b></u>
Net assets per share (RM)						
(Total Equity/ Number of ordinary share issued)	1.09		1.08	1.16		1.16

## (iii) Reconciliation of cash flows

6 months ended 31 December 2017

	Previously stated FRS RM'000	Effects of MFRS RM'000	Restated under MFRS RM'000
<b>Operating activities</b>			
Profit after taxation	10,812	(388)	10,424
Adjustments for non-cash items	13,814	388	14,202
Operating profit before working capital changes	24,626	-	24,626
Trade & other receivables	7,445		7,445
Inventories	13,714		13,714
Property development cost	(33,387)		(33,387)
Trade payables and Other payables	(5,286)		(5,286)
Net change in working capital	7,112	-	7,112
Net Interest Paid	(3,142)		(3,142)
Tax refunded	-		-
Taxes paid	(3,474)		(3,474)
<b>Net cash (used in)/ from operating activities</b>	<b>496</b>	<b>-</b>	<b>496</b>
<b>Investing activities</b>			
Proceeds from disposal of property, plant and equipment and investment properties	3,212		3,212
<b>Net cash used in investing activities</b>	<b>3,212</b>	<b>-</b>	<b>3,212</b>
<b>Financing activities</b>			
Proceeds from borrowings	17,469		17,469
Repayment of borrowings	(6,426)		(6,426)
Purchase of treasury shares	-		-
Fixed deposits pledged to a licensed bank	93		93
<b>Net cash from financing activities</b>	<b>11,136</b>	<b>-</b>	<b>11,136</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>14,844</b>	<b>-</b>	<b>14,844</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>(25,762)</b>	<b>-</b>	<b>(25,762)</b>
<b>Cash and cash equivalents at end of period</b>	<b>(10,918)</b>	<b>-</b>	<b>(10,918)</b>

**2. Status of Audit Qualifications**

The audited financial statements of the Group for the year ended 30 June 2018 was not subject to any audit qualification.

**3. Seasonal or Cyclical Factors**

The business operations of the Group during the financial period under review have not been materially affected by any seasonal or cyclical factors.

**4. Unusual Items**

There was no unusual item affecting assets, liabilities, equity, net income and cash flows during the financial quarter under review.

**5. Material changes in past estimates and their effect on the current interim period.**

There was no material effect on the current interim period from estimates of amounts reported in prior interim periods of the current financial year or prior financial years.

**6. Issuances or Repayments of Debts and Equity Securities**

There was no issuance, cancellation, repurchases, resale and repayment of debts and equity securities in the financial quarter under review except for:

Share Buy-back

As at to-date, the Company has bought back a total of 12,534,200 shares from the open market at an average purchase price of RM0.26 per share (This average price is adjusted following a share split exercise conducted on 7 January 2016 whereby the initial share par value of RM1.00 per share was halved to RM0.50 per share ). The total consideration paid for the share buy-back, inclusive of transaction costs amounted to RM3,287,149.99. The shares bought back are held as treasury shares in accordance with Section 127 of the Companies Act, 2016.

**7. Dividend**

The Board does not recommend any interim dividend for the financial quarter under review.

## 8. Segment Information

Segmental information is presented in respect of the Group's business segments and they reflect the Group's internal reporting structures that are regularly reviewed for the purpose of allocating resources to the segment and assessing its performance.

For management purposes, the Group has identified the following four reportable segments as follows:

- |                                    |   |
|------------------------------------|---|
| a) Property Development and others | : Property Development, Letting of Properties and Project Management                                  |
| b) Construction                    | : Project Construction Services, Manufacturing of Concrete Products and Trading of Building Materials |
| c) Hotel and related activities    | : Providing Hotel Services, Food and Beverages and Catering Services                                  |
| d) Others                          | : These are dormant companies for future use  |

	Property development and management activities RM'000	Construction and related activities RM'000	Hotel RM'000	Others RM'000	Elimination RM'000	Total RM'000
<b>6 Months Ended 31.12.2018</b>						
<b>Revenue</b>						
External revenue	197,894	10,517	1,551	-	-	209,962
Inter-segment revenue	-	15,124	-	-	(15,124)	-
Total	197,894	25,641	1,551	-	(15,124)	209,962
Adjusted EBITDA	41,314	1,463	323	-	(10,587)	32,513

	Property development and management activities RM'000	Construction and related activities RM'000	Hotel RM'000	Others RM'000	Elimination RM'000	Total RM'000
<b>RESTATED</b>						
<b>6 Months Ended 31.12.2017</b>						
<b>Revenue</b>						
External revenue	144,507	3,802	2,468	-	-	150,777
Inter-segment revenue	-	20,550	-	-	(20,550)	-
Total	144,507	24,352	2,468	-	(20,550)	150,777
Adjusted EBITDA	17,176	6,738	(128)	-	-	23,786

	Property development and management activities RM'000	Construction and related activities RM'000	Hotel RM'000	Others RM'000	Elimination RM'000	Total RM'000
<b>Total segment assets</b>						
<b>31.12.2018</b>	1,413,922	139,927	31,869	1	(370,387)	1,215,332
<b>31.12.2017 (RESTATED)</b>	1,493,542	225,006	32,875	353	(565,472)	1,186,304

	Property development and management activities RM'000	Construction and related activities RM'000	Hotel RM'000	Others RM'000	Elimination RM'000	Total RM'000
<b>Total segment liabilities</b>						
<b>31.12.2018</b>	809,626	116,284	15,875	2	(265,037)	676,750
<b>31.12.2017 (RESTATED)</b>	1,055,014	226,847	15,379	3	(582,687)	714,556



**A reconciliation of total adjusted EBITDA**

	<b>31.12.2018</b> <b>RM'000</b>	<b>31.12.2017</b> <b>RM'000</b> <b>(RESTATED)</b>
<b>Adjusted EBITDA</b>	32,513	23,786
<b>Finance income</b>	101	93
<b>Finance cost</b>	(5,575)	(7,241)
<b>Tax</b>	(5,842)	(4,551)
<b>Depreciation</b>	(1,409)	(1,663)
<b>Net profit for the financial period</b>	<u>19,788</u>	<u>10,424</u>

**Reportable segments assets are reconciled to total assets as follows:**

	<b>31.12.2018</b> <b>RM'000</b>	<b>31.12.2017</b> <b>RM'000</b> <b>(RESTATED)</b>
<b>Total segment assets</b>	1,202,700	1,174,857
<b>Tax recoverable</b>	12,632	11,447
<b>Consolidated total assets (as per Statement of Financial Position)</b>	<u>1,215,332</u>	<u>1,186,304</u>

**Reportable segments liabilities are reconciled to total liabilities as follows:**

	<b>31.12.2018</b> <b>RM'000</b>	<b>31.12.2017</b> <b>RM'000</b> <b>(RESTATED)</b>
<b>Total segment liabilities</b>	676,750	714,556
<b>Tax payable</b>	-	-
<b>Consolidated total liabilities (as per Statement of Financial Position)</b>	<u>676,750</u>	<u>714,556</u>

**9. Carrying Amount of Revalued Assets**

Property, plant and equipment, which are stated at revalued amounts, have been brought forward without amendments from the previous Annual Financial Statements.

**10. Material events not reflected in interim period.**

The Group does not have any material events during the financial period under review.

**11. Changes in the Composition of the Group**

There are no changes to the composition of the Group during the financial period under review.

**12. Contingent Liabilities**

There were no significant changes in contingent liabilities in respect of the Group since the last Annual Statement of Financial Position date.

**13. Capital Commitments**

The Group does not have any capital commitments outstanding during the financial period under review.

14. **Recurrent Related Party Transactions**

a) **Nature of relationships of BCB Group with the interested related parties**

- (i) Tan Sri Dato' Tan Seng Leong is a director of BCB Berhad and all its subsidiary companies. He is a major shareholder of BCB Berhad via his family controlled company called Evergreen Ratio Sdn Bhd. He is deemed to have an interest with the interested related parties by virtue of his relationship with his spouse and his children namely Puan Sri Datin Lim Sui Yong, Tan Vin Sern, Tan Vin Shyan and Tan Lindy, who are directors of Marvel Plus Development Sdn Bhd ("MPDSB"), whilst Puan Sri Datin Lim Sui Yong and Tan Vin Sern are also shareholders of MPDSB. Tan Sri Dato' Tan Seng Leong is also a director of Ju-Ichi Enterprise Sdn Bhd ("JIESB") as well as a major shareholder of IBZI Development (Johor) Sdn Bhd ("IBZI").
- (ii) Tan Vin Sern is a director of BCB Berhad and all its subsidiary companies. He is the son of Tan Sri Dato' Tan Seng Leong and brother of Tan Lindy. He is also a director of MPDSB, JIESB and IBZI.
- (iii) Tan Lindy is a Director of BCB Berhad and all its subsidiary companies. She is the daughter of Tan Sri Dato' Tan Seng Leong and the sister of Tan Vin Sern. She is also a director of MPDSB and JIESB.
- (iv) Tan Lay Hiang is a Director of BCB Berhad and most of its subsidiary companies. She is the sister of Tan Sri Dato' Tan Seng Leong.
- (v) Chang Shao-Yu is a Director of MPDSB. He is the spouse of Tan Lindy and son-in-law of Tan Sri Dato' Tan Seng Leong and Puan Sri Datin Lim Sui Yong.
- (vi) Tan Vin Shyan is a Director of BCB Berhad and most of its subsidiaries. He is the son of Tan Sri Dato' Tan Seng Leong and Puan Sri Datin Lim Sui Yong, and brother of Tan Lindy and Tan Vin Sern. He is also a director and shareholder of MPDSB, JIESB and IBZI.
- (vii) Puan Sri Datin Lim Sui Yong is a major shareholder of BCB Berhad via her family controlled company called Evergreen Ratio Sdn Bhd. She is also a director and shareholder of MPDSB.

b) **The related party transactions between BCB Group and the interested related parties are as follows:**

	<b>Quarterly Period Ended 31.12.2018 RM'000</b>	<b>Quarterly Period Ended 31.12.2017 RM'000</b>
<b><u>Marvel Plus Development Sdn Bhd</u></b>		
BCB Construction Sdn Bhd		
- Building construction services	606	966
BCB Management Sdn Bhd		
- Project management services and sales & marketing services	-	-
BCB Road Builder Sdn Bhd		
- Road construction services	-	-
<b><u>Ju-Ichi Enterprise Sdn Bhd</u></b>		
BCB Berhad		
- Rental of office space	75	75
BCB Construction Sdn Bhd		
- Building construction services	5,142	-
<b><u>IBZI Development Sdn Bhd</u></b>		
BCB Construction Sdn Bhd		
- Building construction services	-	-

ADDITIONAL INFORMATION AS REQUIRED BY APPENDIX 9B OF BMSB LISTING REQUIREMENTS

1. **Review of Performance of the Group for the Quarter and Financial Year-To-Date**

1. a The Group turnover increased by 36% to RM114.46 million for the second quarter of 2019 as compared to RM84.28 million (restated) recorded for the corresponding quarter of last year while the Group's profit before tax increased by 74% to RM11.91 million in the current quarter as compared to a profit before tax of RM6.85 million (restated) in the corresponding quarter of last year.

The Group's quarterly performance as per segmental divisions is as follows:

**Property Development division's** revenue increased by 32% to RM108.34 million in Q2' 2019 (Q2 '2018: Restated RM82.17 million). Profit before tax increased by 185% to RM11.99 million (Q2'2018: Restated RM4.21 million). The increase in revenue and profit before tax is attributed to better sales.

**Construction division's** revenue increased by 497% to 5.49 million in Q2' 2019 ( Q2 '2018: RM0.92 million). Loss before tax is RM7,000 (Q2'2018: RM4.16 million). The increase in revenue is attributed to more outside jobs undertaken by the division while the slight loss before tax is attributed to high construction material prices.

**Hotel division's** revenue decreased by 47% to RM0.63 million in Q2' 2019 ( Q2 '2018: RM1.19 million). Loss before tax reduced by 105% to RM0.08 million (Q2'2018: Loss RM1.52 million). The lower revenue and lower loss before tax is attributed to the fact that the group has leased out the entire operations of the hotel to an operator in line with its plan to reduce overheads and stamp out losses. The past year also saw the hotel division retrenching many staff.

- 1. b** For the financial year to-date, the Group's revenue increased by 138% to RM209.96 million (2018: Restated RM150.76 million) while the Group's profit before tax increased by 71% to RM25.63 million (2018: Restated RM14.98 million).

The Group's financial year to-date performance as per segmental divisions is as follows:

**Property Development division's** revenue increased by 37% to RM197.89 million as at Q2' 2019 (2018: Restated RM144.47 million). Profit before tax for the financial year to-date increased by 88% to RM25.17 million (2018: Restated RM13.38 million). The increase in revenue and profit before tax is attributed to better sales.

**Construction division's** revenue increased by 175% to RM10.52 million as at Q2' 2019 (2018: Restated RM3.82 million). Profit before tax decreased by 80% to RM0.63 million (2018: RM3.12 million). The increase in revenue and decrease in profit before tax is attributed to an audit adjustment made in the previous year.

**Hotel division's** revenue decreased by 37% to RM1.55 million as at Q2' 2019 (2018: Restated RM2.47 million). Loss before tax reduced by 90% to RM0.16 million for the financial year to-date (2018: Loss RM1.52 million). The lower revenue and lower loss before tax is attributed to the fact that the group has leased out the entire operations of the hotel to an operator in line with its plan to reduce overheads and stamp out losses. The past year also saw the hotel division retrenching many staff.

**2. Material Changes in Profit Before Taxation for the Quarter Reported On as Compared with the Immediate Preceding Quarter**

Group profit before tax decreased from RM13.73 million in the preceding quarter to RM11.91 million in the current quarter. This is mainly due to higher overheads and building materials incurred in the current quarter under review.

**3. Prospects for the Financial Year**

Despite the property market being lack lustre the past 3 years, the Board is optimistic of the Group's performance for financial year 2019. The following projects will continue to contribute to the Group's earnings:

a) Evergreen Heights and Bandar Putera Indah, both these township projects are in Batu Pahat and together they contribute about RM150 million in sales per annum. The recent addition is Versis Batu Pahat, a commercial project in Batu Pahat town.

b) Home Tree in the vicinity of Kota Kemuning, Shah Alam, Selangor: This development on 151 acres of land will comprise about 200 units of high-end bungalows and various other types of other houses and a similar number of commercial units bearing a total gross development value of at least RM1.8 billion. It is ear-marked for completion in about 4 years time.

The entire Phase 2 has a Gross Development Value of RM600 million comprising of 99 units of 3 storey bungalows and 166 units of 3 storey Semi Ds.

However sub-phase 2(a) & 2(b) bearing a combined Gross Development Value of RM270 million was officially launched in August 2017. As at to-date, more than RM100 million in sales has been recorded.

c) Elysia Park Residence in Medini, Johor Bahru. This high-end condominium project has a revised total gross development value of about RM1.5 billion. Phase 1 bearing a revised Gross Development Value of RM790 million comprising of about 981 units of condominiums in 3 tower blocks was officially launched in August 2016. As at to-date, close to RM450 million in sales has been recorded.

**4. Variance on Profit Forecast**

The Group did not issue any profit forecast or profit guarantee.

**5. Profit for the period**

Profit before taxation is derived after taking into consideration of the following:

	<b>Current</b>	<b>Cumulative</b>
	<b>31.12.2018</b>	<b>year to-date</b>
	<b>RM'000</b>	<b>31.12.2018</b>
		<b>RM'000</b>
Interest Income	61	101
Other Income	1,880	3,802
Gain or loss on disposal of properties	554	786
Interest expenses	(2,607)	(5,575)
Depreciation and amortisation	(679)	(1,409)

Other than the above, there were no disposal of quoted or unquoted investment or properties and amortisation of assets for the financial quarter under review.

**6. Taxation**

Taxation consists of the followings:

	Quarter Current year	Quarter Preceding year corresponding	Cumulative Current year to- date	Cumulative Preceding year corresponding
	RM'000	RM'000	RM'000	RM'000
Income tax				
- current financial period	2,571	1,775	5,842	4,551
- prior year	-	-	-	-
Deferred taxation				
- current financial period	-	-	-	-
- prior year	-	-	-	-
	<u>2,571</u>	<u>1,775</u>	<u>5,842</u>	<u>4,551</u>

The effective tax rate for the financial year to-date was higher than the statutory tax rate as a result of certain expenses disallowed for tax purposes.

**7. Profit / (loss) on sale of unquoted investments and / or properties.**

There was no disposal of unquoted investment or property during the financial quarter under review other than in the ordinary course of the Group's business.

**8. Quoted Securities**

There was no purchase and disposal of quoted securities for the financial quarter under review.

**9. Status of Corporate Proposal**

There were no corporate proposals during the financial period under review.

**10. Dividend**

The Board of Directors has not recommended any interim dividend for the current quarter or financial year to-date.

**11. Group Borrowings**

The tenure of Group borrowings classified as short and long term categories are as follows:-

Short term borrowings	<b>RM'000</b>
- Secured	207,961
- Unsecured	-
	<u>207,961</u>
Long-term borrowings	
- Secured	247,264
- Unsecured	-
	<u>247,264</u>
Total	<u><u>455,225</u></u>

**12. Financial instruments with off balance sheet risk**

There was no off balance sheet financial instrument during the financial quarter under review.

**13. Material litigation**

The Group does not have any material litigation during the financial period under review.

14. Earnings per share

	Current year quarter	Preceding year corresponding quarter	Current year to- date	Preceding year corresponding
	RM'000	RM'000 (RESTATED)	RM'000	RM'000 (RESTATED)
a) Basic earnings per share				
Net profit attributable to owners for the period	5,617	5,897	13,411	11,915
Weighted average number of ordinary shares in issue	399,630	400,359	399,630	400,359
Basic earnings/(loss) per share (sen)	<u>1.41</u>	<u>1.47</u>	<u>3.36</u>	<u>2.98</u>
b) Diluted earnings per share				
Diluted earnings per share (sen)	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>