



2ND QUARTER  
INTERIM REPORT  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019

Interim Report For The Financial Period Ended 31 December 2019  
(The figures have not been audited)

<b>CONTENTS</b>	<b>PAGES</b>
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	1
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	2
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	3
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	4
EXPLANATORY NOTES TO THE INTERIM REPORT	5 - 12

Interim Report For The Financial Period Ended 31 December 2019  
 ( The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE PERIOD ENDED 31 DECEMBER 2019

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.12.2019 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2018 RM'000	CURRENT YEAR TO DATE 31.12.2019 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.12.2018 RM'000
Revenue	105,707	114,458	210,827	209,962
Operating expenses	(89,261)	(102,441)	(170,753)	(183,446)
Other operating income	622	2,495	2,846	4,689
Profit from operations	17,068	14,512	42,920	31,205
Finance cost	(2,863)	(2,607)	(4,428)	(5,575)
Profit before taxation	14,205	11,905	38,492	25,630
Taxation	(2,437)	(2,571)	(6,827)	(5,842)
Profit after taxation	11,768	9,334	31,665	19,788
Other Comprehensive Income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>11,768</b>	<b>9,334</b>	<b>31,665</b>	<b>19,788</b>
<b>Profit attributable to:</b>				
Owners of the Company	8,284	5,617	21,833	13,411
Non Controlling Interest	3,484	3,717	9,832	6,377
	<b>11,768</b>	<b>9,334</b>	<b>31,665</b>	<b>19,788</b>
<b>EPS - Basic (sen)</b>	<b>2.07</b>	<b>1.41</b>	<b>5.46</b>	<b>3.36</b>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Annual Financial Report for the year ended 30th June 2019)

Interim Report For The Financial Period Ended 31 December 2019  
( The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
FOR THE PERIOD ENDED 31 DECEMBER 2019

	(UNAUDITED) AS AT 31.12.2019 RM'000	(AUDITED) AS AT 30.06.2019 RM'000
<b>Non Current Assets</b>		
Property, plant and equipment	50,494	50,361
Investment properties	57,304	57,775
Inventories	255,080	337,664
Deferred tax assets	-	2,225
<b>Current assets</b>		
Inventories	594,339	649,035
Tax recoverable	13,901	10,324
Trade and other receivables	174,335	122,664
Contract assets	138,977	20,591
Fixed deposits with licensed banks	732	165
Cash and bank balances	33,601	22,858
	955,885	825,637
<b>Current liabilities</b>		
Trade and other payables	216,096	257,653
Contract liabilities	170,809	59,347
Short term borrowings	132,604	161,631
Bank overdrafts	48,402	50,081
Current tax liabilities	8,076	1,036
	575,987	529,748
Net current assets	379,898	295,889
<b>Total Assets</b>	742,776	743,914
<b>Shareholders' Funds</b>		
Share capital	206,250	206,250
Treasury shares	(3,373)	(3,371)
Revaluation reserves	6,788	6,788
Retained earnings	274,783	252,950
Non Controlling Interest	52,226	42,394
	536,674	505,011
Long term borrowings	204,820	235,396
Deferred tax liabilities	1,282	3,507
<b>Total Equities and Liabilities</b>	742,776	743,914
Net assets per share (RM)	1.18	1.12

( The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Annual Financial Report for the year ended 30th June 2019)

Interim Report For The Financial Period Ended 31 December 2019  
 ( The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
 FOR THE PERIOD ENDED 31 DECEMBER 2019**

	Share capital RM'000	Non-distributable		Distributable	Total RM'000	Non Controlling Interest RM'000	Total Equity RM'000
		Revaluation surplus RM'000	Treasury shares RM'000	Retained earnings RM'000			
At 01.07.2019	206,250	6,788	(3,371)	252,950	462,617	42,394	505,011
Transactions with owners:							
Share buy-back	-	-	(2)	-	(2)	-	(2)
Total comprehensive income	-	-	-	21,833	21,833	9,832	31,665
At 31.12.2019	<u>206,250</u>	<u>6,788</u>	<u>(3,373)</u>	<u>274,783</u>	<u>484,448</u>	<u>52,226</u>	<u>536,674</u>
At 01.07.2018	206,250	6,788	(3,168)	213,940	423,810	24,429	448,239
Transactions with owners:							
Share buy-back	-	-	(118)	-	(118)	-	(118)
Total comprehensive income	-	-	-	13,411	13,411	6,377	19,788
At 31.12.2018	<u>206,250</u>	<u>6,788</u>	<u>(3,286)</u>	<u>227,351</u>	<u>437,103</u>	<u>30,806</u>	<u>467,909</u>

( 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 2019)

Interim Report For The Financial Period Ended 31 December 2019  
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 DECEMBER 2019

	6 MONTHS ENDED 31.12.2019 RM'000	6 MONTHS ENDED 31.12.2018 RM'000
<b><u>Operating activities</u></b>		
Profit after taxation	31,665	19,788
Adjustments for non-cash items	11,419	7,673
Operating profit before working capital changes	<u>43,084</u>	<u>27,461</u>
Trade & other receivables	(62,414)	(7,460)
Contract asset	(118,387)	-
Inventories	(625)	19,549
Property development cost	137,906	24,410
Trade payables and Other payables	(41,557)	(24,630)
Contract liabilities	111,462	-
Net change in working capital	<u>69,469</u>	<u>39,330</u>
Net Interest	(4,428)	5,575
Tax paid / (refund)	3,158	(3,316)
<b>Net operating cashflow</b>	<b><u>68,199</u></b>	<b><u>41,589</u></b>
<b><u>Investing activities</u></b>		
Purchase of property, plant and equipment	(133)	-
Disposal of investment property	471	-
<b>Net cash generated from investing activities</b>	<b><u>338</u></b>	<b><u>-</u></b>
<b><u>Financing activities</u></b>		
Changes in bank borrowings	(54,814)	(15,001)
Purchase of treasury shares	(2)	(118)
Fixed deposits pledged to a licensed bank	(567)	(391)
<b>Net cash used in financing activities</b>	<b><u>(55,383)</u></b>	<b><u>(15,510)</u></b>
<b>Net increase in cash and cash equivalents for the financial period</b>	<b>13,154</b>	<b>26,079</b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>(27,223)</b>	<b>(33,879)</b>
<b>Cash and cash equivalents at end of financial period</b>	<b><u>(14,069)</u></b>	<b><u>(7,800)</u></b>

( The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Annual Financial Report for the year ended 30th June 2019)

**Notes to the Interim Report For The Financial Period Ended 31 December 2019**  
**( The figures have not been audited)**

**A. EXPLANATORY NOTES**

**A1. Basis of Preparation**

The interim financial report is unaudited and has been prepared in accordance with Malaysia Financial Reporting Standards ("MFRS") 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 2019.

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 2019, except for the adoption of the following standards and amendments to published standards which are effective for the financial period commencing after 1 July 2019:

- (a) MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards
- (b) MFRS 9: Financial Instruments (IFRS 9 as issued by IASB in July 2014).
- (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 2019. None of them are expected to have a significant effect on the consolidated financial statements of the Group.

Under MFRS 1,9 and 15, the Group has adopted this framework effective in financial year 2019.

**A2. Status of Audit Qualifications**

The audited financial statements of the Group for the year ended 30 June 2019 was not subject to any audit qualification.

**A3. 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.

**A4. Unusual Items**

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

**A5. 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.

**A6. 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 12,879,200 shares from the open market at an average purchase price of RM0.26 per share. The total consideration paid for the share buy-back, inclusive of transaction costs amounted to RM3,375,323.11. The shares bought back are held as treasury shares in accordance with Section 127 of the Companies Act, 2016.

Notes to the Interim Report For The Financial Period Ended 31 December 2019  
( The figures have not been audited)

A. EXPLANATORY NOTES

A7. Dividend

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

A8. 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 : Provision of Rent
- 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><u>6 Months Ended 31.12.2019</u></b>						
Revenue						
External revenue	204,020	5,954	853	-	-	210,827
Inter-segment revenue	-	17,492	-	-	(17,492)	-
<b>Total</b>	<b>204,020</b>	<b>23,446</b>	<b>853</b>	<b>-</b>	<b>(17,492)</b>	<b>210,827</b>
Adjusted EBITDA	56,379	(1,120)	729	-	(12,245)	43,743
<b><u>6 Months Ended 31.12.2018</u></b>						
Revenue						
External revenue	197,894	10,517	1,551	-	-	209,962
Inter-segment revenue	-	15,124	-	-	(15,124)	-
<b>Total</b>	<b>197,894</b>	<b>25,641</b>	<b>1,551</b>	<b>-</b>	<b>(15,124)</b>	<b>209,962</b>
Adjusted EBITDA	41,314	1,463	323	-	(10,587)	32,513
<b><u>Total segment assets</u></b>						
31.12.2019	1,468,092	76,900	31,053	-	(257,282)	1,318,763
31.12.2018	1,413,922	139,927	31,869	1	(370,387)	1,215,332
<b><u>Total segment liabilities</u></b>						
31.12.2019	828,305	69,056	15,660	-	(130,932)	782,089
31.12.2018	809,626	116,284	15,875	2	(265,037)	676,750



Notes to the Interim Report For The Financial Period Ended 31 December 2019  
 ( The figures have not been audited)

A. EXPLANATORY NOTES

A8. Segment Information ( Cont' )

	31.12.2019 RM'000	31.12.2018 RM'000
<b>A reconciliation of total adjusted EBITDA</b>		
Adjusted EBITDA	43,743	32,513
Finance income	131	101
Finance cost	(4,428)	(5,575)
Tax	(6,827)	(5,842)
Depreciation	(954)	(1,409)
Net profit for the financial period	31,665	19,788

Reportable segments assets are reconciled to total assets as follows:

	31.12.2019 RM'000	31.12.2018 RM'000
Total segment assets	1,304,862	1,202,700
Tax recoverable	13,901	12,632
Consolidated total assets (as per Statement of Financial Position)	<u>1,318,763</u>	<u>1,215,332</u>

Reportable segments liabilities are reconciled to total liabilities as follows:

	31.12.2019 RM'000	31.12.2018 RM'000
Total segment liabilities	782,089	676,750
Tax payable	-	-
Consolidated total liabilities (as per Statement of Financial Position)	<u>782,089</u>	<u>676,750</u>

A9. 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.

A10. Material events not reflected in interim period.

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

A11. Changes in the Composition of the Group

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

A12. Contingent Liabilities

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

A13. Capital Commitments

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

Notes to the Interim Report For The Financial Period Ended 31 December 2019  
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A. EXPLANATORY NOTES

A14. 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 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) 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 recurrent related party transactions between BCB Group and the interested related parties are as follows:

		Quarterly Period Ended 31.12.2019 RM'000	Quarterly Period Ended 31.12.2018 RM'000
<b><u>Marvel Plus Development Sdn Bhd</u></b>			
BCB Construction Sdn Bhd	- Building construction services	2,233	606
BCB Resources Sdn Bhd	- Hiring of machinery	5	-
<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 (Johor) Sdn Bhd</u></b>			
BCB Construction Sdn Bhd	- Building construction services	-	-

Notes to the Interim Report For The Financial Period Ended 31 December 2019  
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A. EXPLANATORY NOTES

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

B1. Review of Performance of the Group for the Current Quarter and Cumulative Quarter

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31.12.2019 RM'000	31.12.2018 RM'000	31.12.2019 RM'000	31.12.2018 RM'000
<b>Revenue</b>				
Property Development	101,990	108,340	204,020	199,475
Construction	3,289	5,490	5,954	10,484
Hotel and related activities	428	628	853	3
	<u>105,707</u>	<u>114,458</u>	<u>210,827</u>	<u>209,962</u>
<b>Profit /(loss) Before Tax</b>				
Property Development and others	15,796	11,987	39,425	25,165
Construction	(1,876)	(7)	(1,659)	625
Hotel and related activities	285	(75)	726	(160)
	<u>14,205</u>	<u>11,905</u>	<u>38,492</u>	<u>25,630</u>

- a) The Group recorded a decrease in revenue amounting to RM 8.7 million compared to previous corresponding quarter. Nevertheless, the profit before tax has increased by 19% or RM 2.30 million. Segments performance for the current quarter under review are as follow:-

**Property Development**

The revenue decreased by RM 6.35 million compared to previous corresponding quarter. The decrease in revenue was mainly due to projects near completion namely, project Elysia Park Residences @ Medini and Bandar Putera Indah @ Batu Pahat. In line with the decrease in revenue, the profit before tax increased by RM 3.81 million due to lower marketing and promotion expenditure during the quarter.

**Construction**

The construction division revenue and profit before tax decreased by RM 2.2 million and RM 1.87 million respectively compare to previous corresponding period. The decrease was attributable to project near completion within the financial period.

**Hotel**

The group had on 1st January 2019 leased out the hotel operations. The current quarter revenue was mainly generated from the leasing income received from hotel operator.

Notes to the Interim Report For The Financial Period Ended 31 December 2019  
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**A. EXPLANATORY NOTES**

**B1. Review of Performance of the Group for the Current Quarter and Cumulative Quarter (Cont')**

- b) For the cumulative quarter, the Group's profit before tax has increased by RM 12.86 million compared to previous cumulative corresponding period. The cumulative revenue remained consistent since the previous financial period. The Group's cumulative quarter performance by segment is as follows:

**Property Development**

The revenue and profit before tax increased by 2% and 8%, or RM 4.5 million and RM 14.26 million respectively compared to previous cumulative corresponding period. The increase in revenue were mainly contributed from projects Broadleaf @ HomeTree at Kota Kemuning and Elysia Park Residences @ Medini.

**Construction**

Construction division recorded a decrease in revenue and profit before tax by RM 4.5 million and RM 2.28 million as compared to previous corresponding period. The reduction in revenue and loss before tax were due to existing projects near completion.

**Hotel**

Since 1st January 2019, the Group had leased out the hotel business to hotel operator. The cumulative revenue and profit before tax were attributable by leasing income received from hotel operator and administrative expenditure incurred.

**B2. Material Changes in Profit Before Taxation for the Quarter Reported On as Compared with the Immediate Preceding Quarter**

The Group profit before tax decreased from RM 24.29 million in the preceding quarter to RM 14.21 million in the current quarter. This is mainly due to less project progress recognition from project Elysia Park Residence @ Medini. For current quarter under review, the profit before tax was mainly contributed from project Broadleaf @ HomeTree and Versis @ Batu Pahat.

**B3. Prospects for the Financial Year**

The property market has been very challenging for the past 3 years given the cautious sentiments and overall sluggish economy activities. For the remaining financial year 2020, the Group will increase the marketing efforts and initiative to attract more potential buyers.

**B4. Variance on Profit Forecast**

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

Notes to the Interim Report For The Financial Period Ended 31 December 2019  
( The figures have not been audited)

A. EXPLANATORY NOTES

B5. Profit for the period

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

	Current 31.12.2019 RM'000	Cumulative year to-date 31.12.2019 RM'000
Interest Income	87	131
Other Income	666	2,846
Interest expenses	(2,863)	(4,428)
Depreciation and amortisation	(315)	(954)

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.

B6. Taxation

Taxation consists of the followings:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 31.12.2019 RM'000	PRECEDING CORRESPONDING QUARTER 31.12.2018 RM'000	CURRENT YEAR TO DATE 31.12.2019 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.12.2018 RM'000
Income tax				
- current financial period	2,437	2,571	6,827	5,842
- prior year	-	-	-	-
	<u>2,437</u>	<u>2,571</u>	<u>6,827</u>	<u>5,842</u>

The effective tax rate for the financial year to-date is lower than the statutory tax rate due to tax exemption for certain subsidiary.

B7. Profit / (loss) on sale of unquoted investments and / or properties.

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

B8. Quoted Securities

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

B9. Status of Corporate Proposal

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

B10. Dividend

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

Notes to the Interim Report For The Financial Period Ended 31 December 2019  
 ( The figures have not been audited)

A. EXPLANATORY NOTES

B11. Group Borrowings

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

	RM'000
<b>Short term borrowings</b>	
- Secured	181,006
- Unsecured	-
	<u>181,006</u>
<b>Long-term borrowings</b>	
- Secured	204,820
- Unsecured	-
	<u>204,820</u>
<b>Total Borrowing</b>	<u><u>385,826</u></u>

B12. Financial instruments with off balance sheet risk

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

B13. Material litigation

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

B14. Earnings per share

	Individual		Cumulative	
	Current year quarter RM'000	Preceding year corresponding quarter RM'000	Current year to- date RM'000	Preceding year corresponding RM'000
<b>a) Basic earnings per share</b>				
Net profit attributable to owners for the period	8,284	5,617	21,833	13,411
Weighted average number of ordinary shares in issue	399,621	399,630	399,621	399,630
Basic earnings/(loss) per share (sen)	<u>2.07</u>	<u>1.41</u>	<u>5.46</u>	<u>3.36</u>
<b>b) Diluted earnings per share</b>				
Diluted earnings per share (sen)	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>